
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**BENEFIT PAYMENTS IN INSTANCES WHERE
THE SOCIAL SECURITY ADMINISTRATION
REMOVED A DEATH ENTRY FROM
THE BENEFICIARY'S RECORD**

June 2008

A-06-07-27156

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: June 19, 2008

Refer To:

To: The Commissioner

From: Inspector General

Subject: Benefit Payments in Instances Where the Social Security Administration Removed a Death Entry from the Beneficiary's Record (A-06-07-27156)

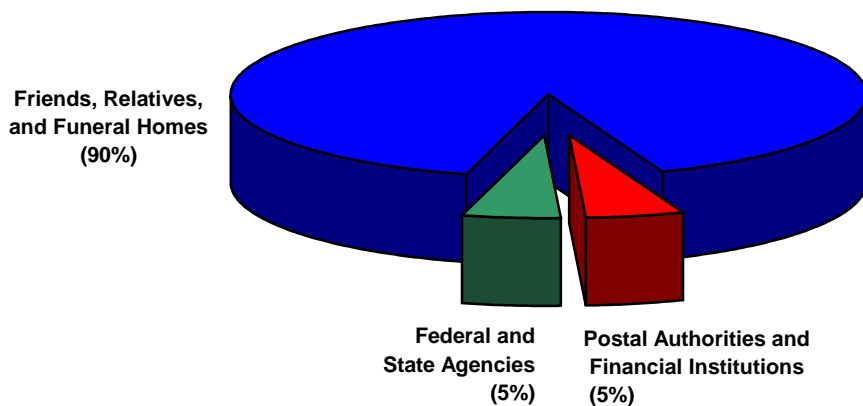
OBJECTIVE

Our objective was to evaluate the appropriateness of benefits paid in instances when the Social Security Administration (SSA) removed a beneficiary's death entry from the Death Master File (DMF).

BACKGROUND

The DMF is a publicly available database maintained by SSA that contains detailed information on more than 82 million deceased numberholders.¹ Each year, SSA receives death reports for more than 2.5 million individuals and adds the information to the DMF. As depicted on the chart below, SSA receives most death reports from funeral homes or friends/relatives of the deceased. SSA considers such first party death reports to be verified and immediately posts them to the DMF.

SSA SOURCES FOR DEATH REPORTS



¹ As of June 2007.

Other sources of death reports include States and other Federal agencies, as well as postal authorities and financial institutions. SSA posts nonbeneficiary information to the DMF without verification. However, if these reports indicate an SSA beneficiary died, SSA may perform additional verification before terminating benefits or posting the death entry to the DMF.² Verification of death means that an acceptable reporter (usually someone in the person's home, a representative payee, a doctor, or hospital) agrees that the person is deceased and corroborates the date of death, if necessary.³

The accuracy of death data is a highly sensitive matter for SSA. Erroneous death entries can lead to benefit termination and result in severe financial hardship and distress to the beneficiary/recipient. Conversely, the removal of legitimate death entries could allow for the authorization and payment of fraudulent benefits.

In instances when death reports are posted in error, SSA deletes the death entry from the DMF ("resurrect" the record) and, when applicable, reinstates benefit payments. SSA employees may only process transactions to resurrect a record when presented with proof the original death entry was posted in error. Unless the mistake resulted from an administrative error, the resurrection transaction should not be processed before completion of a face-to-face interview with the beneficiary or recipient. To validate the integrity of these transactions, SSA requires that two employees be involved in the process. SSA also requires that employees document the events leading to and facts supporting the transaction.⁴

Since January 2004, SSA has provided us with electronic files containing updates made to the DMF, including instances when individual records were removed from the DMF. Preliminary analysis of these files indicated that, from January 2004 through April 2007, SSA deleted more than 44,000 individuals' death entries from the DMF. SSA records indicated 20,623 of these individuals were in current payment status on or after April 27, 2007 and received approximately \$17.2 million in monthly SSA benefit payments.

RESULTS OF REVIEW

SSA employees did not always adequately document transactions that removed death entries from beneficiary and recipient payment records. Without this documentation, SSA did not have assurance that all transactions were legitimate or that subsequent benefits paid to all resurrected individuals were appropriate.

To obtain assurance the resurrection transactions were legitimate, we attempted to verify that 50 randomly selected resurrected beneficiaries/recipients in current payment status were alive. In most cases, we verified the individuals were alive, and benefit

² SSA Program Operations Manual System (POMS), GN 02602.050A, *Processing Reports of Death*.

³ SSA POMS, GN 02602.050A.2.

⁴ SSA POMS, GN 02602.055, *Erroneous Death Terminations*.

payments were appropriate. However, in one case, we could not determine whether the individual was actually alive. This beneficiary did not respond to multiple written requests or make himself available for an interview.

Additionally, interviews conducted with resurrected individuals identified customer service-related deficiencies that required attention.

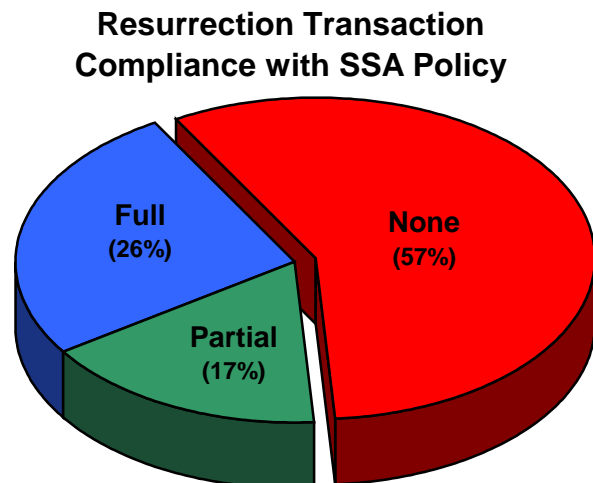
RESURRECTION TRANSACTIONS NOT ADEQUATELY DOCUMENTED

SSA policies and procedures provide detailed instructions for the removal of death entries from an individual's record. SSA does not require retention of hard copy documents to support resurrection transactions. Instead, SSA requires that personnel who process these transactions input narrative into SSA systems explaining why the transactions were necessary; document performance of required face-to-face interviews; and document the names of the SSA employees who initiated and approved the transactions.

However, SSA did not always comply with these documentation requirements. We reviewed available documentation that supported 250 randomly selected resurrection transactions and found SSA employees processed the transactions in full compliance with established policy in only 65 cases (26 percent) reviewed.

SSA did not comply with the documentation requirements in 143 cases (57 percent) reviewed. In these cases, SSA employees provided no narrative that explained or justified the transactions, did not document face-to-face interviews with the numberholders and did not record the name of either the transaction initiator or approver, when required. In the remaining 42 cases (17 percent) reviewed, SSA employees complied with some, but not all, resurrection documentation requirements. For example, available documentation referenced a form of identity provided to SSA; however, the SSA employee who processed the transaction provided no explanation for the erroneous death entry and did not record their name or the name of the person who approved the transaction.

Because SSA employees did not sufficiently document these resurrection transactions, justification was not always available to support that actions taken were appropriate. As a result, SSA did not always have assurance that benefit payments to these individuals were legitimate.



Identities Verified Through In-person Interviews

We selected a sample of 50 individuals⁵ and attempted to verify their living status through in-person interviews. We determined that 44 recipients were alive, and 1 was recently deceased. After our interviews, SSA verified that four of the remaining five individuals were alive. When we completed our field work, neither we nor SSA was able to verify the status of the remaining beneficiary. As a result, SSA suspended benefit payments to this individual pending identity verification. In the Agency Comments provided to us on June 3, 2008, SSA advised that it confirmed this individual was alive and reinstated his benefit payments.

Customer Service Problems Discussed with Resurrected Individuals

During our interviews, 20 of 44 resurrected beneficiaries contacted voiced customer service related complaints about their experience in having erroneous death entries removed from their SSA records. Issues raised included the following:

- SSA did not remove erroneous death entries during the initial visit to the field office. SSA required that individuals make multiple visits to field offices to correct problems that were not of their making. One beneficiary stated that it took four trips to the field office before the issue was resolved.
- Input of erroneous death entries on their SSA records resulted in multiple missed benefit payments. One individual stated that it took nearly 1 year for SSA to correct the problem and, as a result, many bank fees were incurred.
- Beneficiaries waited several hours in busy waiting rooms to resolve the erroneous death entries and then received what they believed to be discourteous service. One beneficiary stated the service was “rude and in bad taste.” Another beneficiary said she had to cry before field office staff would take action to correct the problem.
- SSA did not inform the individuals that the erroneous death entry on their SSA record resulted in their personal information being published on the DMF. For individuals to effectively protect themselves against possible identity theft that could result from the erroneous publication of their personally identifiable information, we believe the individuals must be informed the publication occurred. We are addressing this issue in more detail in a separate report.

SSA did not always appear to meet its strategic goal⁶ of delivering “high-quality, citizen-centered service” when dealing with individuals erroneously reported as deceased. To correct erroneous death entries, SSA must obtain proof the individual is actually alive. Consequently, it is not always possible to complete these transactions at

⁵ These individuals were selected from the subgroup where SSA did not comply with the documentation requirements for processing the resurrection transaction.

⁶ SSA's Strategic Plan 2006-2011, p. 13.

the initial point of contact. Because death reporting errors may cause serious hardships, SSA should treat affected individuals with sensitivity, courtesy, and respect. Ensuring these individuals receive high-quality, citizen-centered service can positively impact public perception.

CONCLUSION AND RECOMMENDATIONS

SSA employees did not always adequately document resurrection transactions. As a result, SSA did not have assurance that all transactions were legitimate or subsequent benefits paid to all resurrected individuals were appropriate. We attempted to verify whether 50 resurrected individuals in current payment status were alive. In most cases, we confirmed the individual was alive, and benefit payments were appropriate. However, in one case, we could not determine whether a resurrected individual was actually alive. In addition, we noted customer service deficiencies voiced by resurrected individuals interviewed during the review.

We recommend that SSA:

1. Ensure compliance with SSA policy concerning the documentation of death entry removal transactions.
2. Verify the vital status of the individual discussed in the report. If SSA cannot confirm the individual is actually alive, SSA should take appropriate action (for example, terminate benefits and refer potential fraud case to the Office of Investigations).
3. Remind SSA staff of the importance of treating resurrection cases with a high degree of sensitivity.

AGENCY COMMENTS AND OIG RESPONSE

SSA agreed with our recommendations. Regarding Recommendation 2, SSA stated it was able to verify the individual discussed in the report was alive. The Agency's comments are included in Appendix B. In addition to responding to the recommendations, SSA also provided technical comments which we incorporated as we believed appropriate.



Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) – Scope and Methodology

[APPENDIX B](#) – Agency Comments

[APPENDIX C](#) – OIG Contacts and Staff Acknowledgments

Scope and Methodology

To accomplish our objective, we:

- Reviewed the Social Security Administration's (SSA) policies and procedures related to erroneous death terminations.
- Analyzed 46,035 instances (44,876 records) where SSA removed death entries from the Death Master File during the period January 2004 through April 2007.
- Identified 20,623 records that were receiving benefits as of April 27, 2007. We randomly selected a sample of 250 records.
- Reviewed Master Beneficiary, Supplemental Security and Numerical Identification Records for the randomly selected sample.
- Based on the date of resurrection transaction, we determined that 224 of the sample cases required electronic documentation, and 26 required hard copy documentation to comply with SSA policy. We reviewed SSA's mainframe for electronic documentation and requested hard copy documentation from SSA as applicable. We found that SSA did not comply with any of the documentation requirements in 143 transactions; partially complied with 42 transactions; and fully complied with 65 transactions.
- Selected 50 individuals from the subgroup of 143 transactions where SSA did not document the resurrection transaction to determine their living status. Of the 50 individuals selected, we
 - ✓ conducted in-person interviews with 43;
 - ✓ obtained SSA's assistance in interviewing 4 and determining that another was properly resurrected;
 - ✓ determined that 1 was recently deceased; and
 - ✓ were not able to locate 1.

We performed our audit between May and December 2007 at SSA's Regional Office in Dallas, Texas. We did not test the general or application controls of SSA systems that generated electronic data used for this audit. Instead, we traced selected transactions to source documents and performed other validation tests. As a result, we found the data to be sufficiently reliable to meet our audit objectives. The entity audited was the Office of the Deputy Commissioner for Operations. We conducted this audit in accordance with generally accepted government auditing standards.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: June 3, 2008

Refer To: S1J-3

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

From: David V. Foster /s/
Acting Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Benefit Payments in Instances Where the Social Security Administration Removed a Death Entry from the Beneficiary's Record" (A-06-07-27156)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our response to the report findings and recommendations are attached.

Please let me know if we can be of further assistance. Staff inquiries may be directed to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "BENEFIT PAYMENTS IN INSTANCES WHERE THE SOCIAL SECURITY ADMINISTRATION REMOVED A DEATH ENTRY FROM THE BENEFICIARY'S RECORD" (A-06-07-27156)

Thank you for the opportunity to review and comment on the subject OIG draft report.

The report states that 20 of 44 resurrected beneficiaries voiced customer service related complaints (page 4). One beneficiary stated that it took four trips to the field office (FO) before the issue was resolved. There are no details or specific issues cited regarding the nature of the visits to the FO or the interaction between the beneficiary and FO personnel. It is unclear whether the multiple trips were necessary because the beneficiary did not provide adequate documentation or if it was because our current policy may be too restrictive. Given the unclear and limited information provided, we believe the report should acknowledge that there are legitimate reasons why multiple visits may be necessary. One reason for multiple visits could be that other agencies or institutions are involved; e.g., the Centers for Medicare and Medicaid Services, a bank or financial institution, etc.

Our responses to the specific recommendations are provided below. In addition, we are providing some technical comments for your consideration.

Recommendation 1

Ensure compliance with our policy concerning the documentation of death entry removal transactions.

Response

We agree. On April 8, 2008, we issued Administrative Message 08046, titled "Annual Security Reminders" to remind our employees of the proper procedures.

Recommendation 2

Verify the vital status of the individual discussed in the report. If we cannot confirm the individual is actually alive, we should take appropriate action (for example, terminate benefits and refer potential fraud case to the Office of Investigations).

Response

We agree. We have verified the vital status of the individual discussed in the report and confirmed that the individual is alive. We have reinstated benefits to the individual.

The report should note that we cannot always terminate benefits if we cannot confirm that the individual is alive. In certain situations, the proper procedure is to suspend rather than terminate

benefits. We can only terminate benefits if a specific terminating event can be established or if there is a death alert on our records for the resurrected individual and personal contacts are unsuccessful. These two situations did not exist for the individual discussed in this report.

Recommendation 3

Remind staff of the importance of treating resurrection cases with a high degree of sensitivity.

Response

We agree. Program Operations Manual System (POMS) instructions GN 02602.055.F (NOTE) requires employees to notify field office (FO) management of all requests for reinstatement and FO management is required to notify the Regional Office (RO) and/or Processing Center staff of these cases. RO staffs have developed mechanisms to review, monitor, and assist with the processing of erroneous death termination cases. We will issue a reminder to management officials of the POMS instructions by the end of May 2008.

[In addition to the information listed above, SSA also provided technical comments which have been addressed, where appropriate, in this report.]

OIG Contacts and Staff Acknowledgments

OIG Contacts

Ron Gunia, Director, Dallas Audit Division, (214) 767-6620

Jason Arrington, Audit Manager, (214) 767-1321

Acknowledgments

In addition to those named above:

Clara Soto, Senior Auditor

For additional copies of this report, please visit our web site at www.ssa.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-06-07-27156.

DISTRIBUTION SCHEDULE

Commissioner of Social Security

Office of Management and Budget, Income Maintenance Branch

Chairman and Ranking Member, Committee on Ways and Means

Chief of Staff, Committee on Ways and Means

Chairman and Ranking Minority Member, Subcommittee on Social Security

Majority and Minority Staff Director, Subcommittee on Social Security

Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives

Chairman and Ranking Minority Member, Committee on Oversight and Government Reform

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging

Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Chief Counsel to the Inspector General (OCCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.