



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of Virginia Death Information
Against the Social Security
Administration Records

A-15-18-50680 | October 2020



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: October 16, 2020

Refer To:

To: The Commissioner

From: Inspector General

Subject: Match of Virginia Death Information Against the Social Security Administration Records (A-15-18-50680)

The attached final report presents the results of the Office of Audit's review. The objectives were to (1) determine whether the Social Security Administration made payments to beneficiaries and/or representative payees who were deceased according to Virginia's Department of Health, Division of Vital Records, and (2) identify non-beneficiaries in the Commonwealth's files whose death information did not appear in Agency records.

If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit, at 410-965-9700.

A handwritten signature in cursive script that reads "Gail S. Ennis".

Gail S. Ennis

Attachment

Match of Virginia Death Information Against the Social Security Administration Records

A-15-18-50680



October 2020

Office of Audit Report Summary

Objectives

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and/or representative payees who were deceased according to Virginia's Department of Health, Division of Vital Records, and (2) identify non-beneficiaries in the Commonwealth's files whose death information did not appear in Agency records.

Background

To identify and prevent payments after death, SSA established a program under which States can voluntarily contract with SSA to provide it death data to match against its records. Through Electronic Death Registration (EDR), States electronically submit death records to SSA. If the decedent's data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries. Virginia began reporting deaths to SSA through the EDR process on November 3, 2014. In addition to EDR, SSA receives death information from other sources, such as family members and funeral directors.

We obtained the personally identifiable information of approximately 1.85 million numberholders the Virginia Department of Health recorded as deceased between January 1979 and October 2014. We matched the data against SSA's payment records and Numident file.

Findings

We estimate SSA issued approximately \$5.4 million in payments after death to 42 beneficiaries and 6 representative payees whom the Commonwealth of Virginia recorded as deceased from January 1979 through October 2014. If SSA were to correct these discrepancies, it would prevent approximately \$629,000 in additional improper payments after death over a 12-month period. We also identified 27,172 non-beneficiaries who were deceased according to the Virginia Department of Health but whose death information was not in SSA's Numident at the time of our review.

The Numident contained death information for each of the six representative payees. However, at the time of our data match, SSA had not replaced them. By June 2020, SSA had replaced five and suspended payments to one.

Agency Actions Resulting from the Audit

As of September 2020, SSA had terminated benefits to 30 of the 42 deceased beneficiaries and 5 of the 6 representative payees. SSA had also initiated recovery of \$2 million in improper payments. SSA or our Office of Investigations is reviewing the remaining cases.

Recommendation

We recommend SSA take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the remaining deceased beneficiaries we identified.

SSA agreed with our recommendation.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
EDR	Electronic Death Registration
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
Stat.	Statutes at Large
U.S.C.	United States Code

OBJECTIVES

Our objectives were to (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries¹ and/or representative payees² who were deceased according to Virginia’s Department of Health, Division of Vital Records, and (2) identify non-beneficiaries³ in the Commonwealth’s files whose death information did not appear in Agency records.

BACKGROUND

In February 2020, SSA paid approximately \$94 billion to approximately 69 million beneficiaries under the Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs.⁴ Under these programs, payment to a beneficiary terminates when the individual dies.⁵

To identify and prevent payments after death, the *Social Security Act*⁶ requires that SSA establish a program under which States can voluntarily contract with SSA to provide it death data to match against its records. SSA and the States developed the Electronic Death Registration (EDR) process to improve the accuracy and timeliness of death information. Through EDR, States electronically submit death reports to SSA, and SSA verifies the Social Security number online and in real-time. If the decedent’s data match SSA records, SSA automatically posts the State death information to the Numident, an SSA database that stores personally identifiable information for all Social Security numberholders,⁷ and terminates payments to deceased beneficiaries. Virginia began reporting deaths to SSA through the EDR process on November 3, 2014. In addition to EDR, SSA receives death information from other sources, such as family members and funeral directors. SSA uses Numident information to create a file of death information it shares with other Federal benefit-paying agencies.⁸

¹ We use the term “beneficiary” throughout this report in reference to OASDI beneficiaries and/or SSI recipients in current payment status.

² SSA appoints a representative payee to receive and manage benefit payments when SSA determines it serves the individual’s best interest regardless of legal competency or the individual’s incompetency. *Social Security Act*, 42 U.S.C. §§ 405(j) and 1383(a)(2)(A)(ii) (govinfo.gov 2018).

³ Non-beneficiaries refers to deceased individuals who were not in current payment status as of January 2019.

⁴ SSA, *Monthly Statistical Snapshot*, February 2020.

⁵ 20 C.F.R. §§ 404.311(b), 404.316(b)(1), and 416.1334 (govinfo.gov 2019).

⁶ *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁷ SSA, *POMS*, GN 02602.050, A (September 3, 2019).

⁸ Other Federal agencies include the Railroad Retirement Board, Centers for Medicare and Medicaid Services, Internal Revenue Service, Department of Veterans Affairs, and Office of Personnel Management.

When a representative payee dies, SSA must replace the payee or send payments directly to the beneficiary. SSA may pay the beneficiary directly on an interim basis until it finds a suitable payee or on a permanent basis if it determines the beneficiary is capable of managing his/her own benefits.⁹ The *Social Security Act* requires that SSA establish a system of accountability for monitoring representative payees.¹⁰ If a representative payee dies and is not replaced, SSA cannot be sure the funds are being used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care.¹¹

SSA contracted with Virginia to study its historical death records.¹² SSA's Office of Information Security provided us this information for further review. We obtained from SSA the personally identifiable information of approximately 1.85 million Social Security numberholders the Virginia Department of Health recorded as deceased between January 1979 and October 2014. Our match of the data against SSA payment and Numident records identified 53 beneficiaries and/or representative payees in current payment status. We also identified 27,172 non-beneficiaries who were not receiving Social Security benefits and whose death information did not appear in SSA's Numident at the time of our review. We obtained, and provided SSA, death certificates for the OASDI beneficiaries, SSI recipients, and representative payees in current payment status. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

We referred to SSA 53 beneficiaries and representative payees who may have received improper payments after death. SSA stated 5 were alive and 48 were either confirmed deceased or still under investigation (see Appendix A for additional information). Of the 48 cases, SSA issued approximately \$5.4 million in payments after the deaths for 42 beneficiaries and 6 representative payees whom the Virginia Department of Health recorded as having died between January 1979 and October 2014.¹³ SSA stated, "In April 2020, SSA confirmed 5 beneficiaries were alive, 23 beneficiaries were deceased, and 25 beneficiaries were still under investigation." In September 2020, SSA provided an update stating 13 beneficiaries were under investigation. If SSA were to correct these discrepancies, it would prevent approximately \$629,000 in additional improper payments after death over a 12-month period. We also identified 27,172 non-beneficiaries who were deceased according to the Commonwealth of Virginia but whose death

⁹ 20 C.F.R. §§ 404.2050, 416.650, 404.2055, and 416.655 (govinfo.gov 2019). SSA may suspend payment under 20 C.F.R. §§ 404.2011(b) and 416.611(b) (govinfo.gov 2019) if it finds that paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

¹⁰ *Social Security Act*, 42 U.S.C. §§ 405(j)(3)(A) and (6) and 1383(a)(2)(C)(i), (F)(iv), and (G) (govinfo.gov 2018).

¹¹ 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2019).

¹² SSA obtained death data from Virginia, North Dakota, South Dakota, Maryland, and Michigan for a reconciliation project in 2015.

¹³ While we took steps to ensure the death certificates for all 42 deceased beneficiaries belonged to the true numberholders, the true numberholders could be alive. See Appendix A for more information about the steps we took to determine whether the true numberholder was deceased.

information was not in SSA's Numident at the time of our review. We did not determine why the deaths we identified were not in SSA's Numident or whether Virginia reported those deaths to SSA.

The Numident contained death information for each of the six representative payees; however, SSA had not replaced the representative payees when we conducted our data match. In several prior audits,¹⁴ we found SSA had not always replaced representative payees or determined whether the beneficiaries still needed representative payees after it posted death information to the representative payees' Numident records.

Payments Issued to Deceased Beneficiaries

SSA issued approximately \$5.2 million in payments after death to 42 beneficiaries the Commonwealth of Virginia recorded as deceased between January 1979 and October 2014. Examples follow.

- A disability beneficiary died in August 1996. SSA records did not contain a date of death and therefore SSA issued approximately \$350,000 in payments after death. We referred this case to SSA in September 2019. SSA terminated benefits in March 2020. As of June 2020, SSA had initiated recovery of the improper payments.
- A disability beneficiary died in May 2011. SSA records did not contain a date of death and therefore SSA issued approximately \$229,000 in payments after death. We referred this case to SSA in September 2019. SSA terminated benefits in March 2020. As of June 2020, SSA had initiated recovery of the improper payments.
- A disability beneficiary died in November 1999. SSA records did not contain a date of death and therefore SSA issued approximately \$275,000 in payments after death. We referred this case to SSA in September 2019. SSA terminated benefits in December 2019. As of June 2020, SSA had initiated recovery of the improper payments.
- A disability beneficiary died in June 2012. SSA records did not contain a date of death and therefore SSA issued approximately \$118,000 in payments after death. We referred this case to SSA in September 2019. SSA terminated benefits in March 2020. As of June 2020, SSA had initiated recovery of the improper payments.

¹⁴ SSA, OIG, *Follow-up on Deceased Representative Payees*, A-01-18-50350 (July 2019); *Deceased Representative Payees*, A-01-14-34112 (June 2015); *Follow-up on the Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-06-16054 (October 2006); and *The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-98-61009 (September 1999).

On November 3, 2014, Virginia began reporting deaths to SSA through the EDR process. Each of the 42 beneficiaries SSA improperly paid died *before* the Commonwealth began reporting death information via EDR in November 2014 (see Table 1). We issued a separate report on a review that assessed the effectiveness of the EDR process.¹⁵ We also noted 34 (81 percent) of the 42 beneficiaries died from 2006 through 2014.¹⁶

Table 1: Beneficiaries Whose Personally Identifiable Information Matched that of Deceased Individuals in Commonwealth of Virginia Death Data

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1979-1987	0	0.0
1988-1996	4	9.5
1997-2005	4	9.5
2006-2014	34	81.0
Total	42	100.0

In September 2019, we provided SSA with personally identifiable information and death certificates for all 42 referrals. We estimate identifying and correcting these discrepancies will prevent approximately \$582,000 in additional payments after death over a 12-month period.¹⁷

Payments to Deceased Representative Payees

We identified six deceased representative payees to whom SSA had issued approximately \$270,000 in payments after death. The Numident contained death information for each of the six representative payees; however, at the time of our review, SSA had not replaced them.

In September 2019, we provided SSA with information on the six representative payees and death certificates for all six referrals. By June 2020, SSA had replaced five and suspended payments to one of the deceased representative payees, which prevented \$47,000 in additional improper payments after death over a 12-month period.¹⁸

¹⁵ On September 21, 2020, we issued the report on *The Social Security Administration's Rejection of State Electronic Death Registration Reports, A-08-18-50499*.

¹⁶ SSA issued payments after death to less than 1 percent of the 1.85 million beneficiaries who were deceased according to the Virginia Division of Vital Records.

¹⁷ We based this estimate on the assumption that conditions would remain the same over the 12 months. To estimate the annual amount of overpayments that would occur without corrective action, we identified the most recent payment before referral/corrective action for each record and multiplied it by 12 months.

¹⁸ See Footnote 17.

Deceased Non-beneficiaries

We identified 27,172 non-beneficiaries¹⁹ who were deceased according to the Commonwealth of Virginia but who did not have death information in SSA’s Numident at the time of our review. All of the 27,172 non-beneficiaries died *before* the Commonwealth began reporting death information via EDR in November 2014 (see Table 2).

Table 2: Non-beneficiaries Whose Personally Identifiable Information Matched that of Deceased Individuals in the Commonwealth of Virginia Death Data

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1979-1987	5,612	20.7
1988-1996	10,969	40.4
1997-2005	7,544	27.8
2006-2014	3,047	11.2
Total	27,172	100.0

Note: Difference due to rounding

In September 2019, we provided SSA with data that identified 27,172 non-beneficiaries for it to take the necessary action. SSA stated it was “. . . simultaneously reviewing these records as part of its [Information Technology] Modernization efforts prior to [OIG’s] review.” The Agency further stated, “As a part of SSA’s [Information Technology] Modernization efforts, SSA posted death information for non-beneficiaries for all records from the Virginia file that passed the agency’s extensive screening process through three runs on June 16, 2019; July 21, 2019, and September 29, 2019.” At the conclusion of our audit, SSA informed us it had

- posted 16,827 dates of death,
- not posted 10,331 dates of death because they did not meet SSA’s matching requirements, and
- removed 14 dates of death that were previously posted to the Numident.

¹⁹ We matched Virginia death records that included a validated Social Security number, name, and date of birth (per SSA’s Enumeration Verification System process) against SSA’s Numident. We excluded individuals who were receiving OASDI benefits or SSI payments.

By resolving these discrepancies, the Agency reduced its exposure to future improper payments and improved the accuracy and completeness of the death information it shares with other Federal benefit-paying agencies.²⁰

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of September 2020, SSA had terminated benefits to 30 of the 42 deceased beneficiaries and 5 of 6 representative payees. SSA had also initiated recovery of \$2 million in improper payments. SSA or the Office of Investigations continues reviewing the remaining cases.²¹

RECOMMENDATION

We recommend SSA take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the remaining deceased beneficiaries we identified.

AGENCY COMMENTS

SSA agreed with our recommendation. SSA's comments are included in Appendix B.



Michelle L. Anderson
Assistant Inspector General for Audit

²⁰ Although SSA shares its death information with other Federal benefit-paying agencies, those agencies should independently verify the individual's death before they take adverse action. Also, based on January 2013 legislation, SSA was taking steps to improve the accuracy of its death information; *Improper Payments Elimination and Recovery Improvement Act of 2012*, Pub. L. No. 112-248, § 5(g)(1), 126 Stat. 2390, p. 2396 (2013).

²¹ The Office of Investigations will notify SSA when it can take appropriate administrative action for the cases under its review as of June 2020.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed Federal laws and regulations related to death matches with State agencies; the Social Security Administration’s (SSA) policies and procedures; and prior Office of the Inspector General reports.
- Obtained Virginia Department of Health death data and identified approximately 1.85 million recorded death events between January 1979 and October 2014. Through prior discussions with the Agency and our review of the data, we identified questionable gender identifiers in the death data. We processed these records through SSA’s Enumeration Verification System and performed additional testing of the results to ensure the gender identifier did not substantively affect the results when omitted. Additionally, we and the Agency identified marginally higher levels of potential data entry error in the Commonwealth file compared to similar death audits regarding maiden and married name inversion. To mitigate potential effects on results, we inverted the name fields for only the affected population, as identified by the initial Enumeration Verification System results, and processed only these records through SSA’s System a second time. We matched these results with the Agency’s payment records, reviewing and removing erroneous results, and identified the following:
 - 47 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status whose names and dates of birth matched those of deceased individuals in the Virginia death data.
 - Reviewed SSA’s systems, Virginia death data, LexisNexis, and public records, as necessary.
 - Determined whether SSA (a) documented substantive contact with the beneficiary after the date of death in Virginia records; (b) had previously determined the beneficiary was a victim of identity theft; or (c) listed two individuals on the same Numident record, and the deceased individual was not the beneficiary. If so, we considered the beneficiary to be alive, and if not, we considered the beneficiary to be deceased.
 - Obtained Virginia death certificates and referred the 47 cases to SSA.
 - Calculated improper payments for the 42 deceased beneficiaries (excluding the 5 beneficiaries SSA stated were alive).¹

¹ We matched the Social Security number, name, and date of birth on Virginia Department of Health vital records death data with SSA’s Numident for 37 of the 42 deceased beneficiaries. For the remaining five deceased beneficiaries, the name and date of birth on the Virginia Department of Health vital records death data matched SSA’s Numident, but the Social Security number did not match. However, we matched additional identifying information from the death data with SSA records to confirm the death data belonged to the true numberholder.

- 6 representative payees to whom SSA was issuing benefit payments on behalf of other beneficiaries as of September 2019 and whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Virginia death data.
 - Obtained Virginia death certificates and referred the six cases to SSA.
 - Calculated improper payments for six deceased representative payees.
- 27,172 individuals² whose Social Security numbers, names, and dates of birth matched those of deceased non-beneficiaries in the Virginia death data but whose death information was not in SSA's Numident as of April 2019. We referred these cases to SSA.

We conducted our audit from January 2019 to March 2020 at SSA Headquarters in Woodlawn, Maryland. We determined the data used for this audit were sufficiently reliable to meet our audit objectives. We assessed the significance of internal controls necessary to satisfy the audit objectives. We determined that internal controls were not significant to the audit objectives; therefore, we did not assess the design, implementation, or operating effectiveness of internal controls.

The primary entities audited were the Offices of the Deputy Commissioners for Operations and Systems. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

² This is in reference to deceased individuals who were not receiving Social Security benefits or Supplemental Security Income payments at the time of our review. Of the 27,172 non-beneficiary records, 8,392 never applied for benefits and the remaining 18,780 either had applied and were denied or were not receiving benefits.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 25, 2020

Refer To:

To: Gail S. Ennis
Inspector General

Stephanie Hall

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Match of Virginia Death Information Against Social Security Administration Records" (A-15-18-50680) – INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendation. We will act on the remaining cases when the Office of Investigations completes its work and sends them to us. Additionally, we continue to make improvements to our death information to promote program integrity and prevent improper payments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

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