



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Deceased Beneficiaries in Suspended Payment Status

A-08-19-50800 | November 2021



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: November 22, 2021

Refer To: A-08-19-50800

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis *Gail S. Ennis*
Inspector General

Subject: Deceased Beneficiaries in Suspended Payment Status

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration had adequate controls to ensure it took appropriate actions for beneficiaries in a suspended payment status who may have been deceased.

If you wish to discuss the final report, please contact Michelle L. Anderson, Assistant Inspector General for Audit.

cc: Trae Sommer

Attachment

Deceased Beneficiaries in Suspended Payment Status

A-08-19-50800



November 2021

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure it took appropriate actions for beneficiaries in a suspended payment status who may have been deceased.

Background

SSA suspends benefit payments for a variety of reasons. Suspending benefits stops ongoing monthly payments, and SSA technicians receive alerts to resolve the reason for the suspension. However, SSA does not initiate actions to recover payments made after a beneficiary's death until technicians add death information and terminate the payment record.

We identified three populations of beneficiaries who were in suspended payment status as of December 2019. We used death data from 24 States to identify approximately 5,000 beneficiaries in suspended payment status who were deceased according to State death records. We then identified about 6,000 beneficiaries suspended for development of unverified death reports. Finally, we used data analytics to identify approximately 23,000 beneficiaries suspended for address development who we determined were likely deceased. We randomly selected and reviewed 100 beneficiaries from each of the three populations (300 total).

Findings

We determined 263 (88 percent) of the 300 sampled beneficiaries in suspended payment status had died before December 2019. These deceased beneficiaries remained in suspended payment status because SSA (1) technicians did not follow existing policy for beneficiaries suspended for death development, (2) did not have adequate controls to identify beneficiaries suspended for address development who were likely deceased, and (3) policy does not consistently instruct technicians to search for or recognize all available sources of death information. Additionally, SSA policy does not provide sufficient information to guide technicians when they post a beneficiary's unverified death based on a returned payment from Treasury, which results in erroneous dates of death on SSA records.

Because of these control weaknesses, we estimate SSA issued approximately \$298 million in payments to about 24,000 deceased beneficiaries in suspended payment status. SSA did not initiate actions to recover these payments, but it did receive approximately \$84 million in recovered funds. SSA erroneously recorded about \$33 million of the returned funds as underpayments. We estimate SSA has neither recovered approximately \$214 million of the payments nor recorded approximately 24,000 beneficiaries' death information in the Numident.

Improving the accuracy and timeliness of death information on SSA's payment records will facilitate recovery of payments to deceased beneficiaries and release underpayments to surviving auxiliary beneficiaries. In addition, maintaining better death data on SSA's Numident will aid other Federal benefit-paying agencies and those certified by the National Technical Information Service in reducing improper payments and preventing identity fraud.

Recommendations

We made nine recommendations for SSA to improve controls to ensure it takes appropriate and timely actions for beneficiaries in a suspended payment status who may be deceased. SSA agreed with our recommendations.

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ABBREVIATIONS

CMS	Centers for Medicare & Medicaid Services
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
PHUS	Payment History Update System
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
Stat.	United States Statutes at Large
Treasury	Department of the Treasury
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) had adequate controls to ensure it took appropriate actions for beneficiaries¹ in a suspended payment status who may have been deceased.

BACKGROUND

SSA suspends Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income payments for a variety of reasons. For example, SSA may suspend payments when it receives returned funds from the Department of the Treasury (Treasury), returned mail, or an unverified third-party report indicating the beneficiary may be deceased.² To maintain the integrity of its records and ensure it does not post erroneous death information, SSA suspends benefits based on alleged death information received from third parties and requires that technicians verify the information before they record it in Agency records.³

SSA technicians receive system alerts to resolve the reason for the suspension and place the beneficiary back in current payment status or terminate the benefits. The actions technicians take on the alerts depend on the type of payment the beneficiary received and the reason SSA suspended the benefits. If technicians or SSA systems suspend benefits, the Agency stops ongoing monthly payments to beneficiaries. SSA does not initiate actions to recover payments made after a beneficiary's death or increase monthly payments for surviving beneficiaries until technicians add death information and terminate the payment record.

SSA technicians record dates of death in the Death Information Processing System to add death information in the beneficiary's Numident.⁴ SSA uses Numident information to create a file of death information it shares with other Federal benefit-paying agencies.⁵ SSA also provides death information to the National Technical Information Service, which grants limited access to others certified to have a legitimate fraud-prevention interest or a business purpose. Law enforcement agencies, State and local governments, and others certified by the National Technical Information Service use SSA death information to, among other things, verify death information and prevent identity fraud. For example, some States use SSA's death information to identify deceased individuals on their voter registration lists. The *Payment Integrity Information Act of 2019* requires that SSA take steps to improve the quality, accuracy, and timeliness of the death information it maintains and distributes.⁶

¹ We use the term "beneficiary" to describe OASDI and/or Supplemental Security Income recipients.

² We use the term "unverified death" for those instances where SSA did not receive proof of death or a first-party death report as defined in SSA, *POMS*, GN 02602.050, B and C (October 30, 2017).

³ SSA receives death reports from such third parties as the Centers for Medicare & Medicaid Services (CMS), State social service offices, the Department of Veterans Affairs, and a decedent's friends or neighbors.

⁴ The Numident is a database that stores personally identifiable information for all Social Security numberholders.

⁵ Other Federal benefit-paying agencies include the Railroad Retirement Board, CMS, Internal Revenue Service, Department of Veterans Affairs, and Office of Personnel Management. These agencies should verify the individual's death before they take adverse action.

⁶ *Payment Integrity Information Act of 2019*, Pub. L. No. 116-117, § 3354 (e), 134 Stat. 129-130 (2020).

After the Death Information Processing System records death information in the Numident, it automatically adds death information to SSA's payment records and places the beneficiary in a terminated payment status.⁷ Death information on SSA payment records initiates an automated request for Treasury to reclaim funds issued to the financial institution after the beneficiary's death.⁸ Delays in reclamation place SSA at risk of not recovering payments. SSA must submit a reclamation request within 120 days of receiving constructive knowledge of a beneficiary's death and suspending benefits.⁹ In addition, funds in a bank account that has been inactive for several years may revert to the State.¹⁰

To accomplish our objective, we identified three populations of beneficiaries who were in suspended payment status as of December 2019:

1. the State Death population contained approximately 5,000 beneficiaries who were deceased according to death records from 24 States, but in suspended payment status on SSA records.¹¹ We used these data to determine why SSA put deceased beneficiaries' payments into suspense and found it was primarily due to development of address information or an unverified death report;¹²
2. the Death Suspense population had approximately 6,000 OASDI beneficiaries suspended for development of unverified death reports for longer than 12 months;¹³ and
3. the Address Suspense population was refined to approximately 23,000 OASDI beneficiaries suspended for address development who we determined, based on our criteria, were likely deceased.¹⁴ For example, from a file of approximately 119,000 beneficiary records suspended for address development, we excluded beneficiaries suspended for less than 1 year, had activity on SSA records after suspension, or had other indicators they may be alive.

We randomly selected and reviewed 100 beneficiaries from each of the 3 populations (300 total).

⁷ Prior audit work identified instances where Numident death information did not terminate the beneficiaries' payment records. SSA, OIG, *Follow-up: Payments to Individuals Whose Numident Record Contained a Death Entry*, A-06-17-50232 (May 2018).

⁸ SSA also initiates recovery actions for such benefit withholdings after death as Medicare premiums, garnishments, and tax payments.

⁹ SSA, *POMS*, GN 02408.610, A.5 (June 30, 2021).

¹⁰ SSA, *POMS*, GN 02408.750, A (May 9, 2019).

¹¹ See Appendix A for a list of States, last year of death information provided by a State, and the associated SSA OIG reports issued since 2017. For this population, we included Supplemental Security Income recipients in a nonpayment status, who were not yet terminated. We acknowledge that it is possible that some State death information may be incorrect and the true numberholder is alive.

¹² Our analysis of the 100 randomly selected cases determined that SSA suspended 75 sampled beneficiaries for development of address information, 13 for development of unverified death reports, and 12 for miscellaneous reasons.

¹³ See Appendix B for our scope and methodology. SSA received these unverified death reports from third-party sources such as Treasury and CMS.

¹⁴ See Appendix B for information on the criteria we used to identify our population of beneficiaries in address suspense who are likely deceased.

RESULTS OF REVIEW

We determined 263 (88 percent) of the 300 sampled beneficiaries in suspended payment status died before December 2019.¹⁵ These beneficiaries remained in suspended payment status because SSA (1) technicians did not follow existing policy; (2) had inadequate controls; and (3) policy does not consistently instruct technicians to search for, or recognize, all available sources of death information. Additionally, SSA policy does not provide sufficient information to guide technicians when they post a beneficiary's unverified death based on a returned payment from Treasury, which resulted in erroneous dates of death on SSA records. Because of these control weaknesses, we estimate SSA issued approximately \$298 million in payments after death to about 24,000 beneficiaries.¹⁶ We also estimate SSA had not recorded approximately 24,000 beneficiaries' death information in the Numident.¹⁷

Reasons Deceased Beneficiaries' Payments Remained Suspended

If a beneficiary's payments remain in a suspended status for a prolonged period, it may be an indicator that the beneficiary is deceased. For example, beneficiaries in the Address Suspense sample had been in suspended status an average of 12 years and were deceased an average of 14 years.¹⁸ Beneficiaries in the Death Suspense sample had been in suspended status and deceased an average of 9 years.¹⁹ This occurred because SSA (1) technicians did not follow existing policy for beneficiaries suspended for death development, (2) did not have adequate controls to identify beneficiaries suspended for address development who were likely deceased, and (3) policy does not consistently instruct technicians to search for death information when developing suspension actions or recognize all available sources of death information.

¹⁵ We obtained verification of death information for 215 of the 263 deceased beneficiaries according to SSA, *POMS*, GN 02602.050, B and C (October 30, 2017). As of April 2021, we were unable to verify death information for 48 sampled beneficiaries in the Death Suspense population, but we determined the beneficiaries were deceased according to SSA policy.

¹⁶ Of the 263 beneficiaries in our sample, SSA issued payments after death to 245 (93 percent). See Table C–20 in Appendix C for results by population.

¹⁷ Of the 263 beneficiaries in our sample, 252 (96 percent) did not have death information on their Numidents. See Table C–24 in Appendix C for results by population.

¹⁸ The mean was 12.1 years and the median was 10.5 years. For those with verified death information, the mean was 13.9 years and the median was 13.3 years. The last computation period we reviewed was December 2019.

¹⁹ The mean was 8.8 years and the median was 6 years. For those with verified death information, the mean was 9.1 years and the median was 4.2 years. The last computation period we reviewed was December 2019.

Technicians Did Not Follow Policy for Death Suspension Cases

In 97 of 100 Death Suspense sample records, we determined beneficiaries remained in suspended payment status because SSA technicians did not follow policy. We also found 13 beneficiaries in our State Death sample whose payments had been suspended for death development. When SSA places a beneficiary in a suspended payment status based on an unverified death report, its systems generate alerts for technicians to verify the death information or determine whether the beneficiary is alive. SSA systems or technicians send a letter to the beneficiary's address of record asking them to come into, or call, an SSA office. If SSA does not receive verification the beneficiary is alive or deceased within 45 days of the date of the letter, policy instructs technicians to terminate the payment records based on the third-party death report or establish a systems reminder to continue developing the death information. SSA systems generate a follow-up alert if the beneficiary remains suspended for death development for 90 days. However, SSA systems allow technicians to clear the death alerts without taking necessary action to resolve the suspended status, as required by policy.

If SSA technicians improperly clear death alerts, SSA does not have controls in place to identify records that remain in death suspension for prolonged periods. There were no pending death alerts for the 97 sampled beneficiaries from the Death Suspense or the 13 sampled beneficiaries from the State Death populations. Therefore, these beneficiaries will remain in suspended status until technicians take action or systems terminate beneficiaries based on a presumption of death when they are 115-years-old and have been in suspended payment status for seven consecutive years. SSA needs to develop additional controls, such as management information reports, to monitor the death suspension workload.

Controls Needed to Identify Deceased Beneficiaries in Address Suspense

SSA should establish controls to identify beneficiaries suspended for address development who are likely deceased. We acknowledge that many beneficiaries suspended for address development are alive. However, we identified internal control weaknesses that allow beneficiaries to remain in address suspense after they are deceased.²⁰ SSA systems generate an alert 60 days after suspension and 6 months after the initial alert if the beneficiary remains in address suspense. To resolve these alerts, policy instructs technicians to attempt to obtain the beneficiary's correct address and return the beneficiary to current payment status. If technicians are unable to locate the beneficiary's correct address, SSA instructs them to document their efforts to locate the beneficiary and clear the alert. Once technicians clear the second alert, SSA systems do not generate additional alerts to resolve the suspended status. Beneficiaries will remain in suspended status until technicians take action to resolve the suspended status or systems terminate beneficiaries based on a presumption of death when they are 115-years-old and have been in suspended payment status for seven consecutive years.

From the population of beneficiaries in address suspense we determined were likely deceased, we verified death information for 63 of 100 sampled beneficiaries. For the remaining 37 sampled beneficiaries, we determined the following from SSA records:

²⁰ See Appendix B for information on the criteria we used to identify our population of beneficiaries in address suspense who are likely deceased.

- 2 had unverified death information on SSA's Payment History Update System (PHUS),²¹ which SSA should develop for death according to policy;
- 9 were alive and correctly suspended; and
- we could not determine whether the remaining 26 were deceased.²² However, based on age and length of suspension, it is likely some are deceased. For example, SSA suspended benefit payments of one beneficiary for address development in 1986. If the beneficiary were alive today, he/she would be 112-years-old.

Given our sample results, we estimate approximately 14,000 beneficiaries in our Address Suspense population are deceased.²³ Therefore, SSA should establish criteria for identifying deceased beneficiaries suspended for address development on an ongoing basis.²⁴ After identifying beneficiaries who are likely deceased, SSA should instruct technicians to perform steps to verify whether they are alive or deceased.

In addition, we identified death information SSA received from third-party sources, such as CMS and Treasury, for 28 of 100 beneficiaries in the Address Suspense sample.²⁵ SSA has systems controls in place to alert technicians when it receives death information from these sources so technicians can verify the death information before they terminate benefits. However, SSA could not provide evidence that its systems generated death alerts for 27 (96 percent) of these 28 beneficiaries.²⁶ SSA provided a copy of a death alert for one beneficiary, but technicians improperly cleared the alert without recording the death information on the beneficiary's Numident or payment record. Accordingly, SSA should improve systems controls to alert technicians when it receives death information for beneficiaries in suspended payment status.²⁷

²¹ The PHUS records information on returned payments from Treasury. The PHUS contains a code that indicates when Treasury returns a payment because of a report from a financial institution that the beneficiary is deceased.

²² After searching SSA, Accurint.com, AncestryLibrary.com, and State death records, we were unable to conclude these beneficiaries were alive or deceased.

²³ Straight-line estimation computation: 63 deceased beneficiaries ÷ 100 beneficiaries in the address suspense sample = 0.63; and then 0.63 X 22,898 beneficiaries in the population = 14,426 (rounded) estimated deceased beneficiaries in the address suspense population.

²⁴ See Appendix B for information on the criteria we used to identify our population of beneficiaries in address suspense who are likely deceased.

²⁵ See Appendix B for information on the SSA systems we searched for death information.

²⁶ SSA retired its former death alert system at the end of 2015 and the files are no longer available. SSA's new Death Alerts Tracking System only retains death alerts for one year.

²⁷ SSA, OIG, *Match of Centers for Medicare & Medicaid Services Death Information Against Social Security Administration Records, A-06-18-50653* (August 2021), discusses problems with death alerts from CMS.

Policy for Obtaining Death Information Needs Improvement

SSA policy does not consistently instruct technicians to search for death information when developing suspension actions or recognize all available sources of death information. For example, SSA policy is silent on searching for death for beneficiaries who are in Address Suspense. In addition, for beneficiaries in Death Suspense because of a returned payment from Treasury, SSA policy does not instruct technicians to search for death information on other SSA records or attempt to contact the alleged decedent or a family member by telephone. Although we determined 185 (62 percent) of 300 sampled beneficiaries died in their State of residency as listed on SSA's payment records, SSA policy does not instruct technicians to search for State death records when developing suspension issues.²⁸ We acknowledge obtaining State death information is a costly, labor-intensive process.

SSA policy also does not instruct technicians to use third-party Websites for death development for beneficiaries in suspended payment status. After we excluded 95 sampled beneficiaries who had death information on SSA records, we searched for death information on Accurint.com and AncestryLibrary.com for the remaining 205. Of these sampled beneficiaries, we located death information on these sites for 69 (34 percent) and confirmed the information was correct.²⁹ Our findings were consistent with a 2016 SSA report that indicated death information obtained from these Websites was generally accurate.³⁰

SSA technicians use Accurint.com to obtain leads regarding resource information, locate debtors, and select representative payees. For example, policy allows technicians to use Accurint.com to obtain information about property ownership and values, but they can only use this information as a lead to develop resource information for Supplemental Security Income recipients. Policy restricts technicians from using information from Accurint.com to deny or suspend benefits and the Agency has expressed privacy, contractual, *Fair Credit Reporting Act*,³¹ and security concerns related to using third-party Websites to terminate beneficiary payments. Our searches for death information confirmed these Websites would be valuable sources of third-party death information, which SSA could use to obtain independent verification of death.³²

²⁸ SSA began processing Electronic Death Registration reports from vital records jurisdictions in 2004. As of the date of this review, 48 vital records jurisdictions report deaths to SSA through the Electronic Death Registration system. However, participating jurisdictions do not necessarily report all deaths to SSA and SSA rejects death reports it cannot verify.

²⁹ We identified inconsistencies in the day of death listed on Accurint.com and AncestryLibrary.com compared to the death certificates for some cases. However, day of death discrepancies are not material to SSA payment computations if the month and year of death are correct.

³⁰ SSA, Office of Budget, Finance, Quality, and Management, Office of Quality Review, *Third-Party Death Information Analysis*, p. 5 (September 2016).

³¹ 15 U.S.C. § 1681-1681x.

³² SSA, *POMS*, GN 02602.050, D (October 30, 2017) describes third-party death reports and GN 02602.070 (June 25, 2021) describes the steps technicians should take to resolve third party death alerts displayed on the Death Alerts Tracking System.

Technicians Posted Erroneous Death Information

Technicians posted erroneous death information to the records of 5 (20 percent) of the initial 25 sampled deceased beneficiaries from the Death Suspense population we referred to SSA.³³ The incorrect dates of death on beneficiaries' payment records resulted in SSA systems not initiating collection of approximately \$600 in payments after death and erroneously posting about \$3,500 in underpayments on beneficiary payment records. However, SSA corrected the dates of death for the sampled beneficiaries after we informed the Agency of the errors.

These errors occurred because SSA policy does not provide technicians sufficient information when they post a beneficiary's unverified death based on a returned payment from Treasury. When Treasury returns a deceased beneficiary's payment to SSA, its systems do not record a date of death. Instead, SSA systems automatically record the first day of the month SSA received the returned payment as the alleged date of death on the beneficiary's payment record. SSA systems also automatically suspend the beneficiary's payments and generate an alert for technicians to verify the death information. If technicians cannot verify the beneficiary's date of death, policy instructs technicians to use the benefit month of the returned payment as the date of death. However, this policy neither advises technicians that the alleged date of death on the payment record is not the benefit month of the returned payment nor provides instructions for determining the benefit month of the returned payment.³⁴

For example, on November 3, 2016, Treasury sent SSA a returned payment for a deceased beneficiary. When SSA received the returned payment from Treasury, its systems automatically posted an alleged date of death of November 1, 2016 on the payment record. When a technician worked the case, he/she terminated the payments using November 1, 2016. According to SSA Operations staff, the technician should have terminated the payment record based on the returned payment's benefit month, which was June 1, 2016.³⁵ This error resulted in SSA systems containing an incorrect date of death; not initiating collection of approximately \$600 in payments after death; and erroneously posting, and potentially paying, approximately \$900 in underpayments on the payment record.

To avoid having incorrect death information in its records, facilitate recovery of payments, and avoid releasing erroneous underpayments to survivors, SSA should clarify its policy. For example, SSA should consider instructing technicians to (1) not use the alleged date of death on the payment record to terminate benefits if SSA systems suspended the beneficiary's payments based on a returned payment from Treasury, (2) review the PHUS to determine the date of the first payment returned for death, and (3) terminate benefits effective with the first day of the benefit month of the returned payment for death.

³³ We provided SSA with the correct death information for the remaining 75 beneficiaries in the Death Suspense sample so we could not determine whether SSA technicians would have posted correct death information for these cases. However, Treasury had returned at least 1 payment for death for 52 of the 100 sampled beneficiaries.

³⁴ SSA pays benefits 1 month in arrears. If the PHUS indicates SSA received a returned payment for a direct deposit issued on April 3, 2018, the benefit month of the returned payment would be March 2018.

³⁵ SSA Operations staff reviewed the case and told us Agency technicians should have terminated benefits effective the first day of the benefit month of the returned payment. According to the PHUS, SSA issued the returned payment on July 1, 2016, so technicians should have terminated the payment record using a date of death of June 1, 2016.

Impact of Deceased Beneficiaries in Suspended Payment Status

SSA cannot initiate actions to recover payments until it determines a beneficiary in suspended status is deceased. However, SSA may receive returned funds from such sources as Treasury and representative payees before it records death information on the payment records. For the 263 beneficiaries in our samples that we determined were deceased, SSA issued payments after death to 245.³⁶ We estimate SSA:

- paid approximately \$298 million to 24,000 who were in suspended payment status;³⁷
- received approximately \$84 million in recovered funds³⁸ but erroneously recorded about \$33 million of the returned funds as underpayments;³⁹ and
- had not recovered approximately \$214 million of the payments.⁴⁰

Unidentified beneficiary deaths also affect auxiliaries on an SSA record. SSA increases benefit payments to auxiliaries, such as children, spouses, and divorced spouses, after it adds verified death information to the wage earner's payment record. For example, we identified two ex-spouses whom SSA incorrectly listed as divorced spouses instead of divorced widows because death information was missing from two wage earners' records. This error resulted in approximately \$147,000 in past-due benefits for the ex-spouses.⁴¹ Adding death information for the remaining wage earners in the population could generate past-due benefit payments to additional auxiliaries.

In general, SSA had not recorded death information in the Numident for deceased beneficiaries in our populations because the Agency had either not received or verified their death information. For example, 252 (96 percent) of 263 deceased sampled beneficiaries' Numidents did not have a date of death.⁴² We estimate SSA had not recorded death information in the Numident for approximately 24,000 beneficiaries in our 3 populations.⁴³

³⁶ See Table C–20 in Appendix C for a summary of sampled beneficiaries in each population that received payments after death. Of the 300 sampled beneficiaries, 263 were deceased.

³⁷ See Table C–20 in Appendix C for summary results by population.

³⁸ See Table C–21 in Appendix C for summary results by population. We included returned funds from financial institutions, conserved funds submitted by representative payees, and unnegotiated paper checks in this total.

³⁹ See Table C–23 in Appendix C for summary results by population.

⁴⁰ See Table C–22 in Appendix C for summary results by population.

⁴¹ As of August 2021, SSA had released the underpayment to one surviving divorced spouse and increased his/her monthly benefit rate. However, SSA owed the other surviving divorced spouse approximately \$86,000 and continues to underpay him/her approximately \$1,000 per month.

⁴² SSA had death information recorded in the Numidents of 11 sampled beneficiaries as of January 2021.

⁴³ SSA did not issue payments after death to all beneficiaries without death information on their Numidents. See Table C–24 in Appendix C for summary results by population.

CONCLUSIONS

SSA needs to enhance its policy and controls to identify deceased beneficiaries in suspended payment status and ensure technicians take appropriate action to record correct death information on their records. Improving the accuracy and timeliness of death information on SSA's payment records will facilitate recovery of payments to deceased beneficiaries, release underpayments to surviving auxiliary beneficiaries, and remove erroneous underpayments so they are not paid. In addition, maintaining better death data on SSA's Numident will aid other federal benefit paying agencies and those certified by the National Technical Information Service in reducing improper payments and preventing identity fraud.

We recognize SSA implemented multiple enhancements to its death-processing systems since December 2015. According to SSA, these enhancements included reducing systems exceptions for death transactions and recording historical death information in its Numident files. However, based on our findings, we believe SSA should develop additional enhancements to reduce the number and time deceased beneficiaries remain in suspended payment status.

AGENCY ACTIONS RESULTING FROM THE AUDIT

Of the 263 beneficiaries in our populations who died before December 2019, SSA recorded death information in the payment records of 4 and the Numidents of 11 before the dates we submitted the cases to SSA.⁴⁴ By April 2021, we provided SSA with death information for the remaining sampled beneficiaries in the three populations.⁴⁵ We requested that SSA take appropriate action to record the dates of death on the payment records and Numidents. As of August 2021, SSA had taken action to add death information and terminate the payment records of 53 beneficiaries. SSA had also taken action to record death information in the Numidents of 52 beneficiaries. SSA has yet to take action to record death information on the payment records of 206 beneficiaries and in the Numidents of 200 beneficiaries.

RECOMMENDATIONS

We recommend SSA:

1. Take necessary action to post verified death information for the remaining beneficiaries in all three samples.
2. Develop information reports to identify beneficiaries in death suspense for prolonged periods and instruct management to ensure technicians take appropriate actions on the cases.
3. Verify and post death information, where appropriate, for the remaining beneficiaries in the State Death population.

⁴⁴ We submitted our sampled cases to SSA in September and November 2020 and January 2021.

⁴⁵ As of April 2021, we were unable to verify death information for 48 sampled beneficiaries in the Death Suspense population, but we determined the beneficiaries were deceased according to SSA policy.

4. Instruct technicians to take appropriate actions on the remaining beneficiaries in the Death Suspense population.
5. Establish systems criteria to identify OASDI beneficiaries in Address Suspense who are likely deceased, such as identifying beneficiaries suspended for prolonged periods who do not have activity on any SSA records since their suspension. Once established, SSA should update policy to instruct technicians to search for death information.
6. Develop systems controls to alert technicians when SSA receives death information from sources, such as CMS and Treasury, for beneficiaries in suspended payment status.
7. Revise policy to instruct technicians to conduct additional searches for death information when developing suspension actions.
8. Make a determination on the permissibility and feasibility of using Accurint.com and AncestryLibrary.com as third-party death reports to terminate benefits and use the services accordingly.
9. Clarify policy for establishing dates of death for beneficiaries suspended based on a report from Treasury of a returned payment for death.

AGENCY COMMENTS

SSA agreed with our recommendations. See Appendix D for the full text of SSA's comments.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – STATE DEATH DATA LIST

For our State Death population, we obtained death data from 24 States for individuals who died between 1998 and 2019. We originally obtained these data for the audits in Table A–1. All States provided data for 1998, but not all States provided data through 2019.

Table A–1: State Death Data Reviewed

State	Last Year of Death Data Provided	Common Identification Number	Report Issuance Date
Arkansas	2016	A-06-18-50663	February 2019
California	2017	A-06-18-50706	September 2021
Colorado	2019	A-06-18-50849	March 2021
Connecticut	2014	A-01-17-50248	December 2017
Delaware	2017	A-15-18-50662	November 2019
Florida	2014	A-08-18-50565	August 2019
Illinois	2018	A-04-19-50819	June 2021
Kentucky	2016	A-04-19-50815	September 2020
Maine	2018	A-01-18-50314	September 2019
Maryland	2015	A-15-18-50632	March 2019
Massachusetts	2016	A-01-17-50244	September 2017
Michigan	2009	A-15-18-50632	March 2019
Mississippi	2017	A-08-19-50816	December 2020
New Hampshire	2018	A-01-19-50865	June 2020
New Mexico	2017	A-06-18-50759	September 2019
Ohio	2017	A-06-18-50768	November 2020
Oklahoma	2017	A-06-18-50769	July 2020
Pennsylvania	2017	A-15-18-50679	March 2020
Puerto Rico*	2016	A-08-14-14013	August 2019
Rhode Island	2018	A-01-18-50314	September 2019
Texas	2017	A-06-18-50569	March 2019
Vermont	2017	A-01-19-50865	June 2020
Virginia	2014	A-15-18-50680	October 2020
Washington	2014	A-06-17-50172	May 2018

Note: *We included Puerto Rico even though it is a U.S. territory.

Appendix B – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed pertinent sections of the Social Security Administration’s (SSA) policies and procedures, applicable laws, regulations, and prior Office of the Inspector General reports.
- Reviewed information from SSA’s Master Beneficiary Record, Payment History Update System, Supplemental Security Record, Death Alerts Tracking System, Paperless Read Only Query System, Processing Center Action Control System, Claims File User Interface, Evidence screens, Veterans Benefits Administration Query, HI/SMI Query Response,¹ Modernized Development Worksheet, and Numident.²
- Developed three populations of beneficiaries who were in suspended payment status and took steps to ensure beneficiaries did not appear in multiple populations.
 1. State Death Population. We obtained death data from 24 States for individuals who died between 1998 and 2019.³ We identified 5,080 deceased beneficiaries in suspended payment status as of December 2019.⁴ We confirmed the personally identifiable information in the State death data files matched SSA’s Numident, and the Numident did not contain a date of death.⁵ We used the date of suspension on SSA’s payment records to identify those whom SSA suspended after death.
 2. Address Suspense Population. From a file of 119,007 Old-Age, Survivors and Disability Insurance records suspended for address development, we used data analytics to identify beneficiaries who were likely deceased in December 2019. We excluded records that met the following criteria to identify 22,898 unique beneficiaries for further review:
 - a. contained multiple occurrences of the same beneficiary Social Security number;
 - b. were suspended for less than 1 year;
 - c. involved beneficiaries who were under age 19 at the time of suspension;
 - d. contained foreign addresses;
 - e. had Numident iterations in or after their month of suspension;

¹ SSA’s HI/SMI query response screen provides technicians basic identification, enrollment, Medicare Beneficiary Identifier, and premium payment information.

² The Numident stores personally identifiable information for all Social Security numberholders.

³ We included Puerto Rico even though it is a U.S. territory. See Appendix A for a list of States and the last year of death information provided by each State, and the associated SSA OIG reports issued since 2017.

⁴ We use the term “beneficiary” to describe Old-Age, Survivors and Disability Insurance and/or Supplemental Security Income recipients. For this population, we included Supplemental Security Income recipients in a nonpayment status, who were not yet terminated.

⁵ We used SSA’s Enumeration Verification System to confirm that the Social Security numbers, names, and dates of birth on the State death files matched SSA’s Numident. We acknowledge that it is possible that some State death information may be incorrect and the true numberholder is alive.

- f. had a foreign place of birth;
 - g. had earnings in a year after suspension; and
 - h. had prisoner records on the Prisoner Update Processing System.
3. Death Suspense Population. We identified 6,098 Old-Age, Survivors and Disability Insurance beneficiaries suspended for development of unverified death reports for longer than 12 months as of December 2019.
- From each of the three populations, we randomly selected samples of 100 beneficiaries and determined whether SSA added death information to their payment records before our review. If SSA had properly recorded the death information, we did not complete additional development. For the remaining sampled beneficiaries, we determined whether:
 1. SSA issued payments after death;
 2. SSA recovered funds;
 3. SSA did not recover funds;
 4. SSA posted erroneous underpayments on the payment records;
 5. SSA had verified or unverified death information in its records;
 6. death information was present on Accurint.com or AncestryLibrary.com; and
 7. there were pending death alerts.
 - We attempted to obtain death certificates for individuals with U.S. residency addresses on their payment records. We requested assistance from SSA in verifying death information for individuals with foreign addresses on their payment records.
 - We obtained death certificates for all sampled beneficiaries in the State Death population. If we could not locate proof of death for individuals in the Address Suspense population, we looked at SSA records for indicators the individual was alive in December 2019. If we could not locate proof of death for beneficiaries in the Death Suspense population, we determined the date of death that technicians should add to the payment records under existing policy.
 - We provided SSA the death certificates we obtained. While we did not identify specific instances of fraud, we provided the death information for the sampled deceased beneficiaries to our Office of Investigations.

We conducted our audit in Birmingham, Alabama, between January and March 2021. We determined the data used for this audit were sufficiently reliable to meet our audit objective. The primary entities audited were the Offices of the Deputy Commissioners for Operations and Systems. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring. We also reviewed the principles of internal controls associated with the audit objective. We identified three components and five principles as significant to the audit objective.

- Component 2: Risk Assessment
 - Principle 6: Define objectives and risk tolerances
 - Principle 7: Identify, analyze, and respond to risk
- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 11: Design activities for the information system
- Component 5: Monitoring
 - Principle 16: Perform monitoring activities

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix C – SAMPLING METHODOLOGY AND RESULTS

To accomplish our objective, we developed three populations of beneficiaries who were in suspended payment status: State Death, Address Suspense, and Death Suspense. For this review, we took steps to ensure beneficiaries did not appear in multiple populations.

To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used for creating a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures that our reported projections are statistically sound and defensible.

State Death Population

We obtained death data from 24 States for individuals who died between 1998 and 2019.¹ We identified 5,080 deceased beneficiaries in suspended payment status as of December 2019.² We confirmed the personally identifiable information in the State death data files matched the Social Security Administration's (SSA) Numident,³ and the Numident did not contain a date of death.⁴ We used the suspension date on SSA's payment records to identify those whom SSA suspended after their deaths. We reviewed a random sample of 100 beneficiaries (see Table C-1).

Table C-1: State Death Population and Sample Size

Description	Deceased Beneficiaries in Suspended Payment Status
Population	5,080
Sample Size	100

¹ See Appendix A for a list of States, the last year of death information each State provided, and the associated SSA OIG reports issued since 2017.

² For this population, we included Supplemental Security Income recipients in a nonpayment status, who were not yet terminated. We acknowledge that it is possible that some State death information may be incorrect and the true numberholder is alive.

³ The Numident stores personally identifiable information for all Social Security numberholders.

⁴ We used SSA's Enumeration Verification System to confirm that the Social Security numbers, names, and dates of birth on the State death files matched SSA's Numident.

While we verified all 100 beneficiaries in the sample were deceased, SSA did not issue payments after death to 1 beneficiary. SSA also posted death information to another beneficiary's payment record after December 2019, and we excluded the beneficiary from further review. As of May 2020, SSA had issued \$1,371,952 in payments after death to 98 sampled beneficiaries. Projecting our sample results to the population of 5,080 beneficiaries, we estimate SSA had issued approximately \$69.7 million in payments to about 5,000 deceased beneficiaries in the State Death population (see Table C–2).⁵

Table C–2: Payments to Deceased Beneficiaries in Suspended Payment Status in the State Death Population

Description	Number of Beneficiaries with Payments After Death	Payments After Death
Sample Results	98	\$1,371,952
Point Estimate	4,978	\$69,695,179
Projection - Lower Limit	4,770	\$49,583,838
Projection - Upper Limit	5,061	\$89,806,520

Note: All statistical projections are at the 90-percent confidence level.

Between the date of the beneficiaries' deaths and May 2020, we estimate SSA had recovered approximately \$20.3 million of the payments in the State Death population (see Table C–3).

Table C–3: Recovery of Payments to Deceased Beneficiaries in the State Death Population

Description	Number of Beneficiaries with Recovered Payments	Recovered Payments
Sample Results	77	\$399,595
Point Estimate	3,912	\$20,299,410
Projection - Lower Limit	3,510	\$7,178,046
Projection - Upper Limit	4,251	\$33,420,774

Note: All statistical projections are at the 90-percent confidence level.

Note: For the 98 sampled deceased beneficiaries with payments after death, SSA has not recovered any payments issued to 21, but recovered all payments issued to 20. SSA also recovered some, but not all, of the payments issued to 57.

⁵ Our findings are conservative because we did not have data for 2010 through 2019 for all States.

We estimate SSA has yet to recover approximately \$49.4 million in payments issued to deceased beneficiaries in our State Death population (see Table C–4).

Table C–4: Payments to Deceased Beneficiaries Not Recovered in the State Death Population

Description	Number of Beneficiaries Without Full Recovery	Payments Not Recovered
Sample Results	78	\$972,358
Point Estimate	3,962	\$49,395,769
Projection - Lower Limit	3,565	\$33,984,870
Projection - Upper Limit	4,295	\$64,806,667

Note: All statistical projections are at the 90-percent confidence level.

SSA had \$160,312 in erroneous underpayments on its payment records for 76 of the suspended beneficiaries in our State Death sample.⁶ Projecting our sample results to the 5,080 population, we estimate 3,861 suspended beneficiaries had approximately \$8.1 million in erroneous underpayments on their payment records (see Table C–5).

Table C–5: Erroneous Underpayments in the State Death Population

Description	Number of Beneficiaries with Erroneous Underpayments	Erroneous Underpayments
Sample Results	76	\$160,312
Point Estimate	3,861	\$8,143,828
Projection - Lower Limit	3,456	\$4,238,860
Projection - Upper Limit	4,206	\$12,048,796

Note: All statistical projections are at the 90-percent confidence level.

⁶ SSA recovered funds for 77 sampled beneficiaries and erroneously recorded some of the returned funds as underpayments.

SSA had not recorded death information in the Numident for 98 of the suspended beneficiaries in our sample prior to us turning the cases over to SSA in January 2021. Projecting our sample results to the 5,080 State Death population, we estimate SSA had not recorded death information in the Numident of approximately 5,000 beneficiaries (see Table C–6).

Table C–6: Beneficiaries Without Death Information in the Numident in the State Death Population

Description	Number of Beneficiaries Without Death Information in the Numident
Sample Results	98
Point Estimate	4,978
Projection - Lower Limit	4,770
Projection - Upper Limit	5,061

Note: All statistical projections are at the 90-percent confidence level.

Address Suspense Population

From a file of 119,007 Old-Age, Survivors and Disability Insurance (OASDI) records suspended for address development, we used data analytics to identify 22,898 OASDI beneficiaries who were likely deceased in December 2019.⁷ We reviewed a random sample of 100 beneficiaries to determine whether they were alive or deceased in December 2019 (see Table C–7).

Table C–7: Address Suspense Population and Sample Size

Description	Beneficiaries in Suspended Payment Status Who Were Likely Deceased
Population	22,898
Sample Size	100

⁷ See Appendix B for information on how we obtained this population.

While we verified 63 beneficiaries in the Address Suspense sample were deceased, SSA did not issue any payments after death to 4. As of October 2020, SSA had issued \$897,050 in payments after death to 59 sampled beneficiaries. Projecting our sample results to the population of 22,898 beneficiaries, we estimate SSA had issued approximately \$205 million in payments to about 13,500 deceased beneficiaries in the Address Suspense population (see Table C–8).

Table C–8: Payments to Deceased Beneficiaries in Suspended Payment Status in the Address Suspense Population

Description	Number of Beneficiaries with Payments After Death	Payments After Death
Sample Results	59	\$897,050
Point Estimate	13,510	\$205,406,440
Projection - Lower Limit	11,520	\$101,920,446
Projection - Upper Limit	15,406	\$308,892,435

Note: All statistical projections are at the 90-percent confidence level.

Between the date of the beneficiaries' deaths and October 2020, we estimate SSA had recovered approximately \$55 million of the payments in the Address Suspense population (see Table C–9).

Table C–9: Recovery of Payments to Deceased Beneficiaries in the Address Suspense Population

Description	Number of Beneficiaries with Recovered Payments	Recovered Payments
Sample Results	53	\$240,332
Point Estimate	12,136	\$55,031,107
Projection - Lower Limit	10,150	\$10,281,044
Projection - Upper Limit	14,090	\$99,781,169

Note: All statistical projections are at the 90-percent confidence level.

Note: For the 59 sampled deceased beneficiaries with payments after death, SSA has not recovered any payments issued to 6, but recovered all payments issued to 12. SSA also recovered some, but not all, of the payments issued to 41.

We estimate SSA has not recovered approximately \$150 million in payments issued to deceased beneficiaries in our Address Suspense population (see Table C–10).

Table C–10: Payments to Deceased Beneficiaries Not Recovered in the Address Suspense Population

Description	Number of Beneficiaries Without Full Recovery	Payments Not Recovered
Sample Results	47	\$656,718
Point Estimate	10,762	\$150,375,333
Projection - Lower Limit	8,808	\$63,954,332
Projection - Upper Limit	12,748	\$236,796,335

Note: All statistical projections are at the 90-percent confidence level.

SSA had \$73,294 in erroneous underpayments on its payment records for 50 of the suspended beneficiaries in our Address Suspense sample.⁸ Projecting our sample results to the population of 22,898 beneficiaries, we estimate 11,449 suspended beneficiaries had approximately \$16.8 million in erroneous underpayments on their payment records (see Table C–11).

Table C–11: Erroneous Underpayments in the Address Suspense Population

Description	Number of Beneficiaries with Erroneous Underpayments	Erroneous Underpayments
Sample Results	50	\$73,294
Point Estimate	11,449	\$16,782,883
Projection - Lower Limit	9,476	\$11,261,136
Projection - Upper Limit	13,422	\$22,304,630

Note: All statistical projections are at the 90-percent confidence level.

⁸ SSA recovered funds for 53 sampled beneficiaries, and erroneously recorded some of the returned funds as underpayments.

SSA had not recorded the death information in the Numident for 58 of the suspended beneficiaries in our sample before we turned the cases over to SSA in January 2021. Projecting our sample results to the 22,898 Address Suspense population, we estimate SSA had not recorded death information in the Numident for approximately 13,000 beneficiaries (see Table C–12).

Table C–12: Beneficiaries Without Death Information in the Numident in the Address Suspense Population

Description	Number of Beneficiaries Without Death Information in the Numident
Sample Results	58
Point Estimate	13,281
Projection - Lower Limit	11,290
Projection - Upper Limit	15,189

Note: All statistical projections are at the 90-percent confidence level.

Death Suspense Population

We identified 6,098 OASDI beneficiaries suspended for development of an unverified death report for longer than 1 year as of December 2019. We reviewed a random sample of 100 beneficiaries and attempted to verify their dates of death (see Table C–13).

Table C–13: Death Suspense Population and Sample Size

Description	Deceased Beneficiaries in Suspended Payment Status
Population	6,098
Sample Size	100

We determined SSA posted death information to three beneficiaries' records after we pulled our data in December 2019 and before we turned the cases over to SSA.⁹ We excluded these three sampled beneficiaries from further review. For the remaining 97 sampled beneficiaries, we verified dates of death for 49 but were unable to verify death information for 48.¹⁰ We computed payments after death for the 49 based on the verified death information and used the established date of death according to SSA policy to compute the payments after death to the 48 beneficiaries with unverified death information.

⁹ We submitted our sampled cases to SSA in September and November 2020 and January 2021.

¹⁰ We concluded our searches to verify death information in April 2021.

Of the 97 beneficiaries with unrecorded death information, SSA did not issue payments after death to 9. As of August 2020, SSA had issued \$376,510 in payments after death to 88 sampled beneficiaries. Projecting our sample results to the population of 6,098 beneficiaries, we estimate SSA had issued approximately \$23 million in payments to about 5,366 deceased beneficiaries in the Death Suspense population (see Table C–14).

Table C–14: Payments to Deceased Beneficiaries in Suspended Payment Status in the Death Suspense Population

Description	Number of Beneficiaries with Payments After Death	Payments After Death
Sample Results	88	\$376,510
Point Estimate	5,366	\$22,959,604
Projection - Lower Limit	4,960	\$12,546,151
Projection - Upper Limit	5,664	\$33,373,057

Note: All statistical projections are at the 90-percent confidence level.

Between the date of the beneficiaries' deaths and August 2020, we estimate SSA had recovered approximately \$8.6 million of the payments in the Death Suspense population (see Table C–15).

Table C–15: Recovery of Payments to Deceased Beneficiaries in the Death Suspense Population

Description	Number of Beneficiaries with Recovered Payments	Recovered Payments
Sample Results	59	\$140,924
Point Estimate	3,598	\$8,593,558
Projection - Lower Limit	3,071	\$5,202,741
Projection - Upper Limit	4,100	\$11,984,375

Note: All statistical projections are at the 90-percent confidence level.

Note: For the 88 sampled beneficiaries with payments after death, SSA has not recovered any payments issued to 29, but recovered all payments issued to 29. SSA also recovered some, but not all, of the payments issued to 30.

We estimate SSA has yet to recover approximately \$14.4 million in payments issued to deceased beneficiaries in our Death Suspense population (see Table C–16).

Table C–16: Payments to Deceased Beneficiaries Not Recovered in the Death Suspense Population

Description	Number of Beneficiaries Without Full Recovery	Payments Not Recovered
Sample Results	59	\$235,586
Point Estimate	3,598	\$14,366,046
Projection - Lower Limit	3,071	\$4,383,723
Projection - Upper Limit	4,100	\$24,348,369

Note: All statistical projections are at the 90-percent confidence level.

SSA had erroneously recorded \$133,277 as underpayments on its payment records for 54 of the beneficiaries in our Death Suspense sample.¹¹ Projecting our sample results to the population of 6,098 beneficiaries, we estimate 3,293 suspended beneficiaries had approximately \$8.1 million in erroneous underpayments on their payment records (see Table C–17).

Table C–17: Erroneous Underpayments in the Death Suspense Population

Description	Number of Beneficiaries with Erroneous Underpayments	Erroneous Underpayments
Sample Results	54	\$133,277
Point Estimate	3,293	\$8,127,225
Projection - Lower Limit	2,767	\$4,758,965
Projection - Upper Limit	3,808	\$11,495,485

Note: All statistical projections are at the 90-percent confidence level.

¹¹ SSA recovered funds for 59 beneficiaries, and erroneously recorded some of the returned funds as underpayments.

SSA had not recorded death information in the Numident for 96 of the suspended beneficiaries in our sample prior to the dates we turned the cases over to SSA. Projecting our sample results to the 6,098 Death Suspense population, we estimate SSA had not recorded death information in the Numident for approximately 6,000 beneficiaries (see Table C–18).

Table C–18: Beneficiaries Without Death Information in the Numident in the Death Suspense Population

Description	Number of Beneficiaries Without Death Information in the Numident
Sample Results	96
Point Estimate	5,854
Projection - Lower Limit	5,557
Projection - Upper Limit	6,013

Note: All statistical projections are at the 90-percent confidence level.

Summary of the Three Populations' Projections

Table C–19 lists each population and sample size.

Table C–19: Summary of Populations and Sample Sizes

Population	Number of Beneficiaries in Each Population	Sample Size
State Death	5,080	100
Address Suspense	22,898	100
Death Suspense	6,098	100
Total	34,076	300

Note: See Table C–1, Table C–7, and Table C–13.

Table C–20 summarizes the payments after death SSA issued to 245 (82 percent) of the 300 sampled beneficiaries from the three populations.¹² Based on the projections for each population, we estimate SSA issued approximately \$298 million to about 24,000 deceased beneficiaries in suspended payment status.

Table C–20: Summary of Payments to Deceased Beneficiaries

Population	Sampled Beneficiaries Who Received Payments After Death	Amount of Payments Issued After Death to Sampled Beneficiaries	Point Estimate of Beneficiaries in Population Who Received Payments After Death	Point Estimate of Payments After Death in Population
State Death	98	\$1,371,952	4,978	\$69,695,179
Address Suspense	59	897,050	13,510	205,406,440
Death Suspense	88	376,510	5,366	22,959,604
Total	245	\$2,645,512	23,854	\$298,061,223

Note: See Table C–2, Table C–8, and Table C–14.

¹² Of the 300 sample beneficiaries, 263 were deceased but only 245 received payments after death.

Table C–21 summarizes the payments SSA recovered from 189 (63 percent) of the 300 sampled beneficiaries from the State Death, Address Suspense, and Death Suspense populations. Based on the projections for each population, we estimate SSA recovered approximately \$84 million from about 20,000 deceased beneficiaries in suspended payment status.

Table C–21: Summary of Payments to Deceased Beneficiaries Recovered

Population	Number of Sampled Beneficiaries with Full or Partial Recovery	Payments Recovered from Sampled Beneficiaries	Point Estimate of Beneficiaries in Population with Full or Partial Recovery	Point Estimate of Payments in Population Recovered from Beneficiaries
State Death	77	\$399,595	3,912	\$20,299,410
Address Suspense	53	240,332	12,136	55,031,107
Death Suspense	59	140,924	3,598	8,593,558
Total	189	\$780,851	19,646	\$83,924,075

Note: See Table C–3, Table C–9, and Table C–15.

Note: For the 245 sampled beneficiaries with payments after death in Table C–20, SSA has not recovered any payments issued to 56. For the remaining 189 beneficiaries, SSA recovered all payments issued to 61, and some, but not all, of the payments issued to 128.

Table C–22 summarizes the number of payments SSA has not recovered from 184 (61 percent) of the 300 sampled beneficiaries from the State Death, Address Suspense, and Death Suspense populations. Based on the projections for each population, we estimate that SSA has not recovered approximately \$214 million in payments issued to over 18,000 deceased beneficiaries in suspended payment status.

Table C–22: Summary of Payments to Deceased Beneficiaries Not Recovered

Population	Number of Sampled Beneficiaries Without Full Recovery	Payments Not Recovered from Sampled Beneficiaries	Point Estimate of Beneficiaries in Population Without Full Recovery	Point Estimate of Payments in Population Not Recovered
State Death	78	\$972,358	3,962	\$49,395,769
Address Suspense	47	656,718	10,762	150,375,333
Death Suspense	59	235,586	3,598	14,366,046
Total	184	\$1,864,662	18,322	\$214,137,148

Note: See Table C–4, Table C–10, and Table C–16.

Table C–23 summarizes the erroneous underpayments SSA added to the payment records for 180 (60 percent) of the 300 sampled beneficiaries from the State Death, Address Suspense, and Death Suspense populations.¹³ Based on the projections for each population, we estimate SSA added approximately \$33 million in erroneous underpayments to the records of about 19,000 deceased beneficiaries in suspended payment status.

Table C–23: Summary of Erroneous Underpayments

Population	Number of Sampled Beneficiaries with Erroneous Underpayments	Erroneous Underpayments for Sampled Beneficiaries	Point Estimate of Beneficiaries in Population with Erroneous Underpayments	Point Estimate of Erroneous Underpayments in Population
State Death	76	\$160,312	3,861	\$8,143,828
Address Suspense	50	73,294	11,449	16,782,883
Death Suspense	54	133,277	3,293	8,127,225
Total	180	\$366,883	18,603	\$33,053,936

Note: See Table C–5, Table C–11, and Table C–17.

Table C–24 summarizes death information not recorded in the Numident for 252 (84 percent) of the 300 sampled beneficiaries from the State Death, Address Suspense, and Death Suspense populations.¹⁴ Based on the projections for each population, we estimate SSA had not recorded death information in the Numident for approximately 24,000 beneficiaries.

Table C–24: Summary of Beneficiaries Without Death Information in the Numident

Population	Number of Sampled Beneficiaries Without Death Information in the Numident	Point Estimate of Beneficiaries in Population Without Death Information in the Numident
State Death	98	4,978
Address Suspense	58	13,281
Death Suspense	96	5,854
Total	252	24,113

Note: See Table C–6, Table C–12, and Table C–18.

¹³ SSA recovered funds for 189 sampled beneficiaries, and erroneously recorded some of the returned funds as underpayments.

¹⁴ Of the 300 sampled beneficiaries, 263 were deceased. Of these, 252 (all but 11) did not have death information on their Numidents.

Appendix D – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: November 12, 2021

Refer To: TQA-1

To: Gail S. Ennis
Inspector General



From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report "Deceased Beneficiaries in Suspended Payment Status" (A-08-19-50800) — INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

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



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