

Payments to Individuals with Deaths Reported in California from 1980 to 1987

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August 2014

Office of Audit Report Summary

Objective

To determine the appropriateness of continued benefit payments to individuals who, according to California Department of Public Health (CDPH) vital statistics data files, died in California between January 1980 and December 1987.

Background

In August 2010, we investigated approximately 60 fraudulent retirement claims that were filed using the Social Security Administration's (SSA) online application process. The investigation revealed that an individual and two accomplices used death information of individuals who died in California in the 1980s and filed retirement benefit claims using the deceased individuals' personally identifiable information (PII).

We obtained CDPH data that identified the PII of approximately 1.2 million numberholders who died in California between 1980 and 1987. We matched the data against SSA records.

Our Findings

At the time of our audit, SSA issued benefit payments to 22 individuals whose PII matched that of individuals who died in California during the 1980s. We obtained California death certificates for each of the 22 beneficiaries and forwarded fraud referrals to our Office of Investigations (OI).

- OI determined that 3 of the 22 beneficiaries were alive. In these instances, it appeared that California issued death certificates upon the deaths of identity thieves who used these SSNs to work in the 1970s and 1980s. It appeared that SSA erroneously incorporated the identity thieves' work activity into all three beneficiaries' payment computations, resulting in as much as \$186,000 in overpayments.
- SSA stated that one beneficiary is likely alive and the victim of an identity thief. SSA is in the process of verifying the beneficiary's identity.
- OI determined that 14 beneficiaries were deceased. OI and SSA determined that SSA issued approximately \$3 million in improper payments in these cases.
- Investigations are in progress in the four remaining cases. If the numberholders are confirmed deceased, we estimate that SSA issued an additional \$598,350 in improper payments. Our investigators will pursue criminal charges and work with SSA to terminate the payments, as appropriate.

Another 64,193 numberholders with no death entry on the Numident were likely deceased. In most cases, the numberholders' name, SSN, and date of birth matched that of deceased individuals in CDPH death records. None of the 64,193 numberholders was receiving SSA payments at the time of our review. On June 12, 2014, we forwarded a data file to SSA identifying the 64,193 numberholders. Resolving these discrepancies will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the Death Master File.

Our Recommendations

We made two recommendations for corrective action. SSA agreed with one of the recommendations.