



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Numident Death Alerts

A-06-21-51086 | September 2022



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 30, 2022

Refer to: A-06-21-51086

To: Kilolo Kijakazi
Acting Commissioner

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

Subject: Numident Death Alerts

The attached final report presents the results of the Office of Audit's review. Our objective was to determine whether the Social Security Administration effectively managed the Numident death alert process.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

Numident Death Alerts

A-06-21-51086



September 2022

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) effectively managed the Numident death-alert process.

Background

To identify and prevent payments after death, the *Social Security Act* requires that SSA establish a program under which states can voluntarily contract to provide SSA with death data to match against SSA's records. Accordingly, SSA and the states developed the Electronic Death Registration (EDR) process to improve the accuracy and timeliness of death information.

Through EDR, states electronically submit death reports to SSA, and SSA verifies the Social Security number online and in real-time. If the decedent's data match SSA records, SSA automatically posts the state death information to the Numident, an SSA database that stores personally identifiable information for all Social Security numberholders and should terminate payments to deceased beneficiaries.

When death data are present on the Numident, but there are no corresponding death data on a beneficiary's payment record, SSA's Death Alerts Tracking System produces a Numident death alert and routes the alert to the beneficiary's servicing field office for review.

Findings

SSA did not always effectively manage the Numident death alert process. SSA continued issuing payments to 1,300 beneficiaries for months or years after it received and recorded their death information on the Numident. This included 1,224 cases with Numident death alerts generated in June 2021 or earlier that remained pending in September 2021 and 76 cases with no Numident death alert pending. We estimate SSA issued \$14 million in payments after these beneficiaries' deaths. Correcting these errors will prevent an estimated \$6 million in additional improper payments over 12 months.

Recommendations

We made seven recommendations for corrective action including that SSA resolve all pending Numident death alerts generated from June 2013 through August 2022, terminate benefits, and recover improper payments, as appropriate. We also recommended that SSA terminate payment records and recover improper payments issued after death for the cases that did not generate alerts.

Agency Comments

SSA agreed with four recommendations and disagreed with three.

Agency Actions Resulting from the Audit

As of August 27, 2022, SSA had resolved 941 of the 1,224 pending alerts. During the resolution process, SSA removed death information from 68 beneficiaries' Numident records, indicating SSA determined the beneficiaries were alive. We excluded the 68 cases from the estimated improper payments/payments after death presented in the report. We reviewed and summarized the payment status of the beneficiaries associated with the remaining 1,156 alerts and 76 beneficiaries whose Numident records contained a date of death in May 2021 or earlier but had no Numident death alert pending.

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ABBREVIATIONS

DATS	Death Alerts Tracking System
DIPS	Death Information Processing System
EDR	Electronic Death Registration
LEERS	Louisiana Electronic Event Registration System
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) effectively managed the Numident death alert process.

BACKGROUND

To identify and prevent payments after death, the *Social Security Act* requires that SSA establish a program under which states can voluntarily contract to provide SSA with death data to match against SSA's records.¹ 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.² If the decedent's data match SSA records, SSA automatically posts the state death information to the Numident, an SSA database that stores personally identifiable information for all Social Security numberholders,³ and should terminate payments to deceased beneficiaries.

SSA also receives death information from other sources, such as family members or funeral directors. SSA employees can add this death information to the Numident using SSA's Death Information Processing System (DIPS). DIPS death inputs should also automatically post the death information to the decedent's payment record if a payment record exists. The employee who inputs the death information must control and monitor the decedent's record to ensure correct posting to both the Numident and applicable payment record(s).⁴

When death data are present on the Numident, but there are no corresponding death data on a beneficiary's⁵ payment record, SSA's Death Alerts Tracking System (DATS) produces a Numident death alert and routes the alert to the beneficiary's servicing field office for review. SSA performs this match to reduce improper payments (if death information does not make it to the payment records, a beneficiary or recipient could continue receiving payments until the alerts are resolved) and remove erroneous death information from the Numident if the individual is alive.⁶ When the source of Numident death information is a verified EDR death report,⁷ SSA employees can terminate benefits without additional death development.⁸

¹ *Social Security Act*, 42 U.S.C. § 405(r)(1).

² State agencies can also report death information to SSA outside the EDR process.

³ SSA, POMS, GN 02602.050, A (September 3, 2019).

⁴ SSA, POMS, GN 02602.051.A. (February 22, 2017).

⁵ 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.

⁶ SSA, POMS, GN 02602.065.B.4. (January 15, 2016).

⁷ The Numident death record is coded "EDR:Y" when the death information source is a verified EDR report.

⁸ SSA, POMS, GN 02602.070. C. Step 5 (September 27, 2021). SSA employees must first determine whether SSA reinstated benefits due to an incorrect death, but the death information was not removed from the Numident.

When the Numident contains unproven death information,⁹ SSA field office staff must attempt to contact the alleged decedent, or family of the decedent, by telephone.¹⁰ If employees cannot make telephone contact, they send a letter and follow up in 45 days (45-day letter). If the beneficiary does not contact the SSA field office or respond to the letter, policy instructs staff to consider the person deceased and terminate benefits.

In prior audits,¹¹ we estimated that SSA improperly paid approximately 4,000 beneficiaries about \$91 million after it received notification the beneficiaries were deceased.

RESULTS OF REVIEW

SSA did not always effectively manage the Numident death alert process. SSA continued issuing payments to 1,300 beneficiaries for months or years after it received and recorded their death information on the Numident. This included 1,224 cases with Numident death alerts generated in June 2021 or earlier that remained pending in September 2021 and 76 cases with no Numident death alert pending. As a result, we estimate SSA issued \$14 million in payments after these beneficiaries' deaths. Correcting these errors will prevent an estimated \$6 million in additional improper payments over 12 months.¹²

Numident Death Alerts with Proven Death Information

SSA issued approximately \$8.2 million in payments to 816 beneficiaries after it received and recorded their proven (EDR:Y) death information on the Numident. SSA employees could have terminated these payments without additional death development. SSA systems generated Numident death alerts in each of these cases that dated as far back as Calendar Year 2014 and remained pending as of September 2021.

Table 1: Death Alerts Generated in June 2021 or Earlier with EDR:Y Death Information that Remained Pending as of September 2021

Year Generated	
2014 – 2016	8
2017 – 2019	72
2020	216
2021	520
Total	816

⁹ Death verification is required for Numident death alerts that are not coded EDR:Y (non-EDR:Y). Examples include unverified EDR death reports (coded EDR:N) and death inputs processed by SSA employees.

¹⁰ SSA, POMS, GN 02602.070, C. (September 27, 2021).

¹¹ SSA, OIG, *Payments to Individuals Whose Numident Record Contains a Death Entry*, A-06-08-18095 (June 2009); *Payments to Individuals Whose Numident Record Contained a Death Entry*, A-06-12-11291 (June 2013); and *Follow-up: Payments to Individuals Whose Numident Record Contained a Death Entry*, A-06-17-50232 (May 2018).

¹² We based this estimate on January 2022 payment amounts and assumed conditions remained the same for 12 months.

To illustrate, an individual who applied for disability benefits in July 2016 died in August 2016. SSA received the individual's electronic death notification from the State of Arizona in September 2016 and posted the date of death, death certificate number, and proven death code to the Numident. In November 2016, SSA systems erroneously effectuated the disability claim¹³ and began issuing payments to the deceased individual. The same month, SSA's systems identified this discrepancy and generated a Numident death alert, which remained pending at the time of our review. In February 2022, SSA staff mailed the "alleged" decedent a 45-day letter and, in March 2022, obtained the beneficiary's paper death certificate. Because SSA had already obtained the beneficiary's proven death information, field office staff should have terminated the payments without mailing a 45-day letter or obtaining a paper copy of the beneficiary's death certificate.¹⁴ SSA determined it issued approximately \$143,000 in payments after death before it terminated the payments in April 2022.

Numident Death Alerts with Non-EDR:Y Death Information

SSA issued approximately \$4.9 million in payments to 408 beneficiaries after it received and recorded their non-proven (non-EDR:Y) death information on the Numident. SSA requires that employees verify these beneficiaries' death information and clear the alerts as appropriate.¹⁵ SSA systems generated Numident death alerts dating as far back as Calendar Year 2013 that remained pending in September 2021.

Table 2: Death Alerts Generated in June 2021 or Earlier with Non-EDR:Y Death Information that Remained Pending as of September 2021

2013 – 2016	141
2017 – 2020	123
2021	144
Total	408

For example, a New York retirement beneficiary died in November 2014. In December 2014, SSA recorded the date of death and death certificate number on the beneficiary's Numident record; however, SSA systems did not terminate the benefit payments. In December 2014, SSA's system produced a Numident death alert that remained pending until SSA terminated the payments in December 2021 and determined it issued \$134,474 in payments after death. SSA recovered the entire amount from the beneficiary's financial institution through the Treasury reclamation process.

In 158 cases, SSA employees input in the Numident the beneficiary's death information provided by the beneficiary's family member or funeral home. After completing death inputs, SSA employees are required to monitor the individual's record to ensure the information is

¹³ SSA stated that system upgrades would prevent this error from occurring presently.

¹⁴ SSA, POMS, GN 02602.070, C. Step 5 (September 27, 2021).

¹⁵ SSA, POMS, GN 02602.070, C. (September 27, 2021).

correctly posted to Numident and payment records.¹⁶ However, SSA employees did not monitor the records in these instances.

No Timeliness Goals for Resolving Numident Death Alerts

SSA had established a 60-day goal¹⁷ for employees to resolve *third-party* death alerts¹⁸ that required death verification. However, SSA had not established timeliness goals for resolving Numident death alerts or implemented effective management controls to ensure the Numident death alerts were resolved in a timely manner.¹⁹ Timely resolving these Numident death alerts will prevent an estimated \$5.6 million in additional improper payments over 12 months.

Deceased Beneficiaries with No Numident Death Alerts Pending

SSA issued approximately \$900 thousand in payments to 76 beneficiaries²⁰ whose Numident record contained a date of death in May 2021 or earlier; however, no Numident death alert was pending. We requested SSA analysis on 68 cases:

- In two cases, SSA systems generated Numident death alerts; however, SSA employees erroneously cleared the alerts without terminating the benefit payments. For unknown reasons, SSA systems did not generate subsequent Numident death alerts.
- In 37 cases, the system identified the deceased beneficiaries' non-pay or terminated payment records but did not identify their current pay records. For example, a widow receiving survivors benefits died in August 2016. SSA received an electronic death notification in August 2016 and posted the widow's date of death, death certificate number, and proven death code (EDR:Y) on her Numident record. SSA's system identified her terminated Supplemental Security Income record; however, SSA systems did not terminate her widow's benefits or generate a Numident death alert. In February 2022, we sent SSA the Social Security number and proof of death. SSA determined it issued \$71,625 in payments after death before it terminated the payments in August 2022.
- In 29 cases, we did not determine why SSA systems failed to generate Numident death alerts.

Correcting these errors will prevent an estimated \$392,000 in additional improper payments over 12 months.

¹⁶ SSA, POMS, GN 02602.051 (February 2, 2017).

¹⁷ Through Fiscal Year 2021, SSA had established a public service indicator timeliness goal to maintain pending third-party death alert cases over 60-days-old at 10 percent or less of total pending or maintain no more than one case over 60-days-old if less than 10 total pending cases. SSA suspended this indicator because of the COVID-19 pandemic and does not have timeliness goals for any type of death alerts.

¹⁸ SSA generates third-party death alerts based on death information received from reporters include Centers for Medicare & Medicaid Services, Department of Veterans Affairs, Office of Personnel Management, and state agencies reporting death information outside the EDR system. SSA, POMS, GN 02602.050, D. (July 15, 2022).

¹⁹ DATS produces monthly listings that identify the number of unresolved Numident death alerts. However, SSA allowed alerts to remain unresolved for several years.

²⁰ We initially identified 96 cases where beneficiaries had death information on the Numident records but no death information on their payment records—and no Numident death alert was pending. We sent 96 cases to SSA for corrective action. Of the 96 cases, we determined 20 cases did not involve improper payments.

BEST PRACTICES

Some SSA field office management and staff have taken the initiative to obtain access to available electronic vital records. Five SSA employees in the New Orleans Downtown field office have read-only access to Louisiana State vital records online via the Louisiana Electronic Event Registration System (LEERS). We note that, at the time of our review, the field office had no unresolved/pending Numident death alerts. New Orleans Downtown management believes LEERS usage contributes to the office's success in managing the Numident death alert workload because of the direct access LEERS provides to the State's death records in cases where field office staff is required to obtain proof of a beneficiary's death. About 10 years ago, the field office manager obtained permission from the Louisiana State Registrar to allow one SSA employee in each Louisiana field office to have LEERS access at no cost to SSA. The manager requested the SSA Regional Office's approval, but SSA officials denied the request. SSA officials informed us the Agency does not plan to expand the use of LEERS.

We also identified SSA employees in two Texas field offices who have obtained read-only access to the Texas Electronic Vital Events Registrar. Like LEERS, the Registrar provides the SSA employees direct access to Texas death records, which greatly reduces the time and effort required to verify individual's death information.

We believe it is likely that additional opportunities exist for SSA to expand employee access to other states' electronic vital records. Doing so could streamline the process for obtaining and verifying death certificate information, and enhance other processes, like birth and marriage certificate verification.

RECOMMENDATIONS

We recommend SSA:

1. Resolve all pending Numident death alerts generated from June 2013 through August 2022, terminate benefits, and recover improper payments, as appropriate.
2. Establish a timeliness goal for resolution of Numident death alerts.
3. Remind employees that a 45-day letter is not required to resolve Numident death alerts when the Numident contains proven death information coded EDR:Y and to monitor payment records after making death inputs in DIPS.
4. Establish management controls to periodically ensure Numident death alerts are resolved in a timely manner.
5. Terminate payment records and recover improper payments issued after death, when applicable, for the cases not listed on DATS.
6. Establish management controls to periodically identify and resolve cases where SSA systems fail to generate Numident death alerts for current beneficiaries with death information on the Numident.
7. Consider working with the states to expand access to electronic vital records.

AGENCY COMMENTS AND OIG RESPONSE

SSA agreed with Recommendations 1, 3, 5, and 6 but disagreed with Recommendations 2, 4, and 7. The full text of the Agency's comments is included in Appendix B.

With regard to Recommendations 2 and 4, SSA stated it is not feasible to establish additional fixed goals without affecting other workloads and its ability to achieve already-established goals. SSA stated it has an established mechanism through DATS to monitor the age of death alerts, managers use DATS management information to track death alerts and ensure their completion, and current DATS data show that only 4 percent of all death alerts are over 60-days-old. We do not agree that Agency managers use DATS information to track Numident death alerts and ensure their completion. The 4-percent statistic to which SSA refers does not pertain to Numident death alerts. SSA has established timeliness goals for clearing third-party death alerts, and DATS *Pending Alert Summary* dated September 26, 2022 showed that only 4.83 percent of alerts had been pending for longer than 60 days. However, DATS tracks Numident death alerts separately. As of September 26, 2022, DATS *Pending Numident Counts by Month* showed that 1,086 (61 percent) of 1,777 Numident death alerts had been pending since July 2022 or earlier. Also, 283 (23 percent) of the 1,224 Numident death alerts discussed in the report remained unresolved in September 2022—longer than 1 year after DATS generated them. Therefore, we continue to believe SSA should establish Numident death alert timeliness goals and ensure the alerts are resolved in a timely manner.

Although SSA stated it disagreed with Recommendation 7, it also stated it was premature for it to work with the states because it was evaluating legal issues to determine whether it can use electronic vital records to meet evidentiary requirements. Therefore, we believe SSA's response satisfies the intent of our recommendation.

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of August 27, 2022, SSA had resolved 941 (77 percent) of the 1,224 alerts generated in June 2021 or earlier that remained pending in September 2021. During the resolution process, SSA removed death information from 68 beneficiaries' Numident records, indicating SSA determined the death information originally added to the Numident was erroneous, and the beneficiaries were alive. We excluded the 68 cases from the estimated improper payments/payments after death presented in the report. We reviewed the payment status of the beneficiaries associated with the remaining 1,156 alerts²¹ and determined that 7 beneficiaries remained in current payment status. SSA had terminated 855 beneficiaries' payments due to death and suspended 166 beneficiaries' payments. The other 128 beneficiaries were in various other non-current payment statuses.

²¹ This number includes the 1,224 initially identified alerts less the 68 alerts where it appeared SSA determined the beneficiaries were alive. The 1,156 alerts include the 810 EDR:Y and 346 non-EDR:Y cases discussed in the report.

We also reviewed the payment status of the 76 beneficiaries whose Numident records contained a date of death in May 2021 or earlier but had no Numident death alert pending and determined that 50 beneficiaries remained in current payment status. SSA had terminated 21 beneficiaries' payments due to death, terminated 3 beneficiaries' payments for reasons other than death, and suspended 2 beneficiaries' payments.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed the Social Security Administration's (SSA) *Program Operations Manual System*, Federal regulations, and prior Office of the Inspector General reports related to Numident death alerts.
- Contacted SSA officials to gain an understanding of the Death Alerts Tracking System (DATS) and metrics in place to resolve death alerts.
- Obtained a data file from SSA of 1,224 unresolved Numident death alert cases pending on DATS as of June 2021. From this data set, we identified:
 - 816 beneficiaries whose Numident death entry also contained a proven death (coded EDR:Y) and
 - 408 beneficiaries whose Numident death entry did not contain an Electronic Death Registration-proven death.
- Identified 96 current pay cases not located on DATS as of July 2021 although the beneficiaries' Numident records contained death information.

We performed the audit work between August 2021 and May 2022. The entities audited were the Offices of Operations and Systems under the Office of the Deputy Commissioners for Operations and Systems. We determined the computer-processed data was sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data primarily by tracing information in the data to SSA payment and Numident records. In some cases, we verified the accuracy of death information by obtaining corroborative documentation like obituary notices and reports of death from funeral homes. These tests allowed us to assess the reliability of the data and achieve our audit objective.

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 communicating, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objectives. We identified the following component and principles as significant to the audit objective.

- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 12: Implement control 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 B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 27, 2022

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

A handwritten signature in blue ink that reads "Scott Frey".

From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report, “Numident Death Alerts” (A-06-21-51086) — INFORMATION

Thank you for the opportunity to review the draft report. We agree with recommendations 1, 3, 5, and 6. We disagree with recommendations 2, 4, and 7.

We disagree with recommendation 2 because it is not feasible to establish additional fixed goals without affecting other workloads and our ability to achieve already-established goals.

We disagree with recommendation 4 because we have an established mechanism through the Death Alerts Tracking System (DATS) to monitor the age of death alerts. Managers use the DATS management information to keep track of the death alerts and ensure their completion. Our current DATS data show that only 4 percent of all death alerts are over 60 days old.

We disagree with recommendation 7 because we are evaluating legal issues to determine if we can use electronic vital records to meet evidentiary requirements. It is premature for us to work with the States.

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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