



September 3, 2025

MEMORANDUM REPORT

TO: David Foley
Chief of Benefits Administration

FROM: John Seger
Assistant Inspector General for Audits, Evaluations, and Inspections

SUBJECT: Evaluation of Centenarian Participants Receiving Benefits
EVAL-2025-11

This memorandum report presents the results of our Evaluation of Centenarian Participants Receiving Benefits. The objective of this evaluation was to determine whether the Pension Benefit Guaranty Corporation (PBGC or the Corporation) made improper payments to deceased centenarians. We conducted our work in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. (See Appendix I). We provided a draft copy of this memorandum report to management, and their comments have been incorporated in this final report. We appreciate the cooperation you and your staff extended to the Office of Inspector General (OIG) during this project. We thank you for approaching us with this concern, your receptiveness to our recommendations, and your commitment to reducing risk and improving the effectiveness and efficiency of PBGC programs and operations. This report contains public information and will be posted in its entirety on our website and provided to the Board and Congress in accordance with the Inspector General Act.

Summary

Our evaluation identified six participants in the Single-Employer Program listed as deceased in the U.S. Department of the Treasury's (Treasury) Do Not Pay (DNP) system. PBGC immediately removed these individuals from pay status, preventing \$1,911 per month in future pension payments.¹ PBGC does not currently utilize the DNP system as a supplemental tool for verifying participant death status. We are

¹ The total amount of \$1,911 is based on five monthly payments of \$935.75, \$628.08, \$87.10, \$177.35, and \$82.50 — totaling approximately \$1,911. An additional overpayment of \$339.84 was not included in the monthly payment total because it was paid annually.

providing two recommendations to help PBGC address issues and strengthen its participant verification processes.

Background

Established by the Employee Retirement Income Security Act of 1974 (ERISA), PBGC protects the retirement security of about 31 million workers, retirees, and beneficiaries in both Single-Employer and Multiemployer private-sector pension plans. In fiscal year (FY) 2024, PBGC paid over \$5.8 billion in benefits to 912,000 participants in the Single-Employer Program. To support its mission, one of the three strategic goals articulated in PBGC's Strategic Plan is to "maintain high standards of stewardship and accountability."

PBGC's Process to Identify Deceased Participants in the Single-Employer Program

To identify deceased participants in its Single-Employer Program before issuing monthly pension benefits, PBGC compares its payment list with the full Death Master File (DMF) from the Social Security Administration (SSA). It has performed the full monthly death match since 2013. This process identifies thousands of deceased participants each month. The process is mostly automated, with Participant Service Department (PSD) officials providing limited oversight. When applicable, PBGC follows its procedures to reclaim or collect any improper payments. The bulk of these payments are typically identified and reclaimed within 30 days.

Treasury's DNP System

Treasury's DNP system is a centralized platform that enables agencies to verify payment and eligibility data against various government and private sector sources, including death records. It provides a secure interface for data matching and analytics and serves as a tool in preventing fraud and improper payments across federal programs. The DNP currently includes SSA's full DMF as well as other death data sources, such as obituary and probate data. In addition to death data, the DNP contains credit and debt check data that helps to identify recipients, such as contractors and businesses, who are in default payment status with federal and state governments. PBGC currently utilizes Treasury's DNP system when issuing contract awards.

Engagement Initiation Related to Deceased Participants

On March 6, 2025, the Director of the PSD requested assistance from the OIG to verify whether listed centenarian participants were still alive. Although the PBGC routinely performs death matches using the SSA's DMF, the Director sought to determine

whether the OIG had access to additional resources that could help identify deceased individuals not captured by the DMF—particularly participants within the old cohort aged 100 or older.

The SSA compiles death information from a variety of sources and records in the Numident, an electronic database that holds personally identifiable information for individuals issued a Social Security number (SSN). This information forms the basis of the full DMF, which includes over 142 million records dating back to 1899. Federal benefit-paying agencies, including PBGC, are authorized to use the full DMF to prevent improper payments by identifying deceased beneficiaries.

The need for improved death data verification was underscored by a March 2025 report from the SSA's OIG.² The report revealed that from 2018 to 2022, approximately 1.5 million out of 13.7 million death reports submitted by states were rejected by SSA's Death Information Processing System. Most rejections were due to minor discrepancies rather than invalid data. These processing delays not only increased administrative burdens but also contributed to an estimated \$327 million in Social Security improper payments, emphasizing the importance of accurate and timely death reporting.

At PBGC, the OIG has long prioritized the identification of deceased participants due to its direct impact on program integrity. In the Single-Employer Program, any payments made to deceased individuals are considered improper. In a White Paper we issued on March 9, 2018, we highlighted the limitations of relying solely on the SSA DMF, which often contains errors or omissions that hinder PBGC's ability to stop payments promptly. To address this, the PBGC OIG launched a computer matching initiative using alternative data sources such as Medicare and state death records, which identified 56 deceased participants and over \$1.1 million in improper or fraudulent payments. The White Paper encourages PBGC to adopt additional controls, such as actuarial data analysis, red flag monitoring (e.g., uncashed checks, non-responsive centenarians), and the use of commercial death databases to supplement the DMF. It also suggests collaboration with the OIG, experimenting with partial match techniques, and strengthening internal controls to more effectively detect and prevent fraud involving deceased beneficiaries.

In response to the PSD Director's request and considering the financial risks posed by inaccurate participant data, the OIG launched a formal evaluation. The goal was to assess the validity of participant records provided by PSD, focusing on individuals aged

² Office of Inspector General, *Social Security Administration: Rejection of State Death Reports*, March 2025, available at: [Rejection of State Death Reports](#)

100 or older, to ensure the integrity of benefit disbursements and reduce the risk of improper payments.

Details

Finding: Deceased Participants in Pay Identified Using Treasury's DNP System

A review of the Single-Employer Program's participant data revealed that PBGC made improper pension payments to six deceased individuals that might have been prevented if it had used Treasury's DNP system as a verification tool. Specifically, we analyzed 1,358 participants aged 100 or older using Treasury's DNP system and identified six individuals who were reported as deceased but were in active pay status in PBGC's pension payment system, a low number (just 0.4%), especially considering the vulnerability of the centenarian population. These six participants were receiving pension payments totaling approximately \$1,911 per month, resulting in \$89,865 combined improper payments.

Upon being notified of these deceased participants, the Director of PSD promptly initiated procedures to halt the payments and take appropriate actions. The swift response mitigated further improper disbursements. Currently, PBGC does not use DNP to identify deceased participants receiving payments from the Single-Employer Program. The DNP system—unlike the full DMF alone—integrates multiple sources of death data, including obituary and probate records from American InfoSource (AIS), which aggregates information from over 3,000 funeral homes, thousands of newspapers, and county-level probate offices. In this case, three of the six death records returned by DNP for analysis were sourced from AIS obituary data and were not present in the full DMF. This demonstrates the value of using DNP for participant verification, as it can detect deaths that the full DMF misses or has not yet captured, thereby reducing the risk of improper payments.

The timing of data updates in the full DMF further complicates efforts to avoid improper payments. In some cases, there may be several weeks—or even months—between the date of death and the update to the DMF. This timing gap increases the likelihood of erroneous payments. In addition, PBGC issues monthly pension payments at the beginning of each month after performing a routine death match using the DMF updates and the timing of those two actions can affect whether a payment is stopped in time.

The DNP Initiative, as described and promoted in the Payment Integrity Information Act of 2019, includes multiple resources across the federal government designed to help agencies determine eligibility to confirm that the right recipient obtains the right payment amount. Furthermore, a Presidential Executive Order issued on March 25, 2025,

emphasized the need for enhanced financial oversight, calling on agencies to strengthen pre-disbursement verification, promote the use of Treasury-managed systems like DNP, and consolidate oversight responsibilities under the Treasury. These initiatives reflect a federal commitment to reducing improper payments across the federal government—estimated to cost between \$233 billion and \$521 billion annually—and increasing transparency and accountability in financial operations.

In our assessment of the DNP matching process, we found several strengths that suggest it could serve as a valuable addition to PBGC's current death verification process. One key benefit is the rapid turnaround time: match results were delivered overnight, a marked improvement over the PBGC's current process which provides match results once a month. Although the DMF offers a daily delivery option, PBGC is not currently using it. Additionally, the DNP process provides access to a broader range of death data sources, including those from other federal agencies such as the Departments of Defense and State. In our review, three deceased participants were flagged solely through AIS-obituary data and would not have been identified using the DMF alone. Finally, the DNP is a free service. PBGC pays SSA \$1.6 million annually for access to the DMF.³

However, the DNP process is not without cost. Authorizing use, establishing transfer protocols, integrating analysis of the results into the Corporation's systems, and redesigning policies and procedures in a system that makes nearly one million payments monthly would require significant work. Additionally, DNP's use of the full DMF, enabled by Congress, has not been made permanent. Government access to the vital records of American citizens needs to be balanced with significant privacy concerns contained in existing law. As a result, unless Congress decides to extend authorization, the use of the full DMF as part of DNP will sunset in December 2026. However, the full DMF itself will remain available after that date.

We also identified a risk of false positives in the DNP results. One instance involved a living beneficiary who was mistakenly linked to her deceased husband's SSN. Although the DNP system distinguishes between "probable" and "conclusive" matches, this case illustrates the importance of implementing a second layer of verification before stopping payments. Without such safeguards, there is a risk of inadvertently suspending benefits for living participants.

To further strengthen PBGC's Death Match Program, we recommend two actions. By incorporating these recommendations, PBGC can better align with federal standards,

³ Federal and state agencies access the Social Security Administration's Death Master File (DMF) through a cost-sharing agreement, under which they reimburse the SSA for associated expenses.

reduce the risk of financial loss due to improper payments, and ensure the integrity of its benefit payment processes.

Recommendations

We recommend the Office of Benefits Administration:

1. Remove the six identified deceased participants from benefit pay status and take other actions, as appropriate.

Resolved: Management concurs with this recommendation. Following the verification process, the six participants were removed from pay status as of June 1, 2025. Management will take other actions as appropriate. PSD's goal is to complete the planned actions by September 30, 2025.

Closure of this recommendation will occur when the Corporation confirms all related actions have been completed.

2. Coordinate with the OIG to periodically run DNP as needed.

Resolved: Management concurs with this recommendation. PSD will coordinate with OIG to develop a process for providing the information for OIG to run DNP for the centenarians in pay status. PSD's goal is to complete the planned actions by March 31, 2026.

Closure of this recommendation will occur when the Corporation has developed a process for coordinating the DNP run with the OIG and provided it to our office.

cc: Alice Maroni, PBGC Acting Director
Lisa Carter, Director CCRD and Acting CFO
Karen Morris, General Counsel
Latreece Wade, Risk Management Officer
Department of Labor Board staff
Department of Treasury Board staff
Department of Commerce Board staff
House committee staff (Education and Workforce, Ways and Means, HOCR)
Senate committee staff (HELP, Finance, HSGAC)

Appendix I: Objective, Scope, Methodology, and Standards

Objective

To determine whether PBGC made improper payments to deceased centenarians.

Scope

The list of 1,358 centenarian participants receiving benefit payments proactively sent to the OIG by the PSD in March 2025.

Methodology

To conduct our evaluation, we reviewed relevant criteria from the Payment Integrity Information Act of 2019 (S.375), the Presidential Executive Order titled *Protecting America's Bank Account Against Fraud, Waste, and Abuse* issued on March 25, 2025, as well as PBGC's internal policies and procedures for identifying deceased participants. Our approach included interviews with PBGC staff and a data analysis component, where we cross-referenced the participant list with both the SSA's DMF and Treasury's DNP system to identify potentially deceased individuals.

Applicable Professional Standards

We conducted the review under the authority of the Inspector General Act of 1978, as amended, and in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we plan and perform the engagement to obtain sufficient and appropriate evidence to provide a reasonable basis for our conclusions. We believe the evidence obtained provided a reasonable basis for our conclusions and observations based on our evaluation objective. Accordingly, the evaluation included reviewing PBGC's compliance with laws and regulations to the extent necessary to satisfy the evaluation objective.

Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our evaluation. Finally, we partially relied on computer-processed data to satisfy our inspection objective. We conducted a limited reliability assessment by comparing computer-processed data to supporting information and deemed the data was sufficiently reliable.

Appendix II: Management Response



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August 25, 2025

TO: John Seger
Assistant Inspector General for Audits, Evaluations, and Inspections

FROM: David Foley
Chief of Benefits Administration

SUBJECT: Management Response to OIG's Draft Report, Evaluation of Centenarian
Participants Receiving Benefits (EV-25-188)

Thank you for the opportunity to comment on the Office of Inspector General's (OIG) draft report, received August 12, 2025, relating to the evaluation of Pension Benefit Guaranty Corporation's (PBGC) centenarian participants receiving benefits. Your office's work on this is sincerely appreciated.

PBGC management met with the representatives from the OIG on August 6, 2025, to discuss the findings and recommendations. The dialogue was both informative and insightful and PBGC is grateful for the opportunity to respond to the recommendations suggested by the OIG.

Management concurs with the report's findings and recommendations. In the attachment to this memorandum, you will find our specific responses to each recommendation and scheduled completion dates. Addressing these recommendations in a timely manner is an important priority for PBGC.

Attachment

cc: Alice Maroni, Acting Director
Karen Morris, General Counsel
Jennifer Messina, Director, Participant Services Department
Lisa Carter, Acting Chief Financial Officer/Director, Corporate Controls and Reviews
Department
Latreece Wade, Risk Management Officer

ATTACHMENT

Our comments on the specific recommendations in the draft report are as follows:

1. **Remove the six identified deceased participants from benefit pay status and take other actions, as appropriate. (OIG Control Number 2025-11-01-OBA)**

PBGC Response: Management concurs with this recommendation. Following the Participant Services Division (PSD) verification process, the six participants have been removed from pay status as of June 1, 2025. Management will take other actions as appropriate.

Scheduled Completion Date: September 30, 2025

2. **Coordinate with the OIG to periodically run DNP as needed. (OIG Control Number 2025-11-02-OBA)**

PBGC Response: Management concurs with this recommendation. PSD will coordinate with OIG to develop a process for providing the information for OIG to run DNP for the centenarians in pay status.

Scheduled Completion Date: March 31, 2026

Appendix III: Acronyms

Acronym	Meaning
AIS	American InfoSource
DMF	Death Master File
DNP	Do Not Pay
ERISA	Employee Retirement Income Security Act of 1974
FY	Fiscal Year
OIG	Office of Inspector General
PBGC	Pension Benefit Guaranty Corporation
PSD	Participant Service Department
SSA	Social Security Administration
Treasury	U.S. Department of Treasury

Appendix IV: Staff Acknowledgments

PBGC OIG Contact

John Seger, (202) 229-3315 or
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Staff Acknowledgments

In addition to the contact above, David Reynolds, Audit Manager, Richard McCaffery, Senior Auditor/Team Lead, Ruth Walk, Senior Auditor, and Jaymon Franklin, Auditor, made key contributions to this report.

Appendix V: Feedback

Please send your comments, suggestions, and feedback to OIGFeedback@pbgc.gov and include your name, contact information, and the report number. You may also mail comments to us:

Office of Inspector General
Pension Benefit Guaranty Corporation
445 12th Street SW
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If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at (202) 326-4030.