



Written by [Michael Tennant](#) on July 3, 2013

Dead People Collecting Millions in Social Security Benefits

The Social Security Administration (SSA) has been paying benefits to dead people — in some instances, for nearly two decades — according to a recent [report](#) from the SSA's Office of Inspector General (OIG).

"SSA issued payments to 2,475 beneficiaries for months and, in some cases, years after it received notification that they were deceased," wrote OIG. "SSA received death reports for these individuals and recorded the dates of death on the Numident," an electronic file that contains data on each individual with a Social Security number (SSN), but "did not record the death information on the beneficiaries' payment records or terminate their payments."



Of the 2,475 potentially deceased beneficiaries, OIG found that 1,546 had death certificate numbers in the Numident, "a reliable indicator that the numberholder is deceased." On average, each of these dead individuals continued to receive a total of \$20,023 in benefits over a period of 20 months. However, some had been raking in the dough for a whopping 237 months — almost 20 years.

One beneficiary who died in April 2000 and whose date of death and death certificate number were recorded in the Numident in February 2001 was still getting paid as of May 2012, by which time taxpayers had been taken for approximately \$158,000 in benefits. According to a footnote in the report, the SSA finally terminated this individual's benefits in August 2012, after which an OIG investigation "revealed a family member had access to the deceased beneficiary's bank account and converted \$160,101 in benefit payments for his own use."

All told, OIG estimated that these deceased individuals (or their unscrupulous relatives) have taken in about \$31 million in benefits. Those who remain on the rolls are expected to cost taxpayers another \$15 million over the next year if the SSA does not terminate their benefits.

Another 879 individuals identified as deceased by the SSA may or may not be dead, said OIG. Dates of death were recorded in the database, but death certificate numbers were not. A search of public records concerning a random sample of these individuals indicated that at least a third of them are still alive. The SSA will therefore need to proceed cautiously in determining which ones have passed away. As OIG observed, if the agency were to declare a living soul dead, this "could lead to benefit termination, cause severe financial hardship, and result in the public release of their" personal identifying information.

OIG was unable to determine whether the remaining 50 people identified as deceased in the Numident are dead or alive because "the SSN on the beneficiary's payment record was not the beneficiary's." These are data-entry errors that the SSA will have to investigate further.

Why did so many dead people continue to receive benefits, and why were the records of others not



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corrected to reflect the fact that they were still alive?

“This occurred because various system controls designed to prevent or detect continued payments to deceased beneficiaries were not effective,” stated OIG. Benefits for 1,007 individuals should have been terminated immediately when Electronic Death Registration reports arrived. Another 956 individuals’ reported deaths should have been investigated to determine whether they were truly deceased; if so, their benefits should have been terminated. In all instances, an automated system “should have generated alerts to notify the appropriate field office to take action and resolve the discrepancies,” but that happened only about 20 percent of the time. In addition, in almost three-fourths of the cases, auxiliary beneficiaries continued to receive benefits that they would have been denied had the SSA’s systems propagated the death entries for the primary beneficiaries onto the records for the auxiliary beneficiaries.

OIG made three recommendations to the SSA. First, the agency should resolve the discrepancies with the potentially deceased individuals that OIG discovered are still receiving benefits. Second, it should consider enhancing its systems to ensure that death entries are propagated from primary beneficiaries’ records to auxiliary beneficiaries’ records. Third, it should implement procedures “to periodically identify and review instances where individuals with a death entry on the Numident continue to receive payments.”

The SSA agreed with the recommendations, but that offers little comfort to taxpayers. The agency also agreed to implement similar measures after a [2009 audit](#), yet 91 possibly deceased individuals identified at that time continue to receive payments despite ongoing discrepancies in their records, OIG observed in its latest report. Last year, OIG also [discovered](#) that the SSA was disbursing Social Security benefits to individuals whose Medicare benefits it had terminated due to death.

Reform of the SSA, as with most other government agencies, is unlikely. After all, when one is spending other people’s money, why put forth the effort necessary to ensure that the money is spent wisely? Like many of those still receiving Social Security benefits, OIG’s report might as well be declared dead on arrival.



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