

Follow-up: Payments to Individuals Whose Numident Record Contained a Death Entry

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Office of Audit Report Summary

Objective

To determine the appropriateness of benefits the Social Security Administration (SSA) paid to individuals whose Numident record contained a date of death.

Background

In a 2009 audit, we determined SSA issued approximately \$40 million in improper payments to more than 6,000 beneficiaries although it had received notification they were deceased. In a 2013 audit, we determined SSA had issued about \$31 million in improper payments to 2,475 beneficiaries although it had received notification they were deceased.

We recommended SSA verify the beneficiaries' status and take appropriate action to terminate benefits or remove erroneous death information from the Numident. We also recommended SSA evaluate the feasibility of system enhancements to prevent these errors. In the interim, we recommended SSA periodically identify and review these instances to prevent improper payments.

Findings

Since our prior reviews, the number of beneficiaries who continued receiving payments after SSA recorded their death information on the Numident had declined. However, 1,281 beneficiaries, including 56 identified during our prior audits, continued receiving payments for months or years after SSA received notification they were deceased. SSA received death reports for these beneficiaries and recorded dates of death on the Numident. However, SSA did not record the death information on the beneficiaries' payment records or terminate their benefit payments. System controls designed to prevent continued payments to deceased beneficiaries were not effective in these instances.

Prior audit work has indicated a likelihood that some death entries on the Numident were erroneous, and beneficiaries were actually alive. However, we determined that 678 of the 1,281 beneficiaries had death certificate information or other Numident entries indicating their death information had been proven or verified.

We estimate SSA issued the 678 beneficiaries approximately \$20 million in improper payments. Further, we estimate SSA will issue approximately \$6 million in additional improper payments over the next 12 months if these discrepancies are not corrected.

Recommendations

We recommend that SSA:

1. Verify the current vital status of beneficiaries identified during the audit and take appropriate action to terminate benefit payments or remove erroneous death entries. If applicable, SSA should also recover improper payments and refer potential instances of fraud to our Office of Investigations.
2. Determine the feasibility of incorporating into the Death Alerts Tracking System the daily monitoring of *Numident Death Alerts* and establishing timeliness goals for addressing/clearing these alerts.

SSA agreed with our recommendations.