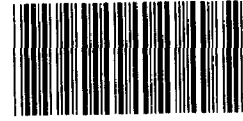


## Human Resources Division

B-253396



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July 20, 1993

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

Dear Mr. Chairman:

On April 1, 1993, your staff asked that we determine the progress made by federal and state agencies in using the Social Security Administration's (SSA) voluntary and unrestricted state death information. These agencies administer federal benefit payment programs and use the death information to help remove deceased persons from the rolls. In addition, we were asked to estimate, for selected agencies, the savings that would accrue if SSA's restricted state death information was available to them.

SSA maintains the most comprehensive file of death information in the federal government. It routinely receives this information from voluntary sources, such as family members and funeral homes. To supplement the voluntary death reports, SSA purchases death certificate information from state bureaus of vital statistics. However, 34 states prevent SSA from sharing the purchased information with other agencies.

RESULTS-IN-BRIEF

The largest federal agencies are using SSA's voluntary and unrestricted state death information, but most other federal and state agencies have not requested and are not using this information. Based on our match of restricted state death information we estimate that \$14 million in erroneous payments were made to deceased beneficiaries which reaffirms our earlier report findings.<sup>1</sup> Our review of selected agencies showed that millions of dollars could be saved each year if they had access to SSA's restricted

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<sup>1</sup>See Agencies Need Death Information From Social Security to Avoid Erroneous Payments, (GAO/HRD-91-3, Feb. 6, 1991).

state death information. We continue to believe that similar benefits would accrue for other federal and state agencies if they could use the information.

#### BACKGROUND

In February 1991, we issued a report and testified before your Subcommittee that federal agencies were erroneously paying millions of dollars each month to deceased beneficiaries because the agencies lacked complete and timely information on beneficiaries' deaths. Few agencies --only the Department of Defense (DOD), Railroad Retirement Board (RRB), Office of Personnel Management (OPM), and Veterans Administration (VA)--obtained SSA's voluntarily reported death information, and no agency received the death information SSA routinely purchases from state bureaus of vital statistics. We computer-matched selected agencies' payment files against SSA's voluntary, unrestricted and restricted state data. Based on our results, we recommended that the Director of the Office of Management and Budget (OMB) require governmentwide use of SSA's voluntary death information. We also recommended that Congress act to require that the states lift restrictions on SSA's other death information as a condition of receiving related federal assistance so that OMB might require its use.

In response, OMB required each affected federal and state agency to use SSA's available death information on a monthly basis, beginning in March 1992, to detect erroneous payments and remove deceased beneficiaries from the roles. Major benefit paying agencies--DOD, OPM, RRB, VA, SSA, and the Coast Guard--are required to report on a regular basis to the Department of the Treasury about their progress in using these data to identify erroneous payments to deceased beneficiaries. The agencies also must submit a baseline report documenting the amount of erroneous payments to deceased beneficiaries for calendar year 1991. They are then required to file quarterly reports to document their progress in reducing the amount of erroneous payments as a result of computer-matching.

#### SCOPE AND METHODOLOGY

To review the status of federal agencies' use of SSA's death information, we interviewed officials at SSA and six selected agencies--DOD, RRB, OPM, VA, and the Departments of Labor (DOL) and State (DOS). These agencies have programs that are among the largest federal benefit

programs in terms of beneficiaries covered and total payments made. In addition, DOL, RRB, OPM, and DOD were the focus of our previous review.

We also interviewed officials at OMB to determine federal agencies' compliance with OMB requirements. We obtained all required reports submitted by the agencies to Treasury to assess the reported usefulness of SSA's data and each agency's compliance with Treasury reporting requirements, and we discussed reporting problems with Treasury. In addition, we contacted state and local program officials in Michigan, Texas, California, and New York City, who according to SSA records, were using SSA's death information.

To further assess the potential usefulness of SSA's restricted state death information, we used computer-matching and analysis techniques. We acquired SSA's master death file, which contains all voluntary, unrestricted, and restricted state reported deaths up to the calendar quarter ending September 1992. We matched the restricted state death information against the six federal agencies' most recent payment files. Current restrictions on the data precluded us from referring potential erroneous payment cases to the agencies for their investigation.

PROGRESS MADE IN THE USE OF  
SSA DEATH INFORMATION

Federal agencies have made progress in obtaining and using SSA's death information since OMB published a bulletin requiring its use. DOD, RRB, OPM, VA, DOL, Department of Energy (DOE), Internal Revenue Service (IRS), and National Institute of Occupational Safety and Health (NIOSH) are obtaining and using SSA's death information to varying degrees (see enclosure I). However, other federal and most state administering agencies have not requested the information.<sup>2</sup>

Since September 1992, DOD, RRB, OPM, and VA have obtained monthly updates of SSA's voluntary reported and unrestricted state death information. VA and RRB reported that they were conducting monthly matches with their payment files. DOD reported conducting a monthly match, but of its quarterly file of actual beneficiaries; OPM

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<sup>2</sup>See enclosure II for a list of 123 programs that may benefit from obtaining and using SSA's death information.

reported conducting a quarterly match of its beneficiary files. DOD officials stated that the department is currently working on changing to a monthly match of its monthly beneficiary files, and OPM hopes to begin monthly matches by May 1993.

DOL, IRS, DOE, and NIOSH have obtained only SSA's voluntary death information. DOL reported that it is now conducting a monthly match of its beneficiary files for its Black Lung and Federal Employment and Compensation Act (FECA) programs. It began monthly matches for its FECA program in January 1993 and conducted sporadic matches of its Coal Mine Workers Compensation Program beginning in May 1992.

According to SSA records, other federal agencies have not used SSA's death information to reduce erroneous payments to deceased beneficiaries. Several federal agencies have inquired about the information, but have not requested it. These include the Departments of State and Justice, the Agency for International Development, the Administration for Children and Families within the Department of Health and Human Services, and the U.S. Public Health Service. Subsequent to our inquiry, the DOS told us that it plans to request SSA's death data.

The Department of Housing and Urban Development (HUD) requested, but OMB did not grant, a permanent waiver from OMB matching requirements. The HUD Inspector General (IG) contends, on the basis of a small sample of selected cases it tested in April 1992, that periodic matching of SSA's death data with assisted housing tenants would not be cost effective. This sample included 40 death match cases for one of its programs. The IG also reported that eligible family members sometimes used deceased tenants social security numbers instead of their own, making identification of deceased beneficiaries difficult. We did not review the merits of the IG's argument.

Most state and local agencies have not requested SSA's voluntary death information; however, on the basis of SSA records, a few have been obtaining this information at frequencies ranging from quarterly to annually (see enclosure 1). Officials in California, Michigan, Texas, and New York City all reported that using SSA's death information was highly effective in uncovering overpayments to deceased beneficiaries in their state or local payroll and pension programs. For example, New York City officials told us that they had documented savings of over \$400,000

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during the past 3 years for one of their six retirement programs.

REPORTING PROBLEMS COMPLICATE ASSESSING  
THE EXTENT OF REDUCED ERRONEOUS PAYMENTS

Treasury officials stated that to fully assess the results of the matches was difficult, because of reporting problems. These officials added that they are currently working with the agencies to resolve these problems.

Our work showed that with the exception of the Coast Guard no agency met Treasury's reporting requirements. Some agencies had difficulty reporting all the requested information on their reports because of the way they maintain their data, while others did not submit all the required reports. In addition, OPM could not break out the results from matching SSA's data against its payment records from the results of its other matches using VA's and DOD's data. DOD is the only agency that is required to but has not submitted reports.

AGENCIES USE OF RESTRICTED STATE DEATH INFORMATION  
COULD SUBSTANTIALLY REDUCE ERRONEOUS PAYMENTS

Our match of six agencies' payment files with restricted state death information reaffirmed our earlier findings that substantial savings could be achieved through the use of this information to prevent erroneous payments to deceased beneficiaries. For the six agencies, we identified 876 beneficiaries in current payment status who, according to state death records, are deceased. If agencies had access to such information, we estimate they could save \$5.5 million annually in erroneous payments or a total of \$14 million in erroneous payments given the average time such persons are overpaid.

In our earlier report, we used SSA's restricted state data to identify about \$257,000 per month in potentially erroneous payments for DOL, OPM, RRB, and DOD. Our current match identified about \$458,000 per month in such payments for those agencies plus VA and DOS. The increase in our estimate is largely due to including VA in our match.

POTENTIAL PROBLEMS WITH SHARED INFORMATION

We identified potential problems with the accuracy of the voluntary and unrestricted death information that SSA shares with other agencies. For example, data in SSA's

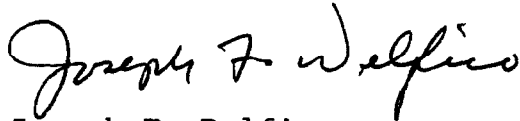
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shared file conflicted with similar information that SSA maintains for payment purposes. In addition, several agencies commented on the large amount of erroneous information they receive from SSA. We plan to address these issues in our continuing work for your Subcommittee.

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If you have any questions, please call Mr. Roland H. Miller of my staff on (410) 965-8925.

Sincerely yours,



Joseph F. Delfico  
Director, Income Security Issues

Enclosures - 2

FEDERAL AGENCIES AND STATE AND LOCAL  
PROGRAMS RECEIVING SSA DEATH INFORMATION

<u>FEDERAL</u>	<u>FREQUENCY</u>
Department of Defense	Monthly
Office of Personnel Management	Monthly
Railroad Retirement Board	Monthly
Department of Veteran Affairs	Monthly
Department of Labor	Monthly
Department of Veteran Affairs, Environmental Epidemiology Services	Monthly
Department of Veteran Affairs, Inspector General	Monthly
Health and Human Services, Inspector General	Monthly
Brooks Air Force Base	Annual
National Institute of Occupational Safety and Health	Annual
Department of Education	Annual
Internal Revenue Service	Annual
 <u>STATE AND LOCAL PROGRAMS</u>	
City of New York	Quarterly
New York State and Local Retirement Systems	Quarterly
State of Michigan	Semiannual
California State Comptrollers Office	Semiannual
Comptroller, New York City	Semiannual
State of Texas	Annual
State of Alaska	Annual
New Mexico Tumor Registry	Annual

LISTING OF FEDERAL BENEFIT PROGRAMS

The following federal benefit program inventory lists 65 needs-based and 58 insurance-based programs by program category. The listed benefit programs provide assistance to persons demonstrating need or who qualify for benefits as a result of either (1) contributions made by them or on their behalf or (2) military service.

NEEDS-BASED FEDERAL BENEFIT PROGRAMSCASH PROGRAMS

Aid To Families with Dependent Children  
 - Adoption Assistance  
 - Family Group  
 - Foster Care  
 - Unemployed Parent  
 Dependency and Indemnity Compensation for  
 Parents of Veterans  
 Earned Income Tax Credit  
 Emergency Assistance to Needy Families with  
 Children  
 General Assistance to Indians  
 Pensions for Needy Veterans, Their Dependents,  
 and Survivors  
 Refugee and Entrant Assistance - State  
 Administered Programs  
 Weatherization Assistance  
 General Assistance  
 General Assistance to Indians  
 Assistance Payments in Guam, Puerto Rico,  
 the Virgin Islands, and American Samoa  
 - Aged  
 - Blind  
 - Disabled  
 Low Income Home Energy Assistance Program

**TOTAL: 17 programs**



FOOD PROGRAMS

Child Care Food  
 Commodity Supplemental Food  
 Emergency Loans for Farmers  
 Food Distribution (Food Donation Program)  
 Food Distribution Program Commodities on  
 Indian Reservations  
 Food Stamp  
 Nutrition Assistance for Puerto Rico  
 Nutrition for the Elderly  
 Special Milk  
 Special Supplemental Food Program for Women,  
 Infants, and Children  
  
 TOTAL: 10 programs

HOUSING PROGRAMS

Congregate Housing Services  
 Farm Labor Housing Loans and Grants  
 Housing for Elderly or Handicapped  
 Indian Housing Assistance  
 Interest Reduction Payments  
 Lower Income Housing Assistance (Section 8)  
 Low Income Housing - Home Ownership Assistance  
 Low Rent Public Housing  
 Mortgage Insurance - Homes for Low and  
 Moderate Income Families  
 Mortgage Insurance - Rental and Cooperative  
 Housing - Market Rate  
 Mortgage Insurance - Rental Housing for  
 Moderate Income Families  
 Mortgage Insurance - Special Credit Risks  
 Nonprofit Sponsor Assistance  
 Operating Assistance for Troubled Multifamily  
 Housing Projects  
 Rehabilitation Loans (Section 312)  
 Rent Supplements  
 Rural Housing Loans  
 Rural Housing Repair Loans and Grants  
 Rural Housing Self-Help Technical Assistance  
 Rural Housing Site Loans  
 Rural Rental Assistance Payments  
 Rural Rental Housing Loans  
 Rural Housing Preservation Grants  
  
 TOTAL: 23 programs

MEDICAL PROGRAMS

Indian Health Services - General  
Medicaid  
Medical Assistance to Refugees  
Medical Care for Veterans Without Service-  
Connected Disabilities  
Maternal and Child Health Services Block Grant  
Community Health Centers

TOTAL: 6 programs

JOBS, EMPLOYMENT PROGRAMS,  
AND SOCIAL SERVICES

Employment Service  
Migrant and Seasonal Farm Worker  
Social Services Block Grant  
Community Services Block Grant

TOTAL: 4 programs

EDUCATION AID

Pell Grants  
Stafford Loans  
Supplemental Educational Opportunity Grants  
Perkins Loans  
Fellowships for Graduate and Professional  
Study

TOTAL: 5 programs

INSURANCE-BASED FEDERAL BENEFIT PROGRAMSCASH PROGRAMS**Air Force**

- Disability Compensation
- Retirement
- Survivor Benefits

**Army**

- Disability Compensation
- Retirement
- Survivor Benefits

**Coal Mine Workers' Compensation (Black Lung/Supplemental Income)****Federal Civil Service**

- Disability Compensation
- Retirement
- Survivor Benefits

**Federal Employees Compensation****Marines**

- Disability Compensation
- Retirement
- Survivor Benefits

**Navy**

- Disability Compensation
- Retirement
- Survivor Benefits

**Railroad**

- Disability Compensation
- Retirement
- Sickness and Maternity Benefits
- Survivor Benefits
- Unemployment Compensation

**Unemployment Compensation for Ex-servicemen****Unemployment Compensation for Federal Civilian Employees****Unemployment Compensation - State****Longshoreman's and Harbor Workers Compensation****Foreign Service**

- Retirement
- Disability

**Federal Reserve Employees Retirement****CIA Retirement and Disability System****Commissioned Corps of the Public Health Service Retirement System****U.S. Coast Guard Retirement System**

CASH PROGRAMS (CONTINUED)

## Veterans

- Adjusted Service and Dependency Pay
- Burial Expense Allowance
- Clothing Allowance (Disabled)  
  Compensation (Spouse/Child)
- Compensation for Service-Connected  
  Disability
- Dependency and Indemnity
- Direct Housing Loans for the  
  Disabled Veterans
- Educational Assistance
- Educational Assistance to  
  Dependents
- Flag to Drape Coffin
- GI Life Insurance
- Grants-Autos and Adaptive  
  Equipment for Disabled
- Grants-Specially Adapted Housing  
  for Disabled Veterans
- Headstone and Grave Markers
- Invalid Lifts and Other Devices
- Manufactured Home Loans
- Memorial Plots and Memorial  
  Markers
- Mortgage Life Insurance (Adapted  
  Housing)
- Special Allowance for Dependents
- Special Benefits for Certain  
  Retired Officers
- Special Pension for Medal of Honor  
  Recipients
- Vocational Rehabilitation for  
  Disabled Veterans

TOTAL: 53 programs

<u>MEDICAL PROGRAMS</u>	
	Coal Mine Workers' Compensation (Black Lung/Medical)
	Medicare
	- Hospital Insurance (Part A)
	- Supplemental Medical Insurance (Part B)
	Veterans - Hospital Care and Other Medical
	Retired Federal Employees Health Benefits
	TOTAL: 5 programs
65	TOTAL NEEDS-BASED PROGRAMS
58	TOTAL INSURANCE-BASED PROGRAMS
123	TOTAL INVENTORY

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