

OIG

Office *of the* Inspector General
SOCIAL SECURITY ADMINISTRATION

Audit Report

Deceased Representative Payees

A-01-14-34112 | June 2015

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: June 17, 2015

Refer To:

To: The Commissioner

From: Inspector General

Subject: Deceased Representative Payees (A-01-14-34112)

The attached final report presents the results of our audit. Our objective was to determine whether the Social Security Administration identified all cases in which a new representative payee was needed when a current payee died.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Deceased Representative Payees A-01-14-34112



June 2015

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) identified all cases in which a new representative payee was needed when a current payee died.

Background

Some individuals are not able to manage or direct the management of their finances because of their age or mental and/or physical impairments. For such individuals, Congress provided for payment to be made through representative payees who receive and manage their benefit payments. When a representative payee dies, applicable regulations indicate SSA will select a new payee.

In two prior audits, we determined SSA's procedures did not ensure new representative payees were selected when the former payees died. SSA agreed with the recommendations in these reports.

To conduct our current review, we identified 3,847 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and 1,355 Supplemental Security Income (SSI) recipients who had representative payees with dates of death on the Death Master File. We reviewed 200 sample cases: 100 sample cases from each population.

Findings

SSA did not ensure new representative payees were selected when current payees died. Based on our sample results, we estimated 2,548 deceased payees received approximately \$46.8 million in OASDI benefits and SSI payments. Of the \$46.8 million, we estimated SSA issued approximately

- \$36.4 million in OASDI benefits to 1,654 deceased representative payees and
- \$10.4 million in SSI payments to 894 deceased representative payees.

We also estimated that about 2,014 payees did not receive funds after the dates of death; however, about 1,715 deceased payees' SSNs remained on the beneficiaries/recipients' Master Beneficiary (MBR) or Supplemental Security Records (SSR). Incorrect Social Security numbers (SSN) in SSA's files compromises SSA's computer matching efforts.

Recommendation

We recommend SSA review the remaining OASDI beneficiaries and SSI recipients in our populations where (1) the Agency continues to issue benefit payments to deceased representative payees and refer any potential fraud cases to our investigators and (2) the deceased payee was replaced but his/her SSN remains on the MBR/SSR.

SSA agreed with the recommendation.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
DMF	Death Master File
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
OI	Office of Investigations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) identified all cases in which a new representative payee was needed when a current payee died.

BACKGROUND

Some individuals are not able to manage or direct the management of their finances because of their age or mental and/or physical impairments. Congress provided for payment to be made through representative payees who receive and manage the benefit payments for these beneficiaries and recipients.¹ When a representative payee dies, applicable regulations indicate that SSA will select a new payee.²

Congress mandated that SSA establish a system of accountability for monitoring representative payees.³ If a payee dies and is not replaced, SSA cannot be sure the funds are being used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care. Additionally, if another individual acts as a de facto payee, that person is not subject to SSA's financial oversight and reporting responsibilities—such as reporting events to SSA that may affect the individual's entitlement or benefit payment amount.⁴

In two prior audits, we determined SSA's procedures did not ensure the Agency selected new representative payees when the former payees died.⁵ SSA agreed with the recommendations in these reports (see Appendix A).

To conduct our current review, through computer matching of the Death Master File (DMF),⁶ Master Beneficiary Record (MBR), and Supplemental Security Record (SSR), we identified 3,847 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and 1,355 Supplemental Security Income (SSI) recipients with representative payees who had a date of death on the DMF. We reviewed 200 sample cases: 100 sample cases from each population.

¹ *Social Security Act* §§ 205(j) and 1631(a)(2), 42 U.S.C. §§ 405(j) and 1383(a)(2).

² 20 C.F.R. §§ 404.2050(d) and 416.650(d).

³ *Social Security Act* §§ 205(j)(3)(A), 205(j)(6)(B), 1631(a)(2)(C)(i) and 1631(a)(2)(F)(iv) and (G)(ii), 42 U.S.C. §§ 405(j)(3)(A), 405(j)(6)(B), 1383(a)(2)(C)(i) and 1383(a)(2)(F)(iv) and (G)(ii).

⁴ 20 C.F.R. §§ 404.2035 and 416.635.

⁵ SSA OIG, *The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased* (A-01-98-61009), September 22, 1999, and *Follow up on the Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased* (A-01-06-16054), October 27, 2006. We determined that two OASDI beneficiaries identified in our 2006 audit still had a deceased representative payee on their records; and therefore, these two cases were also included in our current OASDI population.

⁶ The DMF is the repository for adding, correcting, and deleting death information received from SSA's routine death matching operation and is housed on SSA's Numident file. The Numident file contains identifying information, such as a date of death, for each individual issued a Social Security number (SSN).

We referred cases to our Office of Investigations and SSA as needed. See Appendix B for our scope, methodology, and sample results.

RESULTS OF REVIEW

SSA did not ensure that it selected new representative payees when current payees died.⁷ Based on our sample results, we estimated SSA issued 2,548 deceased payees approximately \$46.8 million in OASDI benefits and SSI payments. Of the \$46.8 million, we estimated SSA issued approximately

- \$36.4 million in OASDI benefits to 1,654 deceased payees and
- \$10.4 million in SSI payments to 894 deceased payees.

These payments were calculated from the date of the payee's death through the earliest of the following: (1) the date SSA replaced the name of the payee on the MBR/SSR; (2) the date the beneficiary or recipient stopped receiving benefit payments because of suspension or termination for no longer meeting the OASDI or SSI criteria; or (3) March 2015.

We also estimated that about 2,014 payees did not receive funds after the dates of death; however, approximately 1,715 deceased payees' SSNs remained on the beneficiaries/recipients' MBR or SSR.

Deceased Representative Payees in the Samples

As of March 2015, of the 200 sampled payees managing funds for OASDI beneficiaries and SSI recipients, 173 (86 percent) were deceased and 27 (14 percent) were alive.⁸

Of the 173 deceased payees:

- 109 were issued \$1.7 million in benefit payments after their dates of death; however, nothing came to our attention that indicated fraud or misuse of funds—except where noted later in the report and in Appendix B. The dates of death for these payees ranged from February 2000 through November 2013.

⁷ SSA procedures require the development of a new payee when the current payee dies—or a determination that the beneficiary no longer needs a payee and is capable of managing his/her own benefits; *see* SSA, POMS, GN 00504.100 (March 29, 2006). Also, *see* SSA, POMS GN 00502.100 (November 14, 2008). Additionally, SSA uses its Death Alert, Control, and Update System to process death information. The Death Alert, Control, and Update System receives death data from external and internal sources and processes that information against SSA's payment and Numident records; *see* SSA, POMS GN 02602.060 (August 4, 2014). SSA also uses its Death Information Processing System; *see* SSA, Instruction MSS14-071 DIPS (August 1, 2014).

⁸ The erroneous dates of death were removed from the payee's Numident record.

- 64 were not issued benefit payments.⁹ Although SSA did not issue benefit payments to a deceased payee for these beneficiaries/recipients, the deceased payees' SSNs for 53 of the cases remained on the MBR or SSR (that is, the new payee's name was updated, but the SSN was not updated). Incorrect SSNs in SSA's files compromise SSA's computer matching efforts. On February 19, 2015, we referred the cases to SSA for corrective action.¹⁰

Comparison of Current Audit Samples to 2006 Audit

For our current audit, we determined SSA issued 109 deceased payees \$1.7 million in OASDI and SSI benefit payments after their dates of death. For our 2006 audit, we determined SSA issued 150 deceased payees \$1.2 million in OASDI and SSI benefit payments after their dates of death.¹¹ In our current audit, there were 41 fewer deceased payees who received funds; however, the dollars deceased payees managed in the current audit were approximately \$0.5 million more than our 2006 audit.¹² Table 1 compares the two audits.

Table 1: Comparison of Current and 2006 Audits

	Deceased OASDI Payees		Deceased SSI Payees		Total Deceased Payees	
	Current Audit	2006 Audit	Current Audit	2006 Audit	Current Audit	2006 Audit
Population (OASDI beneficiaries and SSI recipients with payees who were deceased per DMF)	3,847	2,700	1,355	1,116	5,202	3,816
Sample Size	100	100	100	100	200	200
Number of payees in sample where no benefit payments were issued after dates of death ¹³	57	25	34	25	91	50
Number of deceased payees who received benefit payments	43	75	66	75	109	150

⁹ The payees did not receive funds for a number of reasons, such as SSA replaced the deceased payee timely or terminated benefit payments to the beneficiary/recipient before the payee's death.

¹⁰ In our prior report, we recommended SSA correct instances where the SSN of the payee on the MBR or SSR were incorrect; see SSA OIG, *The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased* (A-01-98-61009), p. 12 (Recommendation 4), September 22, 1999.

¹¹ *Follow up on the Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased* (A-01-06-16054), October 27, 2006.

¹² In 2006, the average OASDI benefit was \$955.50 compared to \$1,182.24 for 2013; and in 2006, the average SSI payment was \$454.75 compared to \$529.15 for 2013. SSA, *Annual Statistical Supplement*, 2007 (April 2008), Tables 5.A1 and 7.A5 and SSA, *Annual Statistical Supplement*, 2014 (April 2015), Tables 5.A1 and 7.A5.

¹³ Some of the reasons a payee was not issued benefit payments included (1) SSA replaced the deceased payee timely, (2) SSA terminated benefit payments to the beneficiary/recipient before the representative payee's death, and (3) the representative payee was not deceased.

	Deceased OASDI Payees		Deceased SSI Payees		Total Deceased Payees	
	Current Audit	2006 Audit	Current Audit	2006 Audit	Current Audit	2006 Audit
Benefit payments issued to deceased payees	\$947,289	\$773,170	\$770,775	\$414,791	\$1,718,064	\$1,187,961
Range for benefit payments to deceased payees	\$18 to \$118,769	\$146 to \$43,706	\$24 to \$59,417	\$12 to \$17,904	\$18 to \$118,769	\$12 to \$43,706
Average benefit payments to deceased payees	\$22,030	\$10,309	\$11,678	\$5,531	\$15,762	\$7,920
Median benefit payments to deceased payees	\$10,301	\$8,133	\$9,679	\$4,704	\$10,050	\$6,377
Number of benefit payments issued after death of payee	1 to 103	1 to 52	1 to 93	1 to 40	1 to 103	1 to 52
Average number of benefit payments issued after payee's death	24	15	22	14	23	14

Although SSA's policy is to pay benefits even when a new representative payee is being sought,¹⁴ benefits can be suspended for a maximum of 1 month while a new payee is being identified if direct payment to the incapable beneficiary would cause the beneficiary "substantial harm."¹⁵ Table 2 shows that, for our sample cases in both audits, SSA paid most of the deceased payees more than three benefit checks after their dates of death.

Table 2: Number of Payments Issued After Representative Payee Died

Payments Issued After Death	Number of Deceased OASDI Payees		Number of Deceased SSI Payees		Total Deceased Payees	
	Current Audit	2006 Audit	Current Audit	2006 Audit	Current Audit	2006 Audit
Number of Payments						
1 to 3	16	11	10	13	26	24
4 to 6	2	4	3	7	5	11
7 to 9	2	9	5	8	7	17
10 to 12	2	14	4	9	6	23
13 to 24	3	26	28	28	31	54
More than 24	18	11	16	10	34	21
Total	43	75	66	75	109	150

¹⁴ SSA, POMS, GN 00504.100 B1 (March 29, 2006).

¹⁵ SSA, POMS, GN 00504.105 (May 18, 2012). Substantial harm means direct receipt of funds by the beneficiary would cause physical or mental injury to the beneficiary.

Table 3 compares our two audits for the length of time it took SSA to replace the deceased payee once the Agency knew about their death.¹⁶ To perform this calculation, we compared the date of selection for the new payee or the date the beneficiary/recipient became their own payee to the cycle date (date SSA knew about the death) on the deceased payee’s Numident record.

Table 3: How Long for SSA to Replace Deceased Payee Who Received Funds

Length of Time	Number of OASDI Payees		Number of SSI Payees		Total Payees	
	Current Audit	2006 Audit	Current Audit	2006 Audit	Current Audit	2006 Audit
Number of Months						
Less than 1	6	4	2	5	8	9
1 to 3	8	6	9	8	17	14
4 to 6	2	5	1	6	3	11
7 to 9	3	11	5	6	8	17
10 to 12	2	13	6	12	8	25
13 to 24	4	26	27	28	31	54
More than 24	18	10	16	10	34	20
Total	43	75	66	75	109	150

Table 4 compares the payee’s date of death to the date when SSA was aware of the payee’s death. In most instances, SSA was aware of the payee’s death within 1 month.¹⁷

Table 4: Time Elapsed Between Payee’s Death and When SSA Knew About the Death for Deceased Payees Who Received Funds

Length of Time	Number of OASDI Payees		Number of SSI Payees		Total Payees	
	Current Audit	2006 Audit	Current Audit	2006 Audit	Current Audit	2006 Audit
Number of Months						
Less than 1	36	60	48	55	84	115
1 to 3	5	12	13	18	18	30
4 to 6	1	1	4	2	5	3
7 to 9	1	1	1	0	2	1
More than 24	0	1	0	0	0	1
Total	43	75	66	75	109	150

¹⁶ SSA replaced some of the deceased payees after we obtained our data but before we initiated our audit, and some of the deceased payees were replaced as a result of our audit.

¹⁷ For our current audit, the overall average number of days it took SSA to become aware of the payee’s death after the payee died was 29 days, with a median of 11 and a range of 1 to 263 days. For our 2006 audit, the overall average number of days it took SSA to become aware of the payee’s death after the payee died was 33 days, with a median of 14 and a range of 0 to 1,090 days.

Although SSA knew about the death of payees in most cases within 1 month (Table 4) it took the Agency more than 12 months (Table 3) to replace the deceased payees in 60 percent of the cases in which a deceased payee was issued funds in our current audit.¹⁸ This is an increase when compared to our 2006 audit where, in 49 percent of the cases, it took SSA longer than 12 months to replace the deceased payees.¹⁹

Examples of Deceased Representative Payees

The funds for beneficiaries and recipients who have deceased payees may be at risk for being misused. Below are some examples of deceased payees who received OASDI and SSI benefit payments after their dates of death.

- A payee who died in January 2013 was managing SSI payments for his spouse. SSA issued the SSI payments by direct deposit. Our investigators worked with SSA, and, while taking corrective action on this case during our current audit, the recipient's mother told SSA the recipient died in March 2005. However, SSA did not stop the SSI payments after the recipient died and therefore improperly issued \$51,356 through November 2014, which was when SSA placed the recipient's payment record into terminated status.

Of the \$51,356 issued, SSA issued \$40,862 from April 2005 through January 2013, which was after the recipient died but before the payee died. Additionally, SSA issued \$10,494 from February 2013 through November 2014, which was after the payee died until SSA terminated the payment record. Our investigators closed the criminal allegation because it did not meet the dollar threshold for prosecution.

- One payee had a date of death in August 2009; however, she was still listed as the payee on an OASDI beneficiary's record as of July 2014. Our investigators contacted the beneficiary who confirmed his payee did in fact die and that he was managing his own OASDI benefits—even though he had not notified SSA. SSA paid \$78,430 by direct deposit from September 2009 through November 2014, which was when SSA determined the beneficiary could manage his own funds. Our investigators determined no fraud or misuse was involved.

CONCLUSION AND RECOMMENDATION

SSA still did not ensure new representative payees were selected when current payees died, leaving beneficiaries' and recipients' benefit payments at risk for misuse. Although SSA knew about the death of payees in most cases within 1 month, it took the Agency longer than 12 months to replace the deceased payees in 60 percent of the cases in which a deceased payee was issued funds in our current audit.

¹⁸ The 60 percent is calculated using the numbers in Table 3, "13 to 24" and "More than 24" categories: $(31+34)/109 = 60$ percent.

¹⁹ The 49 percent is calculated using the numbers in Table 3, "13 to 24" and "More than 24" categories: $(54+20)/150 = 49$ percent.

We also estimated that about 2,014 payees did not receive funds after their dates of death; however, about 1,715 deceased payees' SSNs remained on the beneficiaries/recipients' MBR/SSR.

We recommend SSA review the remaining OASDI beneficiaries and SSI recipients in our populations where (1) the Agency continues to issue benefit payments to deceased representative payees and refer any potential fraud cases to our investigators and (2) the deceased payee was replaced but his/her SSN remains on the MBR/SSR.

AGENCY COMMENTS

SSA agreed with the recommendation, see Appendix C.

APPENDICES

Appendix A – STATUS OF RECOMMENDATIONS FROM 2006 AUDIT

In October 2006, we issued a *Follow up on the Social Security Administration’s Procedures to Identify Representative Payees Who Are Deceased* (A-01-06-16054).¹ The following tables list the two recommendations from this report, the Social Security Administration’s (SSA) actual/ proposed actions when the report was issued, and the current condition.

Table A–1: Recommendation 1

Recommendation – Ensure the needs of the remaining beneficiaries and recipients in our population are being met and that all deceased payees are replaced with new payees.	
SSA’s comments and/or actions from October 2006 report	SSA agreed with the recommendation. To meet this recommendation, the Agency forwarded the list of remaining beneficiaries to the appropriate regional offices so the staff could review each case and take the necessary action.
Current condition	According to SSA, it mailed all the cases we identified as having a deceased representative payee to the appropriate regional office. In February 2015, we identified only two deceased payees, originally identified in our 2006 audit who were still managing benefit payments and therefore were included in our current population.

Table A–2: Recommendation 2

Recommendation – Continue its efforts to upgrade systems to ensure deceased payees are identified and replaced in a timely manner.	
SSA’s comments and/or actions from October 2006 report	SSA agreed with the recommendation. The Agency stated it was working on the Death Alert, Control, and Update System Release 2.0, which would route electronic death record reports to Title II and XVI systems. The release was scheduled for implementation on March 30, 2007.
Current condition	We estimate approximately \$36.4 million in OASDI benefits was issued to about 1,654 deceased payees and approximately \$10.4 million in SSI payments was issued to 894 deceased payees.

¹ Our earlier report—*The Social Security Administration’s Procedures to Identify Representative Payees Who Are Deceased* (A-01-98-61009), September 22, 1999— can be found on our Website at <http://oig.ssa.gov/sites/default/files/audit/full/pdf/9861009.pdf>.

Appendix B – SCOPE, METHODOLOGY, AND SAMPLE RESULTS

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and the Social Security Administration’s (SSA) regulations, rules, policies, and procedures.
- Obtained SSA’s Death Master File (DMF) as of December 2013.
- Obtained Master Beneficiary Records (MBR) for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and Supplemental Security Records (SSR) for Supplemental Security Income (SSI) recipients who were receiving payments as of July 2013.
- Extracted MBR and SSR records that had an individual representative payee as of July 2013.
- Compared the Social Security numbers (SSN) on the MBR and SSR against SSNs in the DMF and identified
 - ✓ 3,847 OASDI beneficiaries who had potentially deceased representative payees on the MBR and
 - ✓ 1,355 SSI recipients who had potentially deceased representative payees on the SSR.
- Randomly sampled and reviewed
 - ✓ 100 cases from the 3,847 OASDI beneficiaries with representative payees who had a date of death on the DMF and
 - ✓ 100 cases from the 1,355 SSI recipients with representative payees who had a date of death on the DMF.
- Referred 59 of the sample cases (15 OASDI and 44 SSI) to our Office of Investigations (OI) to determine any instances of possible fraud or misuse of benefits.¹ As of March 2015,
 - ✓ 57 were corrected by SSA, and the deceased payees were no longer managing benefit payments, and
 - ✓ 2 payees were alive.
- Referred cases to SSA to correct instances where the payee’s SSN on the MBR or SSR was incorrect.

¹ We determined that 109 deceased payees were issued benefit payments after their death; however, we only referred 59 to OI. We did not send the remaining cases since SSA replaced the deceased payees or benefit payments were no longer being issued because the beneficiaries/recipients were no longer in current payment status.

- Estimated the number of payees who did not receive funds after the dates of death.
- Estimated the number of deceased payee SSNs incorrectly remaining on the beneficiaries/recipients' MBR/SSR after the deceased payees' names were removed from the MBR/SSR.
- Quantified the amount of benefits paid to deceased payees after their dates of death.
- Estimated the number of deceased payees and the amount of benefits paid based on our sample results.
- Compared the date of death for the payee to when SSA knew about the death (based on the Numident's cycle date) to determine how long it took the Agency to stop issuing funds to a deceased payee.

We conducted our review between July 2014 and March 2015 in Boston, Massachusetts. The principle entities audited were the Offices of Retirement and Survivors Insurance Systems, Disability Systems, and Applications and Supplemental Security Income Systems under the Office of the Deputy Commissioner/Chief Information Officer of Systems and SSA's field offices and program service centers under the Deputy Commissioner for Operations. 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 tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Sample Results

Table B-1: Population and Sample Size

	Payees for OASDI Beneficiaries	Payees for SSI Recipients	Total
Population	3,847	1,355	5,202
Sample Size	100	100	200

Table B–2: Estimated Number of Deceased Payees Managing Funds for OASDI Beneficiaries and SSI Recipients in Current Pay Status

	OASDI Sample	SSI Sample	Total
Sample Results	43	66	109
Point Estimate	1,654	894	2,548
Upper Limit	1,985	997	
Lower Limit	1,335	783	

Note: Projections were calculated at the 90-percent confidence level.

Table B–3: Estimated Funds Managed by Deceased Payees

	OASDI Sample	SSI Sample ²	Total
Sample Results	\$947,289	\$770,775	\$1,718,064
Point Estimate	\$36,442,208	\$10,443,997	\$46,886,205
Upper Limit	\$49,839,332	\$12,946,742	
Lower Limit	\$23,045,083	\$7,941,253	

Note: Projections were calculated at the 90-percent confidence level.

Table B–4: Estimated Number of Payees Who Were Not Issued Funds After Dates of Death³

	OASDI Sample	SSI Sample	Total
Sample Results	46	18	64
Point Estimate	1,770	244	2,014
Upper Limit	2,100	342	
Lower Limit	1,446	165	

Note: Projections were calculated at the 90-percent confidence level.

² While taking corrective action to replace a deceased representative payee, SSA determined the recipient died in March 2005; however, the Agency continued to issue SSI payments to the representative payee, totaling \$40,862 before the payee died in January 2013. We did not include the \$40,862 in our totals or estimates for dollars paid to deceased payees; however, after the payee died another \$10,494 was paid and thus we included this amount in our totals and estimates.

³ The payees did not receive funds for a number of reasons, such as SSA replaced the deceased payee timely or terminated benefit payments to the beneficiary/recipient before the payee's death.

Table B-5: Estimated Number of Deceased Payees' SSNs Remaining on the Beneficiaries/Recipients' MBRs/SSRs (This is a subset of Table B-4)

	OASDI Sample	SSI Sample	Total
Sample Results	40	13	53
Point Estimate	1,539	176	1,715
Upper Limit	1,869	265	
Lower Limit	1,226	109	

Note: Projections were calculated at the 90-percent confidence level.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: May 15, 2015 Refer To: SIJ-3

To: Patrick P. O’Carroll, Jr.
Inspector General

From: Frank Cristaudo /s/
Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, “Deceased Representative Payees” (A-01-14-34112)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“DECEASED REPRESENTATIVE PAYEES” (A-01-14-34112)**

We are committed to ensuring the accuracy of the benefits we pay individuals responsible for managing beneficiary payments. As part of our efforts to improve the accuracy of our records, we are currently in a multi-year effort to improve our death report processing and make the Numident our official repository for death information going forward. Upon completion, the redesign will improve the availability of death information to all of our systems, including Title II, Title XVI, and the Representative Payee System. These enhancements should prevent the occurrence of any future cases described in this audit prospectively.

Recommendation 1

Review the remaining OASDI beneficiaries and SSI recipients in our populations where: (1) the Agency continues to issue benefit payments to deceased representative payees and refer any potential fraud cases to our investigators; and (2) the deceased payee was replaced but his/her SSN remains on the MBR/SSR.

Response

We agree. We will review the information and take appropriate action by September 30, 2015.

Appendix D – MAJOR CONTRIBUTORS

Judith Oliveira, Director, Boston Audit Division

David Mazzola, Audit Manager

Frank Salamone, Senior Auditor

Kevin Joyce, IT Specialist

Andrew Hanks, Acting Statistician

MISSION

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