



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of State Department Death Information Against Social Security Administration Records

062313 May 2024



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: May 31, 2024

Refer to: 062313

To: Martin O'Malley
Commissioner

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

Subject: Match of State Department Death Information Against Social Security Administration Records

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration issued payments to beneficiaries who were deceased according to State Department records.

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

Attachment

Match of State Department Death Information Against Social Security Administration Records

062313



May 2024

Office of Audit Report Summary

Objective

Our objective was to determine whether the Social Security Administration (SSA) issued payments to beneficiaries who were deceased according to State Department records.

Background

SSA administers the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs under Titles II and XVI of the *Social Security Act*, respectively. OASDI provides benefits to workers and eligible family members in the event a worker retires, becomes disabled, or dies. SSI provides monthly payments to individuals who are aged, blind, or disabled and meet certain income and resource limits. Under both programs, payments should terminate when a beneficiary dies.

When a U.S. citizen dies abroad and the death is reported to the U.S. embassy or consulate, the State Department confirms the decedent's death, identity, and U.S. citizenship and completes and mails to SSA a Form DS-2060, *Consular Report of Death of a U.S. Citizen Abroad*. SSA treats State Department reported death information as verified evidence of death.

The State Department provided us death information from its Consular and Passport systems for approximately 460,000 U.S. citizens who died from January 1970 through July 2022.

Results

We identified 1,596 current or suspended payment status beneficiaries who were deceased according to State Department death data.

We reviewed 100 randomly selected cases. In 91 cases, it appeared that State Department death information was correct and that SSA issued 80 beneficiaries approximately \$2.4 million in payments after death. This occurred because SSA and State Department had not established a process to timely obtain first-party reports of death for U.S. citizens who died abroad. In addition, the State Department initiated, but did not send completed, Forms DS-2060 to SSA in instances where certain decedent information, that SSA did not require to terminate benefit payments, was missing from its records. Examples include cause of death, next of kin, disposition of the decedent's remains, or proof of death documentation (death certificate) in cases where a first party reported the death.

Based on our sample results, we estimate SSA issued approximately \$37.8 million in payments to 1,277 beneficiaries who were deceased according to State Department records. We estimate that identifying and correcting these discrepancies prevented, or will prevent, approximately \$4.9 million in additional payments after death over a 12-month period.

Agency Corrective Actions

As of May 28, 2024, SSA added death information to 372 of the 1,596 beneficiaries' records.

Recommendations

We recommended SSA (1) review the 1,596 cases, (2) work with State Department officials and develop an electronic method to timely report death information for U.S. citizens who die abroad, and (3) work with State Department officials to timely forward reports of death abroad when State Department obtains a first-party report of death.

SSA agreed with recommendations 1 and 2. SSA disagreed with recommendation 3 but agreed to satisfy the intent of the recommendation through implementation of recommendation 2.

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ABBREVIATIONS

OIG	Office of the Inspector General
OASDI	Old-Age, Survivors, and Disability Insurance
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

FORM

DS-2060	<i>Consular Report of Death of a U.S. Citizen Abroad</i>
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OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) issued payments to beneficiaries who were deceased according to State Department records.

BACKGROUND

SSA administers the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs under Titles II and XVI of the *Social Security Act*, respectively.¹ OASDI provides benefits to workers and eligible family members in the event a worker retires, becomes disabled, or dies. SSI provides monthly payments to individuals who are aged, blind, or disabled and meet certain income and resource limits. Under both programs, payments should terminate when a beneficiary² dies. The Agency receives death information from a variety of sources, such as friends and relatives of deceased individuals, funeral homes, financial institutions, and Federal and state agencies.

SSA does not verify first-party reports of death from acceptable reporters and considers the death information to be “verified.”³ Examples of first-party reporters include a relative such as a spouse, parent, or sibling; or a representative payee. When SSA receives verified death information, it does not require documented proof of death (for example, a death certificate) to terminate a decedent’s OASDI or SSI payments; however, if the death results in another person’s potential entitlement, SSA must obtain documented proof of death.

When a U.S. citizen dies abroad and the death is reported to the U.S. embassy or consulate, the State Department confirms the decedent’s death, identity, and U.S. citizenship and enters the death information into its Consular and Passport systems. The State Department provided us death information from its Consular and Passport systems for approximately 460,000 U.S. citizens who died from January 1970 through July 2022. After the State Department has collected specific information about the decedent (for example, obtained proof of death, identified next of kin, identified the disposition of the decedent’s remains), it completes and mails⁴ to SSA a 1-page Form DS-2060, *Consular Report of Death of a U.S. Citizen Abroad*. SSA treats State Department reported death information as verified evidence of death.

RESULTS OF REVIEW

We identified 1,596 beneficiaries in current or suspended payment status⁵ whose personally identifiable information matched that of a decedent in State Department death data and provided SSA with the beneficiaries’ State Department death information. We reviewed 100 randomly selected cases.⁶ In 91 cases, it appeared State Department death information

¹ *Social Security Act* §§ 201 and 1601, 42 U.S.C. §§ 401 and 1381.

² We use the term beneficiary to refer to both OASDI beneficiaries and SSI recipients.

³ SSA, *POMS*, GN 02602.050.C. (May 5, 2023).

⁴ SSA officials informed us the State Department can email Form DS-2060 from U.S. consulates in Canada. Canada is the only country for which SSA and the State Department use an electronic process to transmit death information.

⁵ Included 767 beneficiaries in current payment status and 829 in suspended payment status.

⁶ Included 46 beneficiaries in current payment status and 54 in suspended payment status.

was correct, and SSA issued 80 beneficiaries approximately \$2.4 million in payments after death. In the nine remaining cases, we could not make a clear determination of the beneficiaries' status based on SSA and State Department data.⁷

This occurred because SSA and State Department had not established a process to timely obtain first-party reports of death for U.S. citizens who died abroad. To illustrate:

- In August 2019, a retirement beneficiary died in the Philippines. In August 2023, State Department officials informed us its American Consulate General in Manila, Philippines, initiated, but had not completed, a Form DS-2060. In January 2024, State Department completed Form DS-2060. SSA added death information to the beneficiary's record on February 5, 2024 but had not terminated the beneficiary's payments as of April 3, 2024. SSA has issued approximately \$51,000 in payments after the beneficiary's death.
- In May 2020, a retirement beneficiary died in Spain. However, the State Department did not provide SSA a Form DS-2060 until August 2023. SSA terminated the benefit payments and determined it issued \$66,988 in payments after beneficiary's death.

In addition, the State Department initiated, but did not send completed, Forms DS-2060 to SSA in instances where certain decedent information, that SSA did not require to terminate benefit payments, was missing from its records. Examples include cause of death, next of kin, disposition of the decedent's remains, or proof of death documentation (death certificate) in cases where a first party reported the death.⁸ To illustrate:

- In October 2010, a retirement beneficiary died in Romania. The State Department initiated, but did not complete, Form DS-2060 or otherwise report the death to SSA because it did not have information regarding the place of death, next of kin, or disposition of the decedent's remains. The beneficiary remains in current payment status. SSA has issued approximately \$125,000 in payments after the beneficiary's death.
- In March 2020, a retirement beneficiary died in the Philippines. The State Department completed, but did not send, Form DS-2060 to SSA because after the decedent's family reported the death to the State Department, they did not provide an official death record. SSA suspended the benefits in February 2023 after the beneficiary did not respond to an SSA request for information. SSA terminated the benefits in September 2023 and determined it issued \$58,139 in payments after the beneficiary's death.
- In August 2015, a retirement beneficiary died in Costa Rica. The State Department had not completed Form DS-2060 or reported the death to SSA because it did not have information regarding the decedent's next of kin or disposition of the decedent's remains. SSA issued approximately \$9,000 in payments after death before suspending the benefits in 2017, after the beneficiary did not return a Foreign Enforcement Questionnaire.

⁷ For example, SSA records indicated field office staff conducted a face-to-face interview with a beneficiary after the date of death in State Department records, or that SSA had already posted the death information reported by State Department on the record of the beneficiary's parent.

⁸ SSA officials informed us the Agency does not have a data-exchange agreement or a Memorandum of Understanding with State Department to specify the death information it requires and/or the timeframe for providing the death reports.

Based on our sample results, we estimate SSA issued \$37.8 million in payments after death to 1,277 beneficiaries who were deceased according to State Department records. SSA can improve its death information-sharing process with State Department and more timely receive death information for beneficiaries who die while outside the United States.

AGENCY CORRECTIVE ACTIONS

As of May 28, 2024, SSA added death information to 372 of the 1,596 beneficiaries' records.

RECOMMENDATIONS

We recommend SSA:

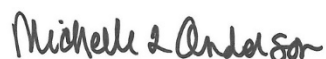
1. Review and take appropriate action (for example, verify the beneficiaries' vital status, input death information, terminate payment records, initiate recovery of improper payments) on the remaining cases in our population of 1,596 beneficiaries reported as deceased in State Department records.
2. Work with State Department officials and develop an electronic method to timely report death information for U.S. citizens who die abroad.
3. Work with State Department officials to timely forward reports of death abroad when State Department obtains a first-party report of death.

AGENCY COMMENTS

SSA agreed with recommendations 1 and 2. SSA disagreed with recommendation 3 and stated the Agency would negotiate the timeliness of receiving overseas death reports as part of implementing recommendation 2. See the full text of Agency Comments in Appendix C.

OIG RESPONSE

While SSA stated it disagreed with recommendation 3, its comments indicate the Agency plans to satisfy the intent of the recommendation through implementation of recommendation 2. Therefore, we will monitor SSA's implementation of recommendations 2 and 3 in tandem.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our audit objective, we:

- Reviewed the Social Security Administration’s (SSA) Program Operations Manual System, Federal laws, and prior Office of the Inspector General reports related to death information processing.¹
- Contacted SSA officials to gain an understanding of death information reporting processes as well as SSA management controls regarding beneficiaries who die abroad.
- Obtained a data file from State Department officials that contained death information for approximately 460,000 U.S. citizens who died abroad from January 1970 through July 2022.
- Processed the State Department death information through the Electronic Verification System and against SSA payment records to identify beneficiaries (1) whose personally identifiable information matched that of a decedent in State Department records and (2) who were in current or suspended payment status as of April 2023.
- Tested the data by tracing a sample of data to source (payment record) documents.
- Identified 1,596 current or suspended pay beneficiaries whose personally identifiable information matched decedents in State Department death data.
- For 100 randomly selected cases we:
 - Reviewed SSA’s records to ensure the decedent in State Department records was the SSA beneficiary.
 - Requested State Department provide Form DS-2060, *Consular Report of Death of a U.S. Citizen Abroad*.
 - Determined whether the Numident contained a date of death or SSA’s Evidence Portal contained a report of death.
 - Calculated estimated improper payments issued after death through August 2023 and estimated our results (see Appendix B).

The audited entities were SSA’s Office of 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, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following component and principles as significant to the audit objective:

¹ SSA, OIG, *Payments to Individuals Listed as Deceased in Department of Veterans Affairs’ Records*, A-06-16-50029, (August 2017); *Match of Treasury Death Information Against Social Security Administration Records*, A-06-18-50568, (August 2018), *Match of Centers for Medicare & Medicaid Services Death Information Against Social Security Administration Records*, A-06-18-50653, (August 2021).

- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 12: Implement control activities.

We conducted our review between February 2023 and January 2024 in Dallas, Texas. 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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We reviewed a random sample of 100 beneficiaries whose personally identifiable information matched that of a decedent in State Department records.

Table B–1: Population and Sample Size

Description	Number of Cases
Population	1,596
Sample Size	100

Of the 100 cases, 80 resulted in approximately \$2.4 million in improper payments. Based on our sample results, we estimate the Social Security Administration issued approximately \$37.8 million in payments after death to 1,277 beneficiaries.¹

Table B–2: Improper Payments in Sample

Description	Number of Cases with Improper Payments	Improper Payment Amounts
Sample Results	80	\$2,369,467
Projected Quantity/Point Estimate	1,277	\$37,816,696
Projection Lower Limit	1,158	\$27,105,470
Projection Upper Limit	1,375	\$48,527,923

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

We estimate identification and correction of these discrepancies prevented, or will prevent, approximately \$4.9 million in additional improper payments after death over a 12-month period, as shown in the following table.²

Table B–3: Improper Payments to Deceased Beneficiaries over a 12-Month Period

Description	Number of Deceased Beneficiaries	Improper Payment Amounts Avoided
Sample Results with Ongoing Payment Errors as of August 2023	24	\$305,566
Projected Quantity/Point Estimate	383	\$4,926,099
Projection Lower Limit	277	\$3,389,858
Projection Upper Limit	507	\$6,462,341

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

¹ We based this estimate on the assumption that conditions remained the same for a 12-month period.

² We based this estimate on the assumption that conditions remained the same for a 12-month period.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: May 23, 2024

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Dustin Brown 
Acting Chief of Staff

Subject: Office of the Inspector General Draft Report "Match of State Department Death Information Against Social Security Administration Records" (062313) -- INFORMATION

Thank you for the opportunity to review the draft report. We appreciate the Office of Inspector General's analysis which illustrates that timely death reports from the Department of State would help us reduce overpayments. We agree with recommendations 1 and 2. We disagree with recommendation 3, since timeliness of receiving overseas death reports will be negotiated as a part of implementing recommendation 2.

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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