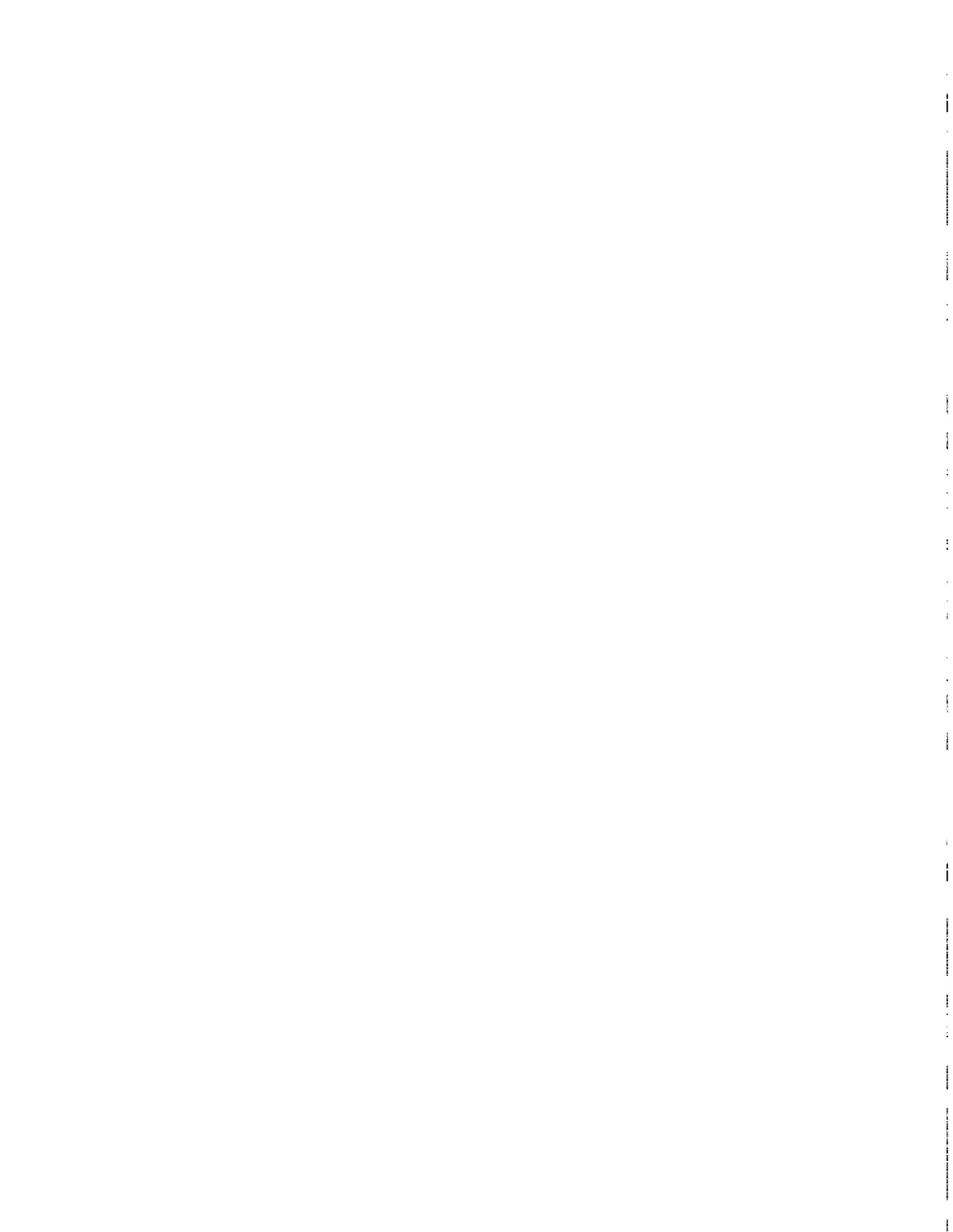


February 1991

# FEDERAL BENEFIT PAYMENTS

## Agencies Need Death Information From Social Security to Avoid Erroneous Payments







United States  
General Accounting Office  
Washington, D.C. 20548

Human Resources Division

B-242346

February 6, 1991

The Honorable J. J. Pickle  
Chairman, Subcommittee on Oversight  
Committee on Ways and Means  
House of Representatives

The Honorable William M. Thomas  
House of Representatives

This report responds to part of your January 24, 1989, letter concerning federal agencies' use of death information to prevent erroneous benefit payments and the collection of overpayments. As agreed with your offices, our objectives were to determine (1) the feasibility of making the Social Security Administration's (SSA) death information available to other federal agencies and (2) the potential effect of doing so.<sup>1</sup>

Your overall concern was that federal agencies may make erroneous payments to deceased beneficiaries' accounts because of incomplete or out-of-date death information. Our response to the part of your request dealing with agencies' collection of overpayments will be reported separately.

SSA maintains the most comprehensive list of death information available in the federal government and, probably, the nation. SSA routinely receives information on beneficiary deaths from other federal agencies and private sources—such as family members and nursing and funeral homes. To supplement this information, SSA also purchases death certificate information from each state's bureau of vital statistics.

In doing our work, we matched SSA's death information with payment records for the Department of Labor, the Department of Defense (DOD), the Office of Personnel Management (OPM), and the Railroad Retirement Board (RRB). These agencies are responsible for administering 20 federal benefit programs, which provide more than \$56 billion in disability, retirement, and survivor benefits each year to more than 5 million beneficiaries (see app. II). More details on our scope and methodology are given in appendix I.

<sup>1</sup>The extent of erroneous payments to deceased beneficiary accounts under the Department of Veterans Affairs' compensation and pension programs was the subject of a similar request by the Chairman, Senate Committee on Veterans' Affairs. See Veterans' Benefits: VA Needs Death Information From Social Security to Avoid Erroneous Payments (GAO/HRD-90-110, July 27, 1990).

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## Results in Brief

Each month federal agencies erroneously pay millions of benefit dollars to deceased beneficiaries because they lack a timely, effective way to detect unreported beneficiary deaths and end or reduce payments. In September 1989, 20 federal benefit programs made more than \$4.3 million in potentially erroneous payments to the accounts of beneficiaries who were listed as deceased in SSA's records, some of whom had been dead for over 6 years. Moreover, the longer such erroneous payments continue and the larger the debt becomes, the more difficult and costly it becomes for the government to recover erroneous payments, and the greater the probability that they will never be recovered.

SSA can make its voluntarily reported death information available to other federal agencies at no cost. However, only 18 of about 100 benefit programs currently obtain and use this information, and these 18 do not obtain the SSA information frequently enough to effectively reduce erroneous payments. Moreover, SSA purchases supplemental death information from state bureaus of vital statistics, but does not provide this information to any federal agency because of state disclosure restrictions and its concern that agencies may not use the information properly.

We believe that (1) the routine use of both types of SSA information by other benefit paying agencies could significantly reduce the number and duration of erroneous payments and save taxpayers millions of dollars annually, and (2) the Office of Management and Budget (OMB) should require its governmentwide use. To facilitate this use, the Congress will need to act to enable SSA to uniformly disclose its purchased death information to other agencies.

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## Background

In fiscal year 1990, excluding Social Security, about 100 federal programs made an estimated \$312 billion in benefit payments or other assistance to qualifying people. Most of these programs rely on family members, funeral homes, and others to voluntarily report beneficiary deaths. (The voluntary sources and other means used by federal agencies to acquire beneficiary death information are listed in app. III.)

To minimize its erroneous payments, SSA—the payer of over \$240 billion to 43 million beneficiaries—has developed the most extensive data base of death information in the federal government. This data base includes information relating to about 40 million voluntarily reported deaths. Additionally, under section 205(r) of the Social Security Act, SSA

purchases death certificate information from state bureaus of vital statistics to supplement voluntarily reported information. SSA estimates that it pays about \$500,000 per year to acquire this supplemental information and that the benefits from using this information far outweigh its cost. Using state-provided information, SSA collects an average of about \$40 million per year in erroneous payments that it otherwise might not recover and avoids undetermined amounts of additional erroneous payments it might otherwise make.

SSA can provide the voluntarily reported death information to other federal programs for their use in preventing erroneous payments. Information purchased by SSA from the states, however, is subject to state-negotiated restrictions on its use.

SSA has entered into two types of purchase agreements with states to obtain death certificate information. Under one type, SSA has agreed not to disclose nearly 900,000 reported deaths to other federal agencies unless an agency first obtains a written release from the state. Under the second type, over 430,000 reports of death can be disclosed to certain other federal agencies. Under both types, however, SSA has agreed to verify the fact and date of death independently before taking any action that may affect a person's continued entitlement to benefits.

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## Few Federal Agencies Use SSA Death Information

There is no governmentwide requirement for federal agencies to obtain and use SSA's voluntarily reported information on beneficiary deaths, although it is generally available. Moreover, SSA has not publicized its availability, believing that most agencies already know about it. However, only three of the federal agencies that could benefit from using such information—OPM, RRB, and DOD—obtain and use SSA's voluntarily reported death information. No federal agency obtains any of the information SSA purchases from the states.

DOD, OPM, and RRB officials who use SSA's voluntarily reported information told us they were unaware that SSA purchased death certificate information from the states. They believed SSA was giving them all the information it had on beneficiary deaths.

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## Value of Using SSA Death Information

For 20 of the largest federal benefit programs, we demonstrated the value of obtaining and using SSA's death information by matching it with DOD, Labor, OPM, and RRB payment files. The match showed that for September 1989, these agencies paid benefits to 5,935 beneficiaries who had

been listed as deceased in SSA's records at least 3 months earlier (June 1989). We estimated that these beneficiaries' accounts received potentially erroneous payments of \$4.3 million per month. In an earlier review of veterans' benefit programs that also did not use SSA's death information, we identified about \$480,000 per month in potentially erroneous payments.<sup>2</sup>

To clarify, as shown in table 1, by using SSA's voluntarily reported death information, we identified 5,308 potentially erroneous payment cases, and using SSA's state death certificate information, we identified another 627 cases in the Labor, DOD, RRB, and OPM programs.

**Table 1: Agency Records Indicate Active Payments While SSA Records Indicate Death**

| Agency                             | SSA<br>voluntarily<br>reported<br>death<br>information | Monthly<br>erroneous<br>payments |
|------------------------------------|--|----------------------------------|
| Labor:                             |  |                                  |
| Black lung                         | 39   | \$16,066                         |
| FECA <sup>a</sup>                  | 70   | 94,302                           |
| <b>Subtotal—Labor</b>              | <b>109</b>   | <b>110,367</b>                   |
| RRB                                | 141  | 55,330                           |
| OPM                                | 1,545  | 1,180,629                        |
| DOD                                | 3,513  | 2,485,873                        |
| <b>Subtotal— RRB, OPM, and DOD</b> | <b>5,199</b>   | <b>3,721,832</b>                 |
| <b>Total</b>                       | <b>5,308</b>   | <b>\$3,832,200</b>               |

<sup>a</sup>Federal Employees' Compensation Act.

<sup>2</sup>In a similar study we found that in April 1989, the Department of Veterans Affairs paid compensation or pension benefits for 1,212 veterans who SSA records showed had died at least 4 months earlier. See GAO/HRD-90-110, July 27, 1990.

| Source of death information         |                            |            |                            |             |                            |                      |                                  |
|-------------------------------------|----------------------------|------------|----------------------------|-------------|----------------------------|----------------------|----------------------------------|
| State death certificate information |                            |            |                            | Total state | Monthly erroneous payments | Total SSA death data | Total monthly erroneous payments |
| Unrestricted                        | Monthly erroneous payments | Restricted | Monthly erroneous payments |             |                            |                      |                                  |
| 1                                   | \$359                      | 0          | \$0                        | 1           | \$359                      | 40                   | \$16,425                         |
| 2                                   | 1,960                      | 11         | 14,961                     | 13          | 16,920                     | 83                   | 111,222                          |
| <b>3</b>                            | <b>2,319</b>               | <b>11</b>  | <b>14,961</b>              | <b>14</b>   | <b>17,279</b>              | <b>123</b>           | <b>127,647</b>                   |
| 14                                  | 9,747                      | 23         | 16,985                     | 37          | 26,733                     | 178                  | 82,063                           |
| 80                                  | 61,129                     | 97         | 86,645                     | 177         | 147,774                    | 1,722                | 1,328,403                        |
| 195                                 | 140,415                    | 204        | 138,553                    | 399         | 278,968                    | 3,912                | 2,764,841                        |
| <b>289</b>                          | <b>211,291</b>             | <b>324</b> | <b>242,183</b>             | <b>613</b>  | <b>453,475</b>             | <b>5,812</b>         | <b>4,175,307</b>                 |
| <b>292</b>                          | <b>\$213,610</b>           | <b>335</b> | <b>\$257,144</b>           | <b>627</b>  | <b>\$470,754</b>           | <b>5,935</b>         | <b>\$4,302,954</b>               |

Before our match, Labor officials told us they did not believe they needed SSA's death information because Labor's payment of survivor benefits after the death of the primary beneficiary encourages adequate voluntary reporting directly to the agency. For the two Labor programs we reviewed, however, we identified potentially erroneous payments of \$127,647 per month to 123 beneficiaries that Labor had not identified. Of these 123 cases, 109 were identified using SSA's voluntarily reported data. The other 14 cases were identified using SSA's state death information. Labor officials have since said that they intend to begin using SSA's information to supplement their own information.

The most unreported deaths were in DOD, OPM, and RRB—agencies that already receive SSA's voluntary information. For these programs, using

SSA's state death information, we identified 613 cases of potentially erroneous payments. Because they do not receive this information, these agencies made about \$454,000 in erroneous payments for September 1989. But using SSA's voluntarily reported information, we identified another 5,199 reported deaths, representing potentially erroneous payments of about \$3.7 million per month, in these same benefit programs.

In discussing with OPM and DOD officials possible reasons for the large number of unreported deaths we identified using the same SSA information they use, we found that a large number resulted from agency delays in obtaining SSA's data. For example, OPM officials said they would have not received the 3-month-old SSA data we used to match against OPM records for another 3 months because they receive the data semiannually. OPM has since decided to request updated SSA death information quarterly in an effort to reduce its erroneous payments. DOD officials told us they had already identified 1,569 of the 3,513 potentially erroneous payment cases we identified. DOD officials provided these cases to the responsible military agencies for verification of death. The results were not yet available at the completion of our work.

OPM and DOD officials said that some cases we identified were based on erroneous SSA death information. OPM officials believed that about 20 percent of the beneficiaries were incorrectly listed as deceased in SSA's records. We note that a 1988 SSA study on the accuracy and timeliness of death information it received between February 1983 and July 1987 showed that 14 percent of the reports received from the Health Care Financing Administration and 5 percent of the state reports were incorrect. SSA officials told us they believe their current death information is about 90-percent accurate. We believe that the possibility of incorrect reporting underscores the need for user agencies to verify death data independently before taking such actions as ending benefits, but does not mitigate the value of the data for identifying and reducing erroneous payments.

We selected and referred 156 cases identified in our matches to DOD, Labor, OPM, and RRB for follow-up investigations. As a result, the agencies identified about \$2.4 million in erroneous payments to decedents' accounts (see app. IV). In 73 cases (60 percent), erroneous payments exceeded \$10,000, as shown in appendix V.

A total of 130 of the 156 cases resulted in terminations. In 60 (38 percent) of the 156 cases investigated by the agencies, we were told that benefit payments had already been terminated. In some cases, however,

the benefits were terminated between the time we did our computer matches and the time we sent the cases to the agencies for verification. Agency officials, we were told, took action to terminate another 70 of the 156 cases (45 percent) as a result of the information we provided. (See app. VI.)

In 108 of the 130 terminated cases (83 percent), the elapsed time between the beneficiary's recorded date of death and benefit termination ranged from 4 months to over 6 years. In 91 (70 percent) of the 130 cases, terminations did not occur until 1 to 6 years after the beneficiary's recorded date of death (see app. VII).

The following are examples of cases the agencies terminated as a result of the information we provided:

- SSA records showed that a person receiving monthly OPM payments of \$2,304 had died in November 1985. Through field investigation, OPM verified the beneficiary's date of death; benefit payments were finally ended in October 1990. Erroneous payments to the account totaled \$122,334. OPM officials plan to refer the case to the Federal Bureau of Investigation for potential fraud review.
- RRB made monthly payments of \$571 to a beneficiary who, SSA records showed, died in February 1984. After verifying the date of death through field investigation, RRB terminated benefit payments on May 17, 1990. Erroneous payments to the account totaled \$46,800. Action had been initiated to reclaim outstanding benefits, RRB officials said, and the case will be referred to RRB's Office of the Inspector General for investigation of potential fraud.
- SSA records showed that the Department of Labor made monthly black-lung benefit payments of \$538 to a person who had died in January 1987. Labor verified the date of death and ended benefit payments on May 30, 1990. Erroneous payments to the account totaled about \$21,000. The case will be referred to Labor's Office of the Inspector General, agency officials said, since fraud is suspected. The Inspector General will need to determine who cashed the benefit payment checks after the date of death.
- DOD continued to pay military retirement benefits to the last known address of a veteran who, SSA records showed, had died on August 15, 1987. A Marine Corps investigation verified that the beneficiary had died, and benefit payments have since been ended. As of June 1990, estimated erroneous payments totaled \$21,350.

## Cost of Using SSA's Voluntarily Reported Death Data Minimal

SSA provides its data base—of about 40 million voluntarily reported deaths—without charge to the three federal benefit-paying agencies currently requesting it. Further, SSA officials expressed their willingness to provide this information to other agencies. But in exchange, the agencies must agree to provide data to SSA verifying beneficiary deaths in their own programs. This would help SSA improve the accuracy and completeness of its records. SSA is about to complete such an interagency data exchange agreement with the Department of Veterans Affairs (VA).

Some of the smaller benefit-paying agencies may lack the capability to run automated computer matches against their current payment files. But SSA is developing a system, SSA program and systems officials said, that would allow agencies to submit a computer tape with basic identifying information about its beneficiary population, such as name, social security number, and date of birth. SSA would match this tape against its number identification file, which includes the voluntarily reported death information. SSA officials said they would provide this service at no charge to federal agencies. SSA has already done so for OPM and plans to do the same for VA.

The agencies that now use SSA's voluntarily reported death information consider it a cost-effective internal control to detect erroneous benefit payments. OPM's information shows that it saved \$440 for each \$1 expended to match OPM's death data with SSA's for May-September 1990. We previously reported that DOD's cost to semiannually match retired payment files of the military agencies with SSA's death data is about \$2,500.<sup>3</sup>

## Impediments to Using SSA's Purchased Death Information Need to Be Addressed

Impediments to governmentwide use of SSA's purchased death information include (1) agreements negotiated with states that prevent SSA from disclosing certain death certificate information to other agency's and (2) states' wanting to be compensated for each federal agency's use of the information they provide.

In 19 of its 53 state agreements, SSA is permitted to disclose state death certificate information to federal agencies administering health or income maintenance programs. The receiving agency, however, must agree to (1) restrict the use of this information to administrative screening of its payment files and (2) verify the fact and date of death

<sup>3</sup>ADP Systems: Army and Air Force Military Retired Pay Systems Can Be Improved (GAO/IMTEC-87-32, Aug. 28, 1987)

independently before taking any action that may affect a person's entitlement to benefits. Although SSA is authorized to provide this information to other federal agencies, it has not done so because SSA officials are concerned other federal agencies may not verify the information in accord with the state restrictions. The other 34 agreements prohibit SSA from disclosing the purchased death certificate information to other federal programs unless the agency obtains a written release from the originating state. The states insisted on these restrictions as a condition for allowing SSA to purchase the information.

According to the Association for Vital Records and Health Statistics (AVRHS), a national association representing state bureaus of vital statistics, states have two reasons for insisting on disclosure restrictions. First, the states want to secure reasonable compensation (through sales of death certificates) for the expanded use of death information in other federally financed programs. Second, they want to maintain data confidentiality by controlling the potential use of the information.

Although the states are concerned about protecting the confidentiality of their death certificate information, we note that the Social Security Act already exempts such information from the disclosure requirements generally applicable to federal agencies. This protection would also extend to other federal agencies receiving the state information from SSA. However, to further address state and SSA concerns about the possible misuse of the information, in our view, each federal agency that receives state information from SSA would need to (1) develop appropriate safeguards to prevent its unauthorized disclosure, (2) use the information exclusively for matching their payment files against state records to detect erroneous payments, and (3) take appropriate measures to ensure the information is verified before terminating benefits.

Regarding state compensation, SSA now pays \$0.21 per record for state death certificate information. States with restrictive agreements, AVRHS officials believe, likely would agree to allow SSA to provide information on the fact of death to other federal programs. But the receiving agencies would likely be required to purchase, for about \$4 each, a death certificate directly from the state as the first step in independently verifying a death before ending benefit payments. However, we fail to see why federal agencies that would use SSA's death information would also need, as a matter of course, to separately purchase individual state death certificates since the SSA purchased information is drawn from the same death certificates.

The federal government currently provides, free of charge to the states, information on wages and social security benefits for their use in verifying applicants' eligibility for welfare and determining payment amounts. Both the states and federal agencies stand to benefit from the systematic use of SSA's comprehensive file of voluntarily reported and state-purchased death information, particularly with respect to preventing erroneous payments in such programs as Aid to Families With Dependent Children, Food Stamps, and Medicaid.

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## Conclusions

Some federal benefit programs are making substantial erroneous payments to decedents' accounts because the agencies lack a timely, effective means to independently detect unreported beneficiary deaths. In administering its benefit programs, SSA receives voluntarily reported death information from many sources and purchases death certificate information from the states. This information would be valuable to other programs as an investigative lead to identify potentially erroneous payments. SSA currently provides voluntarily reported death data to three agencies that administer only 18 of the estimated 100 federal benefit programs that need the information. SSA provides no state death certificate information to any federal agencies. Without this information, payments to some deceased beneficiary accounts continue for extended periods, resulting in potential fraud, increased collection difficulties, and unrecoverable debts.

There are no barriers to prevent other federal programs from obtaining and using SSA's voluntarily reported death information. However, state restrictions on SSA's sharing the state-purchased information with other agencies as well as SSA's concern that receiving agencies may not use the information in accord with the state restrictions has precluded SSA from sharing it with other federal agencies. This information, however, is a critical internal control for reducing erroneous payments in federal benefit programs and thus is needed by these programs. Moreover, the information already is protected from public disclosure. Although the states are concerned about receiving additional compensation for each agency's use of their information, in our view, the federal government should not have to pay for the same information more than once.

We believe legislation is needed to cause the states to lift the restrictions on the use of their death information, allowing SSA to disclose this information to other federal agencies. Further, OMB should require governmentwide use of SSA's death information.

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## Recommendation to the Congress

To prevent erroneous federal benefit payments to decedents' accounts, we recommend that the Congress legislatively require, as a condition of receiving related federal assistance, that the states lift the restrictions on the use of their death information.

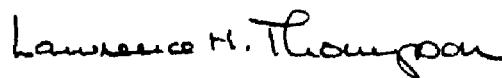
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## Recommendations to the Director, Office of Management and Budget

To ensure the systematic sharing and use of death information among federal agencies, we recommend that the Director, OMB, require the heads of all executive departments and agencies responsible for administering benefit programs to (1) obtain, as frequently as appropriate, SSA's voluntarily reported death information and, if and when available, state death certificate information; (2) match this information with agencies' current benefit payment files; (3) independently verify beneficiary deaths; and (4) when appropriate, take prompt action to end benefits and collect erroneous payments. The Director should require SSA to provide such information to all agencies requesting it. Furthermore, the Director should require these agencies to advise SSA of the results of agency investigations to improve the accuracy of SSA's death information.

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As agreed with your office, we did not obtain written comments on a draft of this report. However, we discussed its contents with DOD, Labor, OMB, OPM, RRB, and SSA officials and incorporated their views as appropriate. We are sending copies of this report to appropriate congressional committees; the Secretaries of Health and Human Services, Defense, and Labor; the Directors of OMB and OPM; the Chairman, RRB; and other interested parties. Please call me at (202) 275-5365 if you or your staffs have any questions about this report. Other major contributors are listed in appendix VIII.



Lawrence H. Thompson  
Assistant Comptroller General

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**Abbreviations**

|       |   |
|-------|---|
| AVRHS | Association for Vital Records and Health Statistics |
| DMDC  | Defense Manpower Data Center                        |
| DOD   | Department of Defense                               |
| FECA  | Federal Employees' Compensation Act                 |
| OMB   | Office of Management and Budget                     |
| OPM   | Office of Personnel Management                      |
| RRB   | Railroad Retirement Board                           |
| SSA   | Social Security Administration                      |
| SSN   | social security number                              |
| VA    | Department of Veterans Affairs                      |

# Scope and Methodology

To document SSA's and other federal agencies' policies, procedures, and practices for obtaining beneficiary death notice information, we interviewed officials at SSA and four selected agencies responsible for administering federal benefit programs. We selected these programs because they represent several of the larger federal benefit programs in terms of the number of beneficiaries covered and the total payments made. These agencies and the benefit programs they are responsible for are as follows:

- Department of Labor Black Lung and Federal Employees' Compensation Act (FECA) disability and death programs.
- DOD military retirement and survivors programs for the Army, Air Force, Navy, and Marine Corps.
- OPM and RRB retirement system programs.

We also reviewed agency claims-processing and death notice procedures, program manuals, and benefit case file information for the selected programs. We interviewed SSA and other agency officials to determine (1) why other federal programs had not obtained and used SSA death information and (2) what actions would be needed to obtain periodic access. We did not review how well SSA uses death information in its own programs to detect erroneous payments.

We also interviewed officials from the Association of Vital Records and Health Statistics and several state bureaus of vital statistics in order to determine (1) the states' rationale for limiting further disclosure of restricted death certificate data and (2) the actions that could be taken to protect the state interests and still provide leads to federal programs to minimize erroneous payments.

To assess the potential usefulness of SSA's voluntarily reported death information and state death certificate information, we used computer matching and analysis techniques. We obtained disability compensation and retirement payment records, as of September 1989, from the Defense Manpower Data Center (DMDC), Labor, OPM, and RRB. DMDC does the consolidated match between the DOD retired payment files and SSA's voluntarily reported death information.<sup>1</sup> Using the social security number (SSN) as the primary identifier, we matched DMDC, Labor, OPM, and RRB agency payment files against (1) SSA's voluntarily reported death information as of September 1989 and (2) both SSA's unrestricted and restricted state death certificate information.

<sup>1</sup>The consolidated DOD retired pay file reflects service benefit payments as of the end of June 1989.

We first compared agency payment records, as of September 1989, with SSA's file of voluntarily reported information for the same month. This file included records of about 39.5 million deaths. We also obtained an SSA file including unrestricted information from over 430,000 state death certificates and compared it with the same payment files. Finally, we obtained an SSA file including restricted information from about 900,000 state death certificates and compared it with the same agency payment records.

We did not include an estimate of payments to deceased survivors of primary beneficiaries because most agencies do not record the survivors' SSNs in agency payment files. Instead, the payment files use the primary beneficiary's SSN to manage survivor accounts; SSA records survivor deaths, however, by their own SSNs. This precludes effective computer matching.

To verify the deaths of the program beneficiaries identified using SSA's voluntarily reported death information, we compared the reported deaths with SSA's Master Beneficiary Record. Deaths recorded in that record are, in many cases, later supported by state death certificate information. Some voluntarily reported deaths are further corroborated by state death certificate information; this information, however, may not be 100-percent accurate because it has not been independently verified in all cases. For example, SSA does not require verification of voluntarily reported data if the payment of SSA benefits is not an issue.

Because we identified the reported death cases using death certificate information, generally recognized as the best evidence of death, we considered them to be confirmed deaths. The death certificate is prepared by independent local authorities and is the official state document establishing the fact of death.

Our work was done in accordance with generally accepted government auditing standards, with the following exception. Because it was beyond the scope of our evaluation, we did not assess (1) the adequacy of SSA's internal controls over its computer-based payment information or death data systems or (2) federal benefit agencies' procedures and practices for acquiring or verifying beneficiary death information or collecting erroneous payments.

We did our work between May 1989 and August 1990 at SSA headquarters in Woodlawn, Maryland; the Washington headquarters offices of OMB, OPM, DOD, and Labor's Office of Workers' Compensation Programs;

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**Appendix I**  
**Scope and Methodology**

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selected regional office locations for Labor's Division of Coal Mine Workers Compensation and RRB; and state bureaus of vital statistics in Michigan, New Jersey, and Pennsylvania.

# Summary Information on Federal Agency Benefit Programs Selected for Review

| Agency           | Beneficiaries <sup>a</sup> | Total FY89 benefits (billions) | Average monthly benefit <sup>b</sup> |
|------------------|----------------------------|--------------------------------|--------------------------------------|
| OPM              | 2,135,619                  | \$27.22                        | \$1,210                              |
| DOD <sup>c</sup> | 1,595,850                  | 20.26                          | 1,133                                |
| RRB              | 903,502                    | 7.00                           | 690                                  |
| Labor:           |                            |                                |                                      |
| FECA             | 294,963                    | 1.27                           | 1,118                                |
| Black lung       | 132,000                    | 0.63                           | 434                                  |
| <b>Total</b>     | <b>5,061,934</b>           | <b>\$56.38</b>                 | <b>d</b>                             |

<sup>a</sup>Includes both retirees and survivors.

<sup>b</sup>Includes payments to retirees only.

<sup>c</sup>Includes the Army, Navy, Air Force, and Marine Corps.

<sup>d</sup>Not applicable.

# Agency Sources of Death Information

| Source of information   | Labor |            | Agency |     |     |
|---|-------|------------|--------|-----|-----|
|   | FECA  | Black lung | OPM    | RRB | DOD |
| <b>Voluntary reports</b>  |       |            |        |     |     |
| Next-of-kin, family, or friends contact agency through telephone or mail                                | X     | X          | X      | X   | X   |
| Executors of estates contact agency   | X     | X          | X      | X   | X   |
| Funeral directors report deaths of their clients  | X     | X          | X      | X   | X   |
| Checks returned by Postal Service marked "deceased"   | X     | X          | X      | X   | X   |
| Banks alert agency of death or suspicion of death, because of long period of inactivity in account      | X     |            | X      | X   | X   |
| <b>Periodic mailings and surveys</b>  |       |            |        |     |     |
| Nonreturn/nonreceipt of questionnaires to determine income level and continuing entitlement to benefits | X     | X          | X      | X   | X   |
| Nonreturn/nonreceipt of mailings to update beneficiary information                                      | X     | X          | X      | X   | X   |
| <b>Computer matching</b>  |       |            |        |     |     |
| Use SSA information to match against agency payment files   |       |            | X      | X   | X   |
| Reciprocal exchange with SSA to update death information in both agency payment systems                 |       | X          | X      | X   |     |
| Other exchanges with agencies to acquire death information  |       |            | X      | X   | X   |

# Cases of Erroneous Payments to Deceased Beneficiaries' Accounts

| Agency       | Cases      |                                      | Erroneous payments      |                        |
|--------------|------------|--------------------------------------|-------------------------|------------------------|
|              | Terminated | With erroneous payments <sup>a</sup> | Identified <sup>b</sup> | Recovered <sup>c</sup> |
| Labor:       |            |                                      |                         |                        |
| Black lung   | 7          | 7                                    | \$50,600.20             | \$9,030.00             |
| FECA         | 7          | 3                                    | 42,616.33               | 10,755.12              |
| OPM          | 70         | 70                                   | 1,825,107.33            | 15,667.60              |
| RRB          | 16         | 15                                   | 216,952.33              | 906.48                 |
| DOD          | 30         | 26                                   | 309,454.23              | 52,585.16              |
| <b>Total</b> | <b>130</b> | <b>121</b>                           | <b>\$2,444,730.42</b>   | <b>\$88,944.36</b>     |

<sup>a</sup>Refers to any payment made after the beneficiary's recorded date of death.

<sup>b</sup>Refers to all payments made after the beneficiary's recorded date of death.

<sup>c</sup>Refers to the benefits recovered by the agency/program through normal collection procedures as of December 5, 1990.

# Range for Amounts of Erroneous Payments to Deceased Beneficiaries

| Agency       | Cases of erroneous payments <sup>a</sup> | Payment amounts (thousands) |           |           |           |           |           |           |           |           |       |
|--------------|--|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
|              |  | Less than \$10              | \$10-\$20 | \$20-\$30 | \$30-\$40 | \$40-\$50 | \$50-\$60 | \$60-\$70 | \$70-\$80 | \$80-\$90 | \$90+ |
| Labor:       |  |                             |           |           |           |           |           |           |           |           |       |
| Black lung   | 7  | 6                           | 0         | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0     |
| FECA         | 3  | 2                           | 0         | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0     |
| OPM          | 70                                       | 20                          | 18        | 10        | 7         | 7         | 1         | 1         | 0         | 4         | 2     |
| RRB          | 15                                       | 5                           | 8         | 0         | 1         | 1         | 0         | 0         | 0         | 0         | 0     |
| DOD          | 26                                       | 15                          | 3         | 4         | 3         | 1         | 0         | 0         | 0         | 0         | 0     |
| <b>Total</b> | 121                                      | 48                          | 29        | 16        | 11        | 9         | 1         | 1         | 0         | 4         | 2     |

<sup>a</sup>Refers to any payment made after the beneficiary's recorded date of death.

# Potentially Erroneous Payments to Decedents' Accounts

|                                  | Agency     |       |      |       |     |       |     |       |     |       | Totals           |                    | Combined SSA/state totals |
|----------------------------------|------------|-------|------|-------|-----|-------|-----|-------|-----|-------|------------------|--------------------|---------------------------|
|                                  | Black lung |       | FECA |       | OPM |       | RRB |       | DOD |       | SSA <sup>a</sup> | State <sup>b</sup> |                           |
|                                  | SSA        | State | SSA  | State | SSA | State | SSA | State | SSA | State |                  |                    |                           |
| Cases referred                   | 9          | 1     | 9    | 2     | 7   | 80    | 6   | 12    | 0   | 30    | 31               | 125                | 156                       |
| Terminated before GAO notice     | 4          | 1     | 6    | 1     | 1   | 10    | 4   | 6     | 0   | 27    | 15               | 45                 | 60                        |
| Terminated because of GAO notice | 2          | 0     | 0    | 0     | 1   | 58    | 0   | 6     | 0   | 3     | 3                | 67                 | 70                        |
| Beneficiary alive per agency     | 3          | 0     | 3    | 1     | 5   | 9     | 2   | 0     | 0   | 0     | 13               | 10                 | 23                        |
| Agency review in progress        | 0          | 0     | 0    | 0     | 0   | 3     | 0   | 0     | 0   | 0     | 0                | 3                  | 3                         |

<sup>a</sup>Potentially erroneous payment cases identified using SSA's voluntarily reported death information.

<sup>b</sup>Potentially erroneous payment cases identified using SSA's state death certificate information.

# Time Lag Between Beneficiary's Recorded Death and Payments Ended

| Agency       | Months between date of death and date of suspension/termination |           |           |           |           |           |           |          |          |
|--------------|---|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|
|              | Total   | 1-3       | 4-12      | 13-24     | 25-36     | 37-48     | 49-60     | 61-72    | 72+      |
| Labor:       |   |           |           |           |           |           |           |          |          |
| Black lung   | 7   | 1         | 4         | 2         | 0         | 0         | 0         | 0        | 0        |
| FECA         | 7   | 4         | 2         | 1         | 0         | 0         | 0         | 0        | 0        |
| OPM          | 70  | 0         | 2         | 22        | 16        | 12        | 12        | 3        | 3        |
| RRB          | 16  | 2         | 3         | 8         | 2         | 0         | 0         | 0        | 1        |
| DOD          | 30  | 15        | 6         | 3         | 3         | 3         | 0         | 0        | 0        |
| <b>Total</b> | <b>130</b>  | <b>22</b> | <b>17</b> | <b>36</b> | <b>21</b> | <b>15</b> | <b>12</b> | <b>3</b> | <b>4</b> |

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# Major Contributors to This Report

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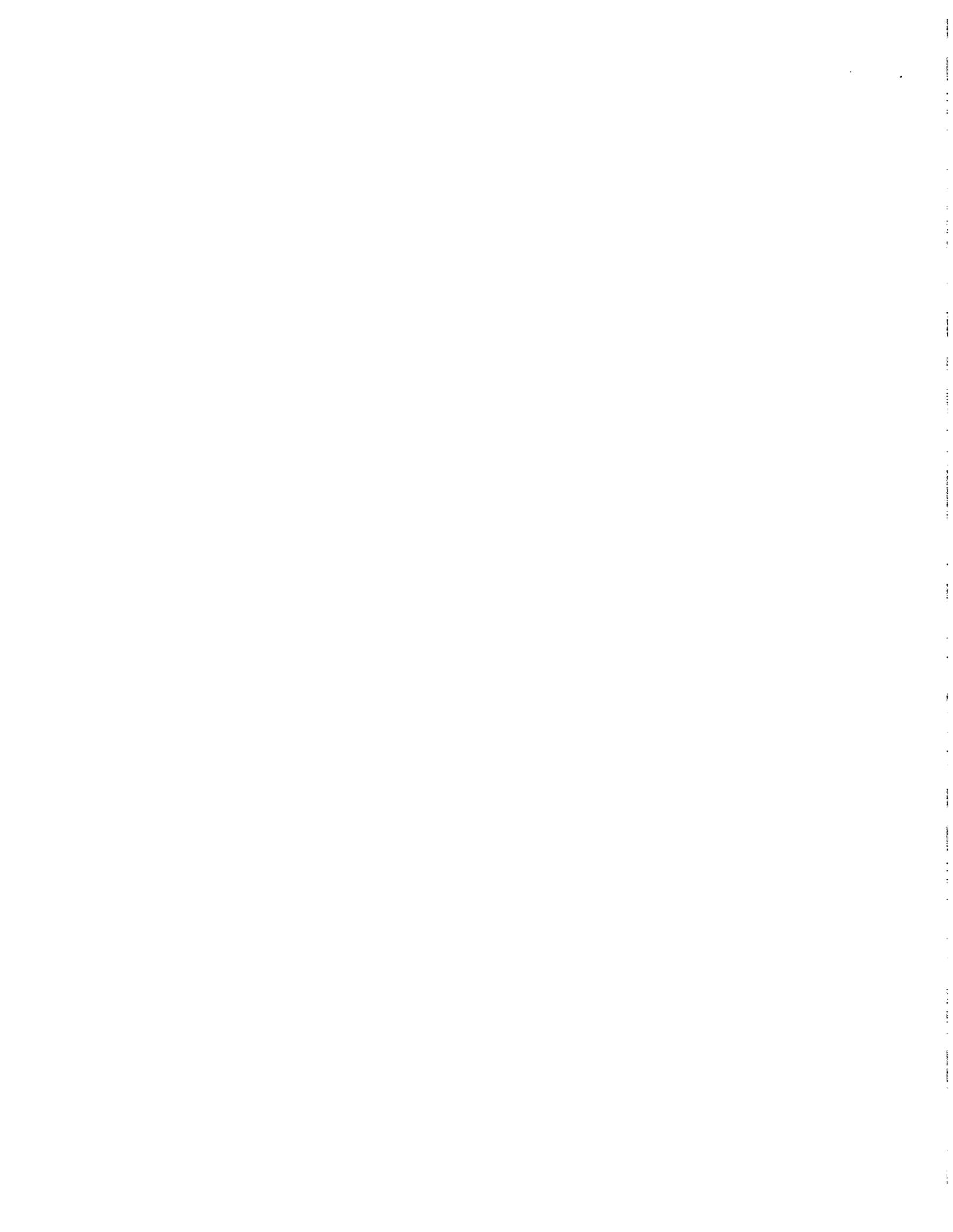
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