



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: August 30, 2022

Refer To: A-06-21-51088

To: Gina Clemons
Deputy Commissioner
Office of Analytics, Review and Oversight

From: Michelle L. Anderson, *Michelle L. Anderson*
Assistant Inspector General for Audit

Re: Lump-sum Death Payments to Survivors of Beneficiaries with No Death Information on the Numident

We matched Master Beneficiary Record (MBR) and Numident records and identified 113,137 instances where the Social Security Administration (SSA) issued lump-sum death benefits to deceased beneficiaries' family members and recorded the death benefit payment on the beneficiaries' MBR but did not record the death on the Numident. In lieu of an audit report, we are issuing this memorandum to inform the Agency of these cases.

BACKGROUND

SSA receives and processes reports of death from a variety of sources. SSA records death information on the Numident, an electronic file that contains personally identifiable information for each person issued a Social Security number (SSN). SSA uses death information from the Numident to compile the Death Master File (DMF)--a record of reported deaths--and provides the DMF to Federal benefit-paying agencies for use in preventing payments to deceased individuals. Omitting deceased individuals' death information from the Numident:

- reduces the completeness of the DMF, which can impair Federal benefit-paying agencies ability to detect improper payments to deceased individuals;
- allows individuals and employers to report earnings under deceased individuals' SSNs without SSA's detection
- affects the accuracy of E-Verify, a Department of Homeland Security program that allows employers to verify that newly hired employees are authorized to work in the United States; and
- affects the accuracy of the Help America Vote Verification system that verifies information of new voters who do not present a valid driver's license when they register to vote.

Deceased beneficiaries are not eligible to receive Old-Age, Survivors and Disability Insurance benefits, so SSA records death information on the MBR to prevent payments after death. Posting death information on the MBR also alerts SSA to pursue potential claims for benefits to surviving spouses and children, including a one-time \$255 lump-sum death benefit payment to

an eligible surviving family member of the insured deceased beneficiary. SSA requires that employees verify a beneficiary's death and obtain proof of relationship from a surviving family member before it approves a lump-sum death payment.¹

As part of a series of prior audits, we identified approximately 1.4 million beneficiaries and recipients who died since January 1980 and whose payments SSA terminated because of death.² SSA added the beneficiaries' death information to its payment records but did not input the death information on the Numident. SSA stated it would develop a plan to analyze a redesign of the death processing system and incorporate into the redesign an efficient way of correcting discrepant death information between its payment records and the Numident.

In May 2022, we reported that SSA had improved controls over recording deceased beneficiaries' death information but had not recorded death information on the Numident for approximately 600,000 of the 1.4 million deceased beneficiaries and recipients.³ We recommended that SSA take appropriate action to record the beneficiaries' death information to the Numident. SSA disagreed and stated that it established stringent screening criteria to select records for its Continuing Death Data Improvement clean-up project⁴ to reduce the risk of recording incorrect death information on the Numident. SSA stated the approximately 600,000 beneficiaries identified by our prior audits did not meet that screening criteria, so SSA did not enter the beneficiaries' death information on the Numident, despite the fact that SSA had already recorded the beneficiaries' death information on its payment records.

THE AGENCY ISSUED LUMP-SUM DEATH BENEFITS BUT DID NOT ADD DECEASED BENEFICIARIES' DEATH INFORMATION TO THE NUMIDENT

SSA issued lump-sum death benefits to family members of 113,137 deceased beneficiaries and added death information to the beneficiaries' MBRs; but did not input the death information on the beneficiaries' Numident records.

We previously referred to SSA information on 83,299 of the beneficiaries as part of the prior audit work discussed in the Background. SSA informed us these beneficiaries did not meet its Continuing Death Data Improvement screening criteria. However, the fact that SSA issued lump sum death benefits to these beneficiaries' surviving family members indicates SSA

¹ SSA, *POMS*, RS 00210.005 (May 11, 2022).

² SSA, OIG, *Deceased Beneficiaries and Recipients Who Do Not Have Death Information on the Numident*, A-09-14-14068, (July 2015); *Title XVI Deceased Recipients Who Do Not Have Death Information on the Numident*, A-09-12-22132, (May 2013); and *Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident*, A-09-11-21171, (July 2012).

³ SSA, OIG, *Follow-up on Deceased Beneficiaries and Recipients with No Death Information on the Numident*, A-09-20-50936, (May 2022).

⁴ SSA implemented this project to increase the accuracy, integrity, and completeness of the Numident and any SSA program or process that relies on Numident death information. SSA screened various death data for accuracy using identity-matching criteria and reviewing internal databases and updated death information on over 10 million Numident and DMF records.

personnel verified that each of these beneficiaries was deceased.⁵ As such, we are providing these beneficiaries' information to SSA for reconsideration.

We had not previously referred to SSA information on the remaining 29,838 deceased beneficiaries, primarily because the beneficiaries did not meet selection criteria used in our prior deceased beneficiary audits.⁶ As stated previously, the fact that SSA issued lump sum death benefits to these beneficiaries' surviving family members indicates SSA personnel have verified that each beneficiary was deceased and obtained proof of relationship from each beneficiaries' family member(s).

SSA can correct these discrepancies by adding the death information to the Numident.

LUMP-SUM DEATH BENEFIT PAYMENT ERRORS

We identified 28 additional lump-sum death benefit payment discrepancies. In 5 cases, SSA erroneously issued a lump-sum death payment on behalf of a living beneficiary. For example, SSA issued a lump-sum death payment to a family member of a beneficiary that SSA presumed to be deceased, but SSA later determined the beneficiary was alive. The beneficiary currently receives SSA payments while the lump-sum death benefit payment appears on his payment record. In the other 23 instances, SSA employees issued a lump-sum death benefit on behalf of a deceased beneficiary, but erroneously recorded the payment on a living beneficiary's MBR. For example, after an SSA beneficiary's spouse died, SSA issued a lump-sum death payment to the beneficiary, but erroneously recorded the payment on the beneficiary's payment record. The lump sum payment should have instead been reflected on the deceased beneficiary's record. Addressing these discrepancies can prevent future claims-related confusion.

CONCLUSION

Because SSA disagreed with our recommendation in our May 2022 audit report, we are not making another formal recommendation for the Agency in this memorandum. However, because SSA issued lump-sum death benefits to family members of 113,137 deceased beneficiaries and added death information to the beneficiaries' payment records, we urge the Agency to also input the death information on the beneficiaries' Numident records.

Our Dallas Audit Division will coordinate with your staff and provide information on the deceased beneficiaries. If you wish to discuss this memorandum, please call me or have your staff contact Ron Gunia, Director, Dallas Audit Division.

⁵ SSA, POMS, RS 00210.005A, (May 11, 2022). SSA personnel must obtain evidence to establish proof of death and proof of survivor's relationship to the beneficiary before approving a lump sum death payment claim.

⁶ Nearly all of the beneficiaries died prior to January 1980 or after December 2019, or their payment records were terminated for reasons other than death.