



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of Mississippi Death
Information Against Social Security
Administration Records

A-08-19-50816 | December 2020

MEMORANDUM

Date: December 11, 2020

Refer To:

To: The Commissioner

From: Inspector General

Subject: Match of Mississippi Death Information Against Social Security Administration Records
(A-08-19-50816)

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 Mississippi's Office of Vital Records & Health Statistics and (2) identify non-beneficiaries in the State 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.



Gail S. Ennis

Attachment

Match of Mississippi Death Information Against Social Security Administration Records

A-08-19-50816



December 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 Mississippi's Office of Vital Records & Health Statistics and (2) identify non-beneficiaries in the State 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 reports 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. In addition to EDR, SSA receives death information from such sources as family members and funeral directors.

We obtained data files that provided the personally identifiable information of 727,643 individuals the State of Mississippi recorded as deceased between January 1992 and December 2017. We matched the data against SSA payment records and the Numident.

Findings

SSA issued approximately \$8.1 million in payments after the deaths of 126 beneficiaries and 1 representative payee whom the Mississippi Office of Vital Records & Health Statistics recorded as deceased between January 1992 and December 2017. Identifying and correcting these discrepancies will prevent approximately \$1.5 million in additional improper payments after death over a 12-month period. We also identified 3,375 non-beneficiaries who were deceased according to the State of Mississippi but whose death information was not in SSA's Numident.

We did not determine why the deaths were not in SSA's Numident or whether the State reported the deaths to SSA. However, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records. Approximately 75 percent of deceased beneficiaries whom SSA improperly paid had died before the State of Mississippi began reporting deaths through EDR.

The Numident did not contain the death information for one representative payee, and SSA had not replaced the representative payee at the time of our data match.

Agency Actions Resulting from the Audit

As of December 8, 2020, SSA had replaced the 1 representative payee, terminated payments to 56 deceased beneficiaries, and initiated recovery of \$3.9 million in improper payments.

Recommendations

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the beneficiaries and representative payee we identified.
2. Add death information to the Numident, as appropriate, for the 3,375 non-beneficiaries with dates of death we identified using Mississippi records.

SSA agreed with our recommendations.

TABLE OF CONTENTS

| | |
|---|-----|
| Objectives | 1 |
| Background..... | 1 |
| Results of Review | 2 |
| Payments Issued to Deceased Beneficiaries | 3 |
| Payments to a Deceased Representative Payee | 4 |
| Deceased Non-beneficiaries..... | 5 |
| Conclusions..... | 6 |
| Agency Actions Resulting from the Audit..... | 6 |
| Recommendations..... | 6 |
| Agency Comments..... | 6 |
| Appendix A – Scope and Methodology | A-1 |
| Appendix B – Agency Comments..... | B-1 |

ABBREVIATIONS

| | |
|-------------|----------------------------------|
| C.F.R. | Code of Federal Regulations |
| EDR | Electronic Death Registration |
| OIG | Office of the Inspector General |
| POMS | Program Operations Manual System |
| Pub. L. No. | Public Law Number |
| SSA | Social Security Administration |
| Stat. | United States 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 Mississippi's Office of Vital Records & Health Statistics and (2) identify non-beneficiaries³ in the State files whose death information did not appear in Agency records.

BACKGROUND

In August 2020, SSA paid approximately \$95 billion under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs to approximately 69 million beneficiaries.⁴ Under these programs, payments to a beneficiary terminate 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. Accordingly, 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. In addition to EDR, SSA receives death information from such sources 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 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income 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 incompetency of the individual. *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 September 2019.

⁴ SSA, *Monthly Statistical Snapshot*, August 2020 (September 2020).

⁵ 20 C.F.R. §§ 404.311(b), 404.316(b)(1), and 416.1334 (govinfo.gov 2020).

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 Examples of other Federal agencies include the Railroad Retirement Board, Centers for Medicare & 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

We obtained data files containing the personally identifiable information of 727,643 individuals the State of Mississippi recorded as deceased between January 1992 and December 2017. We matched the death data against SSA's September 2019 payment records to identify beneficiaries and a representative payee whose personally identifiable information matched that of deceased individuals. We obtained death certificates, as needed, for these beneficiaries and provided those certificates to SSA. We also matched the death data against the Numident to identify non-beneficiaries whose death information was not in SSA's system. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

We referred to SSA 126 beneficiaries and 1 representative payee who may have received improper payments after death. SSA issued approximately \$8.1 million in payments after the deaths of the individuals who, according to the Mississippi Office of Vital Records & Health Statistics, were recorded as deceased between January 1992 and December 2017.¹² Identifying and correcting these discrepancies will prevent approximately \$1.5 million in additional improper payments after death over a 12-month period.¹³ We also identified 3,375 non-beneficiaries who were deceased according to the State of Mississippi but whose death information was not in SSA's Numident.

⁹ 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2020). SSA may suspend payments under 20 C.F.R. §§ 404.2011(b) and 416.611(b) (govinfo.gov 2020) if it finds 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 2020).

¹² While we took steps to ensure the death certificates for all 126 deceased beneficiaries and 1 representative payee belonged to the true numberholders, those numberholders could be alive. See Appendix A for more information about the steps we took to determine whether the true numberholder was deceased.

¹³ 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 be made without corrective action, we identified the most recent payment before referral/corrective action for each record and multiplied it by 12 months.

We did not determine why the deaths we identified were not in SSA's Numident or whether Mississippi reported those deaths to SSA. However, SSA rejects EDR reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records.¹⁴ We issued a separate report on a review that assessed SSA's rejection of State-submitted EDR reports.¹⁵

Payments Issued to Deceased Beneficiaries

SSA issued approximately \$8.1 million in payments after death to 126 beneficiaries the State of Mississippi recorded as deceased between January 1992 and December 2017. Examples follow.

- A beneficiary receiving disability benefits died in November 1998. SSA records did not contain a date of death and therefore the disability benefits continued. As of July 2020, SSA had issued approximately \$197,000 in payments after death.
- A beneficiary receiving retirement benefits died in July 2009. SSA records did not contain a date of death and therefore the retirement benefits continued. As of July 2020, SSA had issued approximately \$171,000 in payments after death.
- A beneficiary receiving widow benefits died in April 2017. SSA records did not contain a date of death and therefore the widow benefits continued. As of July 2020, SSA had issued approximately \$72,000 in payments after death.

¹⁴ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

¹⁵ SSA, OIG, *The Social Security Administration's Rejection of State Electronic Death Registration Reports*, A-08-19-50499, p. 3 (September 2020).

On July 8, 2017, Mississippi began reporting deaths to SSA through the EDR process. As shown in Table 1,¹⁶ approximately 75 percent of deceased beneficiaries whom SSA improperly paid died *before* Mississippi began reporting deaths through EDR, while 25 percent were reported after EDR was implemented.

Table 1: Beneficiaries Whose Personally Identifiable Information Matched that of a Deceased Individual in Mississippi Death Data

| Occurrence of Death Related to the Establishment of EDR | Number of Beneficiaries | Percent of Total Beneficiaries |
|---|-------------------------|--------------------------------|
| Before EDR (January 1, 1992 – July 7, 2017) | 95 | 75.4 |
| After EDR (July 8, 2017 – December 31, 2017) | 31 | 24.6 |
| Total | 126 | 100.0 |

Source: OIG Analysis of Mississippi Death Data.

In August 2020, we provided SSA information on 126 beneficiaries along with the death certificates to take appropriate actions. We estimate identifying and correcting these discrepancies will prevent approximately \$1.5 million in additional payments after death over a 12-month period.¹⁷ We also provided the information to our Office of Investigations.

Payments to a Deceased Representative Payee

We identified one deceased representative payee to whom SSA had issued approximately \$30,000 in payments after death. The Numident did not contain the death information for the representative payee, and SSA had not replaced the representative payee at the time of our data match. In several prior audits,¹⁸ we found SSA did not always replace representative payees after it posted death information to their Numident records.

¹⁶ SSA issued payments after death to less than 1 percent of the 727,643 individuals who were deceased according to Mississippi’s Office of Vital Records & Health Statistics.

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 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 August 27, 2020, we provided SSA information on the deceased representative payee along with the death certificate. If the Agency does not take action on the referral, we estimate it will pay approximately \$10,000 in additional payments after death over a 12-month period.¹⁹ We also provided the information to our Office of Investigations.

Deceased Non-beneficiaries

We identified 3,375 non-beneficiaries²⁰ who were deceased according to the State of Mississippi but who did not have death information in SSA’s Numident. Of the 3,375 non-beneficiaries, 3,191 (94.5 percent) died *before* the State began reporting death information via EDR on July 8, 2017 (see Table 2).

Table 2: Non-beneficiaries Whose Personally Identifiable Information Matched that of a Deceased Individual in the Mississippi Death Data

| Occurrence of Death Related to the Establishment of EDR | Number of Beneficiaries | Percent of Total Beneficiaries |
|---|-------------------------|--------------------------------|
| Before EDR (January 1, 1992 – July 7, 2017) | 3,191 | 94.5 |
| After EDR (July 8, 2017 – December 31, 2017) | 184 | 5.5 |
| Total | 3,375 | 100.0 |

Source: OIG Analysis of Mississippi Death Data.

Resolving these discrepancies will reduce SSA’s exposure to future improper payments and improve the accuracy and completeness of the death information it shares with other Federal benefit-paying agencies.²¹ In August 2020, we provided SSA with data that identified 3,375 non-beneficiaries for it to take the necessary action.

¹⁹ See Footnote 17.

²⁰ We matched Mississippi 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 Old-Age, Survivors and Disability Insurance benefits and/or Supplemental Security Income payments.

²¹ 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).

CONCLUSIONS

While SSA issued payments after death or had not recorded death information on its Numident on only a small percentage of the decedents in the Mississippi Office of Vital Records & Health Statistics data file, \$8.1 million in payments were made after death to 126 beneficiaries and 1 representative payee. Identifying and correcting these discrepancies will prevent approximately \$1.5 million in additional improper payments after death over a 12-month period. We also identified 3,375 non-beneficiaries who were deceased according to the State of Mississippi but whose death information did not appear in SSA records. Posting death information to the individuals' Numident records will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information the Agency shares with other Federal benefit-paying agencies.

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of December 8, 2020, SSA had replaced the one representative payee, terminated payments to 56 deceased beneficiaries, and initiated recovery of \$3.9 million in improper payments.

RECOMMENDATIONS

We recommend SSA:

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the beneficiaries and representative payee we identified.
2. Add death information to the Numident, as appropriate, for the 3,375 non-beneficiaries with dates of death we identified using Mississippi records.

AGENCY COMMENTS

SSA agreed with our recommendations. The full text of SSA's comments is included in Appendix B.



Michelle L. Anderson
Assistant Inspector General for Audit

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 Mississippi Office of Vital Records & Health Statistics death data and identified 727,643 recorded death events between January 1992 and December 2017. We matched these records against SSA’s Enumeration Verification System and payment records¹ and identified the following.
 - 126 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status as of August 2020 whose names and dates of birth matched those of deceased individuals in the Mississippi death data.
 - Reviewed SSA’s systems, Mississippi death data, and public records, as necessary.
 - Determined whether SSA (a) documented substantive contact with the beneficiary after the date of death in Mississippi records; (b) had previously determined the beneficiary was a victim of identity theft; or (c) had listed two individuals on the same Numident² record, and the deceased individual was not the beneficiary. If so, we considered the beneficiary to be alive. If not, we considered the beneficiary to be deceased.
 - Obtained Mississippi death certificates and referred the information on 126 beneficiaries to our Office of Investigations and SSA.
 - Calculated improper payments for the 126 deceased beneficiaries.
 - Calculated 12-month savings based on the last payment.³

¹ While we matched the death data against SSA’s September 2019 payment records to identify beneficiaries and a representative payee whose personally identifiable information matched that of deceased individuals, we verified that these individuals remained in current payment status in August 2020 before providing them to SSA for action.

² The Numident is an SSA database that stores personally identifiable information for all Social Security numberholders.

³ We based this estimate on the assumption that conditions would remain the same over 12 months. To estimate the annual amount of overpayments that would be made without corrective action, we identified the most recent payment before referral/corrective action for each record and multiplied it by 12 months.

- One deceased representative payee with a beneficiary in current payment status as of August 2020 whose Social Security number, name, and date of birth matched that of a deceased individual in the Mississippi death data.
 - Obtained a Mississippi death certificate and referred the information to our Office of Investigations and SSA.
 - Calculated improper payments for the one deceased representative payee.
 - Calculated 12-month savings based on last payment.⁴
- 3,375 individuals⁵ whose Social Security numbers, names, and dates of birth matched those of deceased non-beneficiaries in the Mississippi death data but whose death information was not in SSA's Numident as of August 2020. We referred this information to SSA.

We conducted our audit from December 2019 to August 2020 in Birmingham, Alabama. 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 objective. We determined that internal controls were not significant to the audit objective; 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.

⁴ See Footnote 3.

⁵ This is in reference to deceased individuals who were not in current payment status at the time of our review. Of the 3,375 non-beneficiary records, 2,466 never applied for benefits and the remaining 909 either had applied and were denied or were in a non-pay status.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: December 8, 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 Mississippi Death Information Against Social Security Administration Records” (A-08-19-50816) – INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations. We are taking action on the remaining cases OIG identified. 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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