



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of California Death
Information Against Social
Security Administration Records

A-06-18-50706 | September 2021



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 24, 2021

Refer To: A-06-18-50706

To: Kilolo Kijakazi
Acting Commissioner

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

Subject: Match of California Death Information Against Social Security Administration Records

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 California records 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 contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

Match of California Death Information Against Social Security Administration Records

A-06-18-50706



September 2021

Office of Audit Report Summary

Objective

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and/or representative payees who were deceased according to California Department of Public Health records 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 the Electronic Death Registration (EDR) system, 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. SSA receives death information from other sources, such as family members and funeral directors.

We obtained data files that provided the personally identifiable information of 16.1 million individuals the California Department of Public Health recorded as deceased from January 1905 through December 2017. We matched the data against SSA records.

Findings

We identified 386 beneficiaries whose personally identifiable information matched that of a deceased individual in the California death data files. SSA terminated or suspended payments to 245 of these beneficiaries but issued approximately \$21.3 million in payments after these beneficiaries' deaths. Identification and termination or suspension of these payments prevented an additional \$3.3 million in improper payments over 12 months. SSA also determined that 89 beneficiaries were alive at the time of our audit.

SSA is reviewing payments to 52 additional beneficiaries who appear to be deceased. Based on other deceased beneficiary case referrals, we estimate 38 of the 52 beneficiaries are deceased, SSA has issued \$8.3 million in payments after their deaths, and identification and termination of these payments will prevent approximately \$600,000 in additional improper payments over 12 months. We did not identify any deceased representative payees receiving SSA payments.

We also identified 438,860 non-beneficiaries who were deceased according to California Department of Public Health records but whose death information was not in SSA's Numident. In September 2020, we provided these records to SSA. Resolving these discrepancies will improve the accuracy and completeness of death information the Agency shares with other Federal benefit-paying agencies.

We did not determine why the death information was not in SSA's Numident or whether the State reported the deaths to SSA. SSA rejects EDR death reports that do not pass its formatting and identification tests, so it does not post erroneous data to its records.

Recommendations

We made four recommendations for corrective action. SSA agreed with our recommendations.

TABLE OF CONTENTS

Objective.....	1
Background.....	1
Results of Review	2
Payments Issued After Death.....	2
Death Verification Process Continues	4
Deceased Non-beneficiaries	4
Recommendations	4
Agency Comments.....	5
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
<i>POMS</i>	<i>Program Operations Manual System</i>
Pub. L. No.	Public Law Number
SSA	Social Security Administration
Stat.	Statutes at Large
U.S.C.	United States Code

OBJECTIVE

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 California Department of Public Health records and (2) identify non-beneficiaries³ in the State files whose death information did not appear in Agency records.

BACKGROUND

In May 2021, SSA paid 70 million beneficiaries approximately \$98 billion under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs.⁴ Under these programs, payment to a beneficiary terminates 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 electronic data file that contains information for each individual issued a Social Security number, and terminates payments to deceased beneficiaries. In addition to EDR, SSA receives death information from other sources, such 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.⁷

We obtained data files that provided the personally identifiable information of 16.1 million individuals the California Department of Public Health recorded as deceased from January 1905 through December 2017. We matched the death data against SSA's 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 the certificates to our Office of Investigations and SSA, as appropriate. 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.

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 June 2019.

⁴ SSA, *Monthly Statistical Snapshot*, May 2021.

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

⁶ 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁷ 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.

RESULTS OF REVIEW

We identified 386 beneficiaries whose personally identifiable information matched that of a deceased individual in the California death data files.⁸ SSA

- Determined 89 beneficiaries were alive at the time of our audit.⁹
- Terminated or suspended payments to 245 beneficiaries whose personally identifiable information matched that of deceased individuals in the California death data. SSA issued approximately \$21.3 million in payments after these beneficiaries' deaths. Identification and termination/suspension of these payments prevented an additional \$3.3 million in improper payments over 12 months.
- Is reviewing payments to 52 beneficiaries. Based on SSA's experience with the other deceased beneficiary case referrals, we estimate 38 of the 52 beneficiaries are deceased,¹⁰ SSA issued \$8.3 million in payments after their deaths, and identification and termination of these payments will prevent approximately \$600,000 in additional improper payments over 12 months.

We also identified 438,860 non-beneficiaries who were deceased according to California Department of Public Health records but whose death information was not in SSA's Numident and provided these records to SSA in September 2020. Resolving these discrepancies will improve the accuracy and completeness of death information the Agency shares with other Federal benefit-paying agencies.

We did not determine why this death information was not in SSA records or whether the State had previously reported the 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.¹¹ We issued a separate report that assessed SSA's rejection of State-submitted EDR reports.¹²

Payments Issued After Death

SSA has suspended or terminated payments to 245 beneficiaries whose personally identifiable information matched that of deceased individuals in the California death data.

- SSA confirmed 196 beneficiaries were deceased, terminated their benefits, and initiated recovery of \$13.6 million in payments issued after the beneficiaries' deaths. For example, a

⁸ We did not identify any payments issued to deceased representative payees.

⁹ In 77 cases, the beneficiaries remained in current payment status after SSA confirmed they were alive. In the other 12 cases, SSA records indicated the beneficiaries were alive at the time of our review but subsequently died. SSA terminated the beneficiaries' payments and input more recent dates of death in its records than appeared on California death certificates.

¹⁰ In 89 (26.6 percent) of 334 referrals, SSA determined the beneficiaries were alive. Applying this percentage to the 52 cases under review indicates 14 beneficiaries are alive and 38 beneficiaries are deceased.

¹¹ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

¹² SSA, OIG, *The Social Security Administration's Rejection of State Electronic Death Registration Reports, A-08-18-50499* (September 2020).

retirement beneficiary died in May 2008. SSA records did not contain a date of death and therefore the benefit payments continued. SSA determined it issued \$270,359 in payments after death before it terminated the payments in August 2020.

- SSA or our Office of Investigations verified 16 beneficiaries were deceased, but SSA had not quantified payments issued after death. This occurred primarily because, after SSA input the beneficiaries' date of death on the Numident, SSA suspended benefit payments or terminated payments for reasons other than the beneficiaries' death. This prevented SSA systems from identifying and initiating collection on approximately \$1.2 million in payments after death. At least eight cases appear to have involved identity theft.¹³ For example, a child died in the 1950s. In 2008, SSA approved an SSI claim filed by someone using the deceased child's personally identifiable information. SSA issued the recipient approximately \$100,000 in SSI payments before it terminated the payments in January 2021. However, no overpayment appears on the recipient's payment record.
- SSA suspended payments to 33 beneficiaries up to 19 months ago¹⁴ but did not input the beneficiaries' death information in its records, which prevented SSA systems from identifying and initiating collection on approximately \$6.5 million in payments after death. For example, a retirement beneficiary died in July 2006. The beneficiary's daughter reported the death to the State of California. The decedent's death certificate lists the same residential address that appears on the beneficiary's payment record. SSA issued approximately \$300,000 in payments after death before it suspended the benefit payments in July 2020.

We estimate identification and termination or suspension of these payments prevented approximately \$3.3 million in additional improper payments over 12 months.¹⁵

California began reporting death information through the EDR process in December 2005. Yet, as illustrated in Table 1, approximately 80 percent of the deceased beneficiaries whom SSA improperly paid died after California began reporting deaths through EDR.¹⁶

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1940 Through 2005	48	20
2006 Through 2017	197	80
Total	245	100

¹³ In these cases, individuals applied for benefits using the personally identifiable information of numberholders who were already deceased (the actual numberholders died from 1944 to 1969).

¹⁴ SSA suspended: 8 beneficiaries' payments from February through September 2020; 1 beneficiary's payments in April 2021; and 24 beneficiaries' payments in August or September 2021.

¹⁵ We based this estimate on the assumption that conditions will remain the same for 12 months.

¹⁶ SSA issued payments after death to less than .01 percent of the 16 million individuals who were deceased according to the California Department of Health.

Death Verification Process Continues

SSA and our Office of Investigations are reviewing the appropriateness of continued payments to 52 beneficiaries whose personally identifiable information matched that of a deceased individual in the California death data. Based on SSA's experience with other deceased beneficiary case referrals, we estimate 38 of the 52 beneficiaries are deceased,¹⁷ SSA issued \$8.3 million in payments after their deaths, and identification and termination of these payments will prevent approximately \$600,000 in improper payments over 12 months.

Deceased Non-beneficiaries

We identified 438,860 non-beneficiaries¹⁸ who were deceased according to California Department of Public Health records but who did not have death information in SSA's Numident. As shown in Table 2, approximately 99 percent of these individuals died before the State began reporting death information via EDR in December 2005.

Table 2: Non-beneficiaries by Year of Death

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1940 Through 2005	434,047	98.9
2006 Through 2017	4,813	1.1
Total	438,860	100.0

In September 2020, we provided SSA data that identified all 438,860 non-beneficiaries. Resolving these discrepancies will improve the accuracy and completeness of the death information SSA shares with other Federal benefit-paying agencies.¹⁹

RECOMMENDATIONS

We recommend SSA:

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the 52 cases under review.
2. Take action to terminate payments due to death and initiate collection of overpayments, as appropriate, for the 16 cases where SSA has already added beneficiary death information to the Numident.

¹⁷ See Footnote 10.

¹⁸ We matched California death records that included a validated Social Security number, name, and date of birth (per Enumeration Verification System process) against SSA's Numident. We excluded individuals who were receiving Old-Age, Survivors and Disability Insurance benefits or Supplemental Security Income payments.

¹⁹ 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. In addition, 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).

3. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the 33 beneficiaries whose payments were suspended but no death information was input in SSA records.
4. Add death information to the Numident, as appropriate, for the 438,860 non-beneficiaries with dates of death we identified using California 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 objective, 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 California Department of Public Health records data file and identified approximately 16.1 million individuals recorded as having died in California from January 1905 through December 2017. We matched these records against SSA’s Enumeration Verification System and June 2019 payment records and identified
 - 439 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients¹ in current payment status whose names and dates of birth matched those of deceased individuals in the California death data and appeared to be deceased.
 - For 386 beneficiaries, we did the following:
 - Reviewed SSA’s systems, and California death data, LexisNexis, and public records as necessary.
 - Determined whether SSA (a) documented contact with the beneficiary after the date of death in California records, (b) had determined the beneficiary was a victim of identity theft, (c) listed two individuals on the same Numident record and the deceased individual was not the beneficiary, or (4) had terminated the beneficiary’s payments due to death and input a date of death in the beneficiary’s record the occurred after December 2017. If so, we considered the beneficiary alive, and, if not, we considered the beneficiary deceased.
 - Obtained California death certificates² and referred the cases to either our Office of Investigations or SSA. As of September 1, 2021, SSA had:
 - determined 89 beneficiaries were alive;
 - determined 196 beneficiaries were deceased, terminated their payments and identified approximately \$13.6 million in payments after death;
 - determined 16 beneficiaries were deceased, input death information on the Numident, but had not identified payments issued after death;

¹ We use the term “beneficiary” in this Appendix in reference to Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status.

² We did not refer five cases because, during the audit, SSA terminated the beneficiaries’ payments and established overpayments on their records.

- ⊙ suspended 33 beneficiaries' payments but had not input death information on the Numident or identified payments issued after death; and
 - ⊙ is reviewing the remaining 52 cases.
- We previously referred the 53 remaining beneficiaries to SSA as part of our on-going *Match of Centers for Medicare and Medicaid Services Death Information Against Social Security Administration Records (A-06-18-50653)*. During the current audit, SSA had taken action to terminate payments to 29 beneficiaries. We purchased the other 24 beneficiaries' death certificates and referred the cases to either our Office of Investigations or SSA. We excluded the 53 cases from this audit's results.
- 438,860 non-beneficiaries³ whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the California death data but whose death information was not in SSA's Numident as of June 2019. We referred these cases to SSA.
- Identified payments issued after death for 245 beneficiaries⁴ whose payments have been suspended or terminated and estimated overpayments for 52 beneficiaries whose vital status is under SSA review.

We conducted our audit in Dallas, Texas, from July 2019 to September 2021. 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 our audit objectives. We determined that internal controls were not significant to our audit objectives; 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

³ Refers to deceased individuals who were not in current or suspended payment status at the time of our review.

⁴ We used the overpayments SSA calculated and input in 196 beneficiaries' payment records and calculated overpayments for 49 beneficiaries whose payments had been terminated or suspended.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 10, 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 "Match of California Death Information Against Social Security Administration Records" (A-06-18-50706) — 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 I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.



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