Objective
To determine the effectiveness of the Social Security Administration’s (SSA) procedures for recovering payments improperly deposited into Title II beneficiaries’ bank accounts after their deaths. Specifically, we focused on payments SSA issued between the date of death and the date payments were suspended or terminated.

Background
When SSA determines a beneficiary has died, it terminates the beneficiary’s benefit payments. SSA can suspend benefit payments when it cannot determine a beneficiary’s whereabouts or status. When benefits are suspended instead of terminated, SSA cannot reclaim payments made after death through the reclamation process. While suspending benefit payments stops their delivery to beneficiaries who may have died, SSA needs to conclude on the beneficiary’s status to determine whether it released any payments after the beneficiary was ineligible for them.

We identified, from 1 segment of the Master Beneficiary Record, 1,280 Title II beneficiaries who received direct-deposited benefits that were suspended for 2 years or longer. Specifically, beneficiaries were suspended for death development, address development, whereabouts unknown, or a miscellaneous reason. From this population, we reviewed 59 beneficiaries.

Findings
SSA did not effectively recover direct deposit payments to bank accounts after beneficiaries’ deaths because the Agency did not always determine when suspended beneficiaries had died. We concluded that 58 of the 59 beneficiaries we reviewed had died or were likely deceased. SSA terminated benefits for 6 of these beneficiaries but left the remaining 52 in a suspended payment status. When benefits are suspended instead of terminated, SSA cannot reclaim payments through the reclamation process.

Multiple sources reported dates of death or had information on the likely deaths for the 52 beneficiaries who remained suspended:

- 15 beneficiaries had dates of death recorded on SSA’s Numident;
- 16 beneficiaries had death information on a third-party database;
- 2 beneficiaries’ dates of death were provided by a financial institution;
- we obtained death certificates for 11 beneficiaries; and
- bank records for the remaining 8 beneficiaries had information that indicated they were likely deceased.

We estimate that SSA improperly paid about $1,111,000 to the 58 deceased or likely deceased beneficiaries. While SSA recovered about $35,000 paid after the deaths of the six beneficiaries it terminated, the Agency did not attempt to recover payments from the other beneficiaries. The majority of these funds has since been withdrawn or escheated to a State treasury’s division of unclaimed property.

Recommendations
We made 6 recommendations including that the Agency develop the 52 cases we identified as deceased, or likely deceased. For these cases, the Agency should attempt to obtain verifications of death, terminate benefits, and recover payments after death.

The Agency agreed with our recommendations.