

# Payments to Individuals Whose Numident Record Contained a Death Entry

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Office of Audit Report Summary

### Objective

To determine the appropriateness of benefits paid to individuals whose Numident record contained a date of death.

### Background

The Social Security Administration (SSA) matches States' death records against SSA payment records to identify and prevent erroneous payments after death. In addition, SSA matches death records from other Federal, State, and local public assistance agencies.

SSA uses its Death Alert, Control, and Update System to receive and process death information, terminate payments when a beneficiary dies, and produce a national record of death information, known as the Death Master File. During Calendar Year 2011, SSA terminated benefit payments to more than 2.1 million deceased individuals.

In May 2012, we identified 2,475 numberholders who received about \$2.4 million in monthly Old-Age, Survivors and Disability Insurance benefits and/or Supplemental Security Income payments although the Numident indicated they had died in January 2012 or earlier. Our review focused on the appropriateness of continued payments to these individuals.

### Our Findings

SSA paid 2,475 beneficiaries for months or even years after it received notification they were deceased. SSA received death reports for these beneficiaries and recorded dates of death on the Numident. However, SSA did not record the death information on the beneficiary's payment record or terminate benefit payments.

Prior audit work has indicated a likelihood that some death entries on the Numident were erroneous, and beneficiaries were actually alive. However, we determined that 1,546 of the 2,475 beneficiaries had death certificate information on the Numident. Prior audit work has also shown that death certificate information on the Numident was a reliable indicator that the individual was deceased. System interfaces designed to prevent or detect payments to deceased beneficiaries failed in these instances.

SSA improperly paid the 1,546 beneficiaries approximately \$31 million. Further, SSA will make approximately \$15 million in additional improper payments over the next 12 months if the discrepancies are not corrected.

### Our Recommendations

We recommend that SSA:

- Verify the beneficiaries' current status and take appropriate action to remove erroneous death entries or terminate benefits.
- Evaluate the feasibility of a systems enhancement that would ensure death entries appearing on beneficiaries' primary payment records are propagated onto their auxiliary payment records.
- Implement a compensating control, until an effective systems enhancement is implemented, to periodically identify and review instances where individuals with a death entry on the Numident continue to receive payments.

SSA agreed with our recommendations.