DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Additional Actions Can Help Prevent Benefits Payments from Being Sent to Deceased Veterans

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Executive Summary

The Veterans Benefits Administration (VBA) is responsible for providing a variety of benefits to eligible veterans, including monthly disability compensation or pension payments. Disability compensation is a tax-free monetary benefit paid to veterans with disabilities that are the result of diseases or injuries that happened or were made worse during active military service.[1] Pension benefits are for wartime veterans who meet certain age or disability requirements with income and net worth within specified limits.[2] When veterans die, VBA is responsible for stopping any compensation or pension benefits payments.[3]

While it receives notifications of death from other sources, VBA primarily relies on death notifications from the Social Security Administration (SSA) in an automated process called the death match. VBA matches its files with the death record data supplied by the SSA, ensuring that payments will properly stop when there is a record of a veteran's death. VBA's Pension and Fiduciary Service is responsible for overseeing the death match process. The VA Office of Inspector General (OIG) conducted a limited evaluation of VBA's processes for discontinuing compensation and pension benefits payments to deceased veterans to help improve VBA's efficiency as well as prevent or redress fraud and waste.[4]

What the Review Found

The OIG team reviewed three samples to help assess processes and identify ways that VBA can improve its death match process to minimize overpayments that could be directed instead to eligible veterans.[5]

In one sample, the review team determined VBA was unaware its systems failed to complete one automated weekly death match in December 2020. The failed weekly death match resulted in payments continuing to 43 veterans after their deaths. Of those, 29 payments were made for seven months until those veterans' deaths were discovered by the team. System failures such as these increase the risk that VBA will fail to promptly stop payments because the match includes only those deaths reported to the SSA since the last match.

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[1] 38 C.F.R § 3.4(b), *Disability Compensation*.

[2] 38 C.F.R § 3.3(a)(3), *Improved Pension*.

[3] This review focused on VBA's action to terminate compensation and pension benefits upon the death of a veteran and does not include other types of VA benefits such as health care or education.

[4] The team did not design this review to comprehensively assess VBA's death match processes and so the estimates of identified errors may not be representative of VBA's entire death match population. Instead, the team analyzed data compiled by the OIG's Office of Data and Analytics and its sample data sets to help identify if there were concerns that VBA should be made aware of and opportunities for improvement.

[5] See appendix A for details on the review team's scope, methodology, and sample design.

In a second sample, the review team determined the death match mechanism was limited because VBA's electronic systems contained incorrect social security numbers. The team reviewed a judgmental sample of 140 veterans and found that 87 of the records had incorrect social security numbers in VBA's electronic systems. Without accurate data, the death match process cannot operate as intended and VBA will continue to pay compensation or pension benefits to veterans after their deaths.

In a third sample, the team reviewed a random sample of 121 veterans with dates of death between January 2017 and February 2021 and determined that VBA could have minimized improper compensation or pension payments to deceased veterans if death notification data had been obtained from the Veterans Health Administration (VHA).[6]

With improved oversight and communication, VBA's death match process can help prevent improper benefits payments from being made to deceased veterans. Improper payments usually result in the creation of a debt and may cause an unnecessary financial burden on surviving family members. These debts also create additional work for VBA personnel.[7] Additionally, payments made after the death of a veteran increase VBA's risk for fraud and waste.

What the OIG Recommended

The OIG recommended the acting under secretary for benefits implement procedures to identify failed weekly death matches and demonstrate progress toward processing all failed matches; implement a process to review the social security number verification program and demonstrate progress towards ensuring the accuracy of social security numbers in VBA's electronic systems; and implement an intra-agency data-sharing process with VHA and demonstrate progress in obtaining information on veterans' deaths.

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[6] Like VBA, VHA receives an SSA death match. However, VHA compiles additional death notifications through various sources including the Department of Defense and VA's National Cemetery Administration.

[7] VA Manual 21-1, part 6, sub. 3, chap. 2, sec. C, topic 1.a, "General Information About Requests for Waiver of Debt," June 18, 2015. When the creation of an overpayment or debt occurs, beneficiaries have the right to request a waiver of the debt. VBA's Committee on Waivers and Compromises is responsible for deciding whether to deny the request or waive all or part of the debt.

VA Management Comments and OIG Response

The acting under secretary for benefits concurred with the OIG's recommendations and provided corrective action plans for each recommendation. The OIG will monitor implementation of planned actions and will close the recommendations when VBA provides sufficient evidence demonstrating progress in addressing the intent of the recommendations and the issues identified. Appendix C includes the full text of the acting under secretary's comments.

LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

Contents

Abbreviations

OIG   Office of Inspector General

SSA   Social Security Administration

VBA   Veterans Benefits Administration

VHA   Veterans Health Administration

Introduction

The Veterans Benefits Administration (VBA) is responsible for providing a variety of benefits to eligible veterans, which may include monthly disability compensation or pension payments. Disability compensation is a tax-free monetary benefit paid to veterans with disabilities that are the result of diseases or injuries that happened or were made worse during active duty military service.[8] VBA pays pension benefits to wartime veterans who meet certain age or disability requirements, and who have income and net worth within specified limits.[9] When veterans die, VBA is responsible for stopping any compensation or pension benefits payments.[10]

As part of its efforts to improve VA's efficiency, as well as prevent and address fraud and waste, the VA Office of Inspector General (OIG) assessed VBA's processes for discontinuing compensation and pension benefits payments made to veterans after their deaths.[11]

Death Match Process

Although VBA receives notifications of veterans' deaths directly from third parties, it primarily relies on information provided through an exchange agreement with the Social Security Administration (SSA).[12] The SSA compiles death reports from sources such as family members, funeral homes, financial institutions, postal authorities, states, and other federal agencies. The SSA aggregates the reports into a system of records called the death master file.

VBA uses the death master file data obtained from the SSA to help

- ensure certain benefits will properly terminate when there is a record of death,

- prevent fraudulent benefits payments that can occur when an ineligible recipient uses payments intended for a veteran who has died, and

- generate statistical and budgetary information.

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[8] 38 C.F.R § 3.4(b), *Disability Compensation.*

[9] 38 C.F.R § 3.3(a)(3), *Improved Pension.*

[10] VA Manual 21-1, part 3, sub. 2, chap. 8, sec. A, topic 1.a, "Purpose of Veteran FNOD Processing," February 24, 2016 (historical); VA Manual 21-1, part 11, sub. 1, chap. 1, sec. A, topic 1.a, "Purpose of Veteran FNOD Processing," December 16, 2021.

[11] Compensation and pension benefits payments made to veterans after their deaths were identified by the OIG as a high-risk category. This review focused on VBA's action to terminate compensation and pension benefits upon the death of a veteran and does not include other types of VA benefits such as health care or education.

[12] VBA also receives notices of death from third parties such as family members, funeral homes, veterans service organizations, or from returned checks indicating a veteran is deceased. A third-party notice of death is accepted by VBA if the notice furnishes sufficient information about the veteran to allow definitive identification of the veteran's record and identifies the source of the report of death. These third-party notifications are separate from the death match process but may allow VBA to identify a deceased veteran whose death was not reported to SSA.

VBA receives the death master file from the SSA weekly and uses a veteran's name, date of birth, and social security number in an automated process to match against its own records. When a match is made, VBA identifies a veteran as possibly deceased. VBA's Pension and Fiduciary Service is responsible for overseeing this death match process. Any recurring benefits payments to a possibly deceased veteran are suspended, and VBA initiates actions to verify the death and discontinue the monthly benefit payment effective the first day of the month in which the death occurred.[13]

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[13] VA Manual 21-1, part 3, sub. 2, chap. 8, sec. A., topic 1.a, "Purpose of Veteran FNOD Processing," February 24, 2016 (historical); VA Manual 21-1, part 11, sub. 1, chap. 1, sec. A, topic 1.a, "Purpose of Veteran FNOD Processing," December 16, 2021.

Results and Recommendations

Finding: Opportunities Exist for VBA to Improve the Death Match Process

In support of this finding, the review team identified three ways that VBA can improve its current death match process to minimize overpayments:

1. The team initially discovered one failed automated weekly death match that VBA was unaware of during the data review. Two others were subsequently detected as a result. System failures such as these increase the risk that VBA will remain unaware of veterans' deaths because each transmission includes only those deaths reported to the SSA since the last match. The team determined that the failed automated weekly death match of December 7, 2020, resulted in VBA sending 29 veterans compensation or pension payments for seven months until the team notified VBA of their deaths.

2. Second, VBA's electronic systems contained incorrect social security numbers for veterans in 87 of 140 files reviewed. Without accurate data, the death match process cannot operate as intended and benefits payments may be sent to deceased veterans.

3. Lastly, VBA might have prevented improper compensation or pension payments to 35 deceased veterans if death notification data were also obtained from the Veterans Health Administration (VHA)—which has its own death match process and receives death notices from additional sources.

The review team determined these issues occurred in part because VBA did not adequately monitor its death match process. It also missed opportunities to discontinue payments by not coordinating with and obtaining data from VHA. With improved oversight and communication, VBA's death match process can help prevent improper benefits payments from being sent to deceased veterans. Unwarranted payments usually create debts that pose an unnecessary financial burden on surviving family members.[14] These debts also create additional workload for VBA. Additionally, payments made after the death of a veteran increase VBA's risk for fraud and waste.

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[14] VA Manual 21-1, part 6, sub. 3, chap. 2, sec. C, topic 1.a, "General Information About Requests for Waiver of Debt," June 18, 2015. When the creation of an overpayment or debt occurs, beneficiaries have the right to request a waiver of the debt. VBA's Committee on Waivers and Compromises is responsible for deciding whether to deny the request or waive all or part of the debt.

What the OIG Did

The review team conducted a limited evaluation of VBA's processes for discontinuing compensation and pension benefits payments to veterans upon their deaths.[15] The team analyzed VBA data on deceased veterans as well as VA policies and procedures associated with veterans' deaths. The team's analysis is based on three samples of veterans showing as deceased in the SSA death master file. In each sample, the team compared veteran data in VBA systems with VHA systems to identify discrepancies between the two administrations.[16] The estimates presented in this report may not be representative of VBA's entire death match population. They are observations and summaries drawn from the following three samples:

- *Initial sample*: The team identified a population of 7,595 veterans with dates of death between January 2017 and February 2021 who had potentially received monthly benefits payments two months or more after their deaths. Based on this population of veterans, the team reviewed a random sample of 121 cases to confirm whether these veterans received payments after death.

- *December sample*: During the initial sample review, the team identified a potential issue with VBA's automated death match for one week. The team reviewed a separate judgmental sample of 48 veterans who first appeared in the SSA death master file on December 7, 2020, to assess this issue and determine if payments were sent to veterans after the dates of their deaths.

- *Social security number sample*: As the death match relies on a match of social security numbers between the SSA death master file and VBA systems, the team reviewed a judgmental sample of 140 veterans to determine if VBA systems contained accurate social security numbers. To determine the accuracy, a comparison was made between VBA's information and VHA's electronic health records.

Interviews with VBA managers and staff associated with the death match process provided additional information and context. VBA's Pension and Fiduciary Service reviewed the errors identified in the samples and agreed with the OIG team's conclusions. See appendix A for additional detail on the team's scope, methodology, and sample design.

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[15] The team did not design this review to comprehensively assess VBA's death match process. Instead, the team analyzed data compiled by the OIG's Office of Data and Analytics and its data sets to determine whether there were issues VBA should be alerted to and whether opportunities exist to improve VBA's current processes.

[16] VBA systems included the Veterans Benefits Management System and SHARE. The Veterans Benefits Management System is a web-based electronic claims-processing system. SHARE is an application used by VBA to access data sources located on different databases in multiple locations. VHA systems included consolidated information contained in the electronic health record application Compensation and Pension Records Interchange.

Failed Automated Weekly Death Matches

While reviewing the initial sample, the team identified VBA monthly benefits payments to five veterans who were documented as deceased in VHA's electronic records (based on VHA's receipt of its own December 7, 2020, SSA death master file transmission). To determine whether a problem existed with VBA's death master file transmission from the SSA on the same date, the team reviewed an additional sample of 48 veterans who first appeared in the SSA death master file on December 7, 2020, but were still being sent compensation or pension payments.

The review team confirmed 43 of the 48 veterans in the December sample were deceased but VBA continued to make benefits payments. The 43 veterans consisted of 29 deceased veterans who were not identified as deceased in VBA systems and 14 veterans who were correctly identified as deceased in VBA systems based on other sources such as third-party notifications, but their benefits should have been stopped earlier. The team calculated improper payments for these 43 veterans from January 1 through July 1, 2021, the last date a payment could have been issued prior to the team's review of the data.[17] VBA continued to pay deceased veterans amounts totaling from about $420 to over $22,000. Table 1 provides an overview of the team's findings.[18]

Table 1. Improper Payments to Deceased Veterans Due to the Failed Death Match of December 7, 2020

Description	Number	Overpayment amount in dollars (rounded)
Veterans not identified as deceased in VBA's systems	29	139,412
Payments that could have been discontinued sooner	14	64,214
Total	**43**	**203,625**

Source: Analysis of data sets obtained from the OIG's Office of Data and Analytics, which included the SSA death master files, VBA systems, and VHA data.
Note: The total amount of overpayments does not sum due to rounding.

Interviews with the Pension and Fiduciary Service's assistant director and the information technology specialist who oversees the death match process for VBA confirmed that the December 7, 2020, death match did not occur. The information technology specialist explained

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[17] January 1, 2021, was the first payment that could have been prevented if VBA had received the December 7, 2020, death match. Of the 43 deceased veterans, 29 still showed as alive in VBA systems and were sent benefits payments as of July 1, 2021. The other 14 veterans were documented as deceased in VBA systems but received payments through June or July 2021.

[18] The estimates presented in this report may not be representative of VBA's entire death match population. They are observations and summaries from the three samples reviewed.

the death match did not run because of an undetected issue with the automated process. VBA was unaware of the system failure until the review team brought the issue to its attention.

In the event of a failed death match, the information technology specialist said that information technology staff should receive an email listing programs that failed to run. The email is supposed to prompt these staff to follow up with VBA operations staff to ensure the death match is run again. Regarding the failed December 2020 death match, the information technology specialist said it went unnoticed due to human error.

VBA identified two other weekly death matches that failed in September 2018 and November 2019. The review team did not assess the details of these system failures since the need for additional monitoring was evident from the results of the December sample review. The information technology specialist said that VBA modified the process in October 2021 to require its information technology staff to share all failed SSA death match transmissions with Pension and Fiduciary Service staff via email.

The OIG recognizes VBA's efforts to make improvements. An official written procedure creating internal controls, such as routine monitoring by VBA, rather than a communication protocol for shared emails, could help ensure future failed death matches do not go unnoticed. Recommendation 1 addresses the need for VBA to implement procedures to identify failed automated weekly death matches and demonstrate progress towards processing all failed matches.

Incorrect Social Security Numbers in Electronic Systems

The review team determined that a death match will not occur if VBA's systems have an incorrect social security number for a veteran. The Pension and Fiduciary Service assistant director who oversees the death match for VBA confirmed that a death match requires at least a match on the social security number. Figure 1 shows a basic overview of VBA's death match process and the significance of having the correct social security number in VBA's systems.
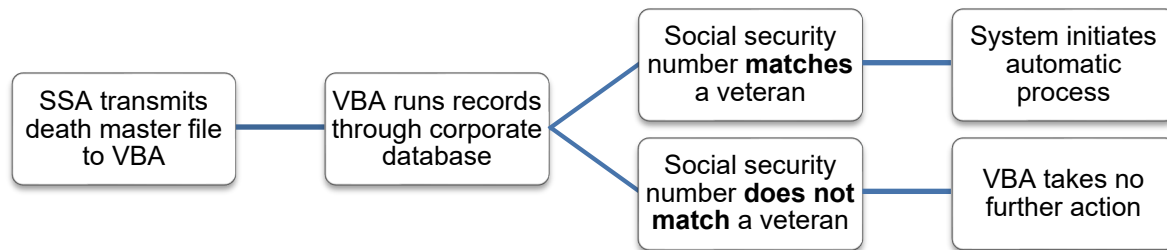

Figure 1. VBA's weekly death match process.
Source: SSA Weekly Death Match Requirements Specification Document, ver. 6.0, March 26, 2021.

VBA has a separate social security number verification program that is run independently from the death match process. This program includes a monthly computerized match to compare the

social security numbers associated with 25 percent of all VA file numbers with the social security numbers in SSA records. If completed, the process checks the accuracy of the social security numbers associated with all file numbers three times each year. Based on the monthly match, an unverified social security numbers report is generated, and regional office staff are supposed to verify the social security numbers contained in the report.[19]

Despite VBA's established program, the review team identified incorrect social security numbers in VBA records. The team evaluated an additional judgmental sample of 140 veterans with compensation or pension benefits paid in June 2021 to verify the accuracy of social security numbers in VBA systems. Of 140 veterans, 87 had incorrect social security numbers. VBA agreed and began correcting the veterans' social security numbers.

The Pension and Fiduciary Service assistant director stated she did not know why the social security numbers in the sample were incorrect. She indicated that VBA's Hines Information Technology Center analyzed the social security verification program in 2019 and identified instances where the social security number was corrected and then changed back by regional office staff. VBA systems containing incorrect social security numbers affect the success of the death match program and may result in VBA continuing to pay monthly benefits to veterans after their deaths.

Recommendation 2 addresses the need for VBA to implement a process to review the social security number verification program and demonstrate progress towards ensuring the accuracy of social security numbers in VBA's electronic systems.

No Coordination with VHA for Death Notification Data

By coordinating with VHA to obtain notices of veterans' deaths, VBA could have avoided some improper payments. Like VBA, VHA receives an SSA death match. However, VHA compiles additional death notifications through various sources including the Department of Defense, the National Cemetery Administration, and the Electronic Verification of Vital Events.[20] VBA should coordinate with VHA to match data with VHA's electronic health records to further mitigate improper payments to deceased veterans.

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[19] VA Manual 21-1, part 14, chap. 2, sec. C, topic 1.a, "Overview of the Verification Process," April 20, 2017.

[20] The National Association for Public Health Statistics and Information Systems is the national nonprofit organization representing the state vital records and public health statistics offices in the United States. It maintains the Electronic Verification of Vital Events system. System requests verify identities by matching against United States birth certificate databases and flagging responses in which the person matched is deceased.

VBA Continued Benefits Payments to Veterans Confirmed as Deceased in VHA's Electronic Health Records

The team identified 16 deceased veterans from the initial sample of 121 who were still being sent compensation or pension payments as of May 1, 2021. In each case, although the veterans' dates of death were recorded in VHA's electronic health records, VBA did not have this information. As such, VBA continued to pay the veterans amounts ranging from about $450 to about $99,000. These improper payments continued from about four months to over three years.

The team also identified 19 veterans with discontinued benefits who were sent payments after death. If VBA had obtained VHA's data on veterans' deaths, it could have discontinued payments to deceased veterans closer to their dates of death. These payments could have been avoided because once VBA received notification of death, it discontinued payments on the same or next day in all but two instances. Due to the lack of coordination with VHA, however, VBA continued to make payments from one to 18 months after VHA was notified of death, resulting in overpayments ranging from about $270 to over $56,000. Table 2 summarizes the team's findings.

**Table 2. Continued Payments to Deceased Veterans
(from a Sample of 121 Veterans as of May 1, 2021)**

Description	VHA notified of veterans' deaths	Overpayment amount in dollars (rounded)
Veterans not identified as deceased in VBA's systems	16	307,298
Payments that could have been discontinued closer to the date of death	19	166,462
Total	**35**	**473,760**

Source: Analysis of data sets obtained from the OIG's Office of Data and Analytics which included the SSA death master files, VBA, and VHA data.
Note: The estimates presented in this table are drawn from the data sets and may not be representative of VBA's entire death match population.

Examples 1 and 2 provide details of deceased veterans who were sent payments that could have been avoided if VBA had coordinated with VHA to share death data.

Example 1

A veteran died on February 3, 2019, and VHA was notified via third-party communication on February 4, 2019. VBA systems did not show receipt of a death match or third-party notification and continued payments to the veteran. As of May 1, 2021, VBA had issued 27 improper payments totaling $30,822.

Example 2

> *A veteran died at a VA medical center on November 22, 2020. VBA did not receive a death match or third-party notification. On May 7, 2021, a VBA claims processor accessed VHA's electronic medical record and noticed that the veteran was deceased. The claims processor discontinued the veteran's monthly benefit payment. VBA unnecessarily paid the deceased veteran for six months, totaling $6,946.*

When asked why VBA does not run death match data against VHA's electronic health records, a program analyst for the Pension and Fiduciary Service business management staff stated most deaths do not occur at a VHA facility. The analyst stated that while it could be beneficial to match records with VHA, he did not think it would be a large number or the majority of cases. A Pension and Fiduciary Service assistant director who oversees VBA's death match program acknowledged that VBA does not have access to the VHA death match data. When asked why, the assistant director stated they did not know why.

If VBA does not implement a process to obtain death information from VHA upon notice of death, VBA will continue to make payments after death that could be avoided or minimized. VBA agreed with the OIG's findings and had already initiated processes to recoup the improper payments. Recommendation 3 addresses the need for VBA to implement an intra-agency data-sharing process with VHA and demonstrate progress in obtaining information on veterans' deaths.

Conclusion

The OIG identified opportunities for VBA to improve its death match processes to minimize overpayments. With improved oversight and communication, VBA's death match processes can help prevent improper benefits payments to deceased veterans. By implementing procedures to identify and correct failed automated weekly death matches, VBA can prevent collecting debts from veterans' survivors and reduce related work. VBA can further reduce the risks of overpayments and related debts by implementing a process to review its social security verification program and its electronic systems for accuracy. Finally, VBA can implement an intra-agency process with VHA to improve its death match program by sharing resources and further minimizing the number of payments to veterans after their deaths.

Recommendations 1–3

The OIG made three recommendations to the acting under secretary for benefits:

1. Implement procedures to identify failed automated weekly death matches and demonstrate progress towards processing all failed matches.

2. Implement a process to review the social security number verification program and demonstrate progress towards ensuring the accuracy of social security numbers in VBA's electronic systems.

3. Implement an intra-agency data-sharing process with the Veterans Health Administration and demonstrate progress in obtaining information on veterans' deaths.

VA Management Comments

The acting under secretary for benefits concurred with all three recommendations. Appendix C includes the full text of VA management's comments.

To address recommendation 1, VBA and VA's Hines Information Technology Center implemented procedures to identify failed automated weekly death matches, as well as to improve communication and transparency. The Hines Information Technology Center will also implement a future audit to ensure all SSA matches that occurred prior to September 30, 2021, were properly completed.

To address recommendation 2, VBA is reviewing the current social security number verification match process to identify deficiencies and will execute a remediation plan.

To address recommendation 3, VBA's Pension and Fiduciary Service will collaborate with VBA's Office of Performance Analysis and Integrity and VHA's Office of Health Informatics to determine the availability and viability of sharing veterans' death data between VBA and VHA.

OIG Response

The acting under secretary for benefits provided corrective action plans for each recommendation. The OIG will monitor the implementation of planned actions and will close the recommendations when VBA provides sufficient evidence demonstrating progress in addressing the intent of the recommendations and the issues identified.

Appendix A: Scope and Methodology

Scope

The review team conducted its work from January 2021 through February 2022. The review population included all veterans who died between January 2017 and February 2021 and were sent monthly benefits payments two months after their deaths. In addition, the team obtained populations of all veterans with dates of death in the SSA death master file as of December 7, 2020, and dates of death that were first uploaded into the death master file as of December 7, 2020, who continued to be paid monthly benefits as of June 2021. All data were provided by the OIG's Office of Data and Analytics and were reviewed in the Veterans Benefits Management System and the Compensation and Pension Records Interchange.

Methodology

To accomplish its objectives, the review team identified and assessed applicable laws, regulations, policies, procedures, and guidelines related to VBA's death match program. The team interviewed and obtained information from VBA central office managers and staff associated with the death match program.

In coordination with OIG statisticians, the team reviewed an initial random sample of 121 veterans to determine whether they continued to be sent monthly benefit payments after death. The team also reviewed a December sample that contained all 48 veterans with dates of death first uploaded into the SSA death master file as of December 7, 2020, to determine whether an issue existed with VBA's receipt of the SSA death master file transmission on that date. Further, the team reviewed a judgmental sample of 140 veterans to determine if their social security numbers were recorded correctly in VBA and VHA systems. The team discussed the findings with VBA officials who agreed with the team's conclusions.

Sampling Design

As previously stated, the team selected three samples to review using the Veterans Benefits Management System and Compensation and Pension Record Interchange:

- **Initial sample:** Veterans in receipt of monthly benefits payments two months after death (121).

- **December sample:** Veterans with dates of death first uploaded into the SSA death master file on December 7, 2020 (48).

- **Social security number sample:** Veterans with dates of death in the SSA death master file as of December 7, 2020 (140).

Internal Controls

The review team assessed VBA's internal controls significant to the objective. This included an assessment of the five standard internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.[21] In addition, the team assessed the principles of those internal control components. The review team identified internal control deficiencies with three components and eight principles as significant to the objective.[22] The team identified internal control weaknesses during this review and proposed recommendations to address the following deficiencies:

- Component 3: Control Activities

  - Principle 10: Management should design control activities to achieve objectives and respond to risks

  - Principle 11: Management should design the entity's information system and related control activities to achieve objectives and respond to risks

  - Principle 12: Management should implement control activities through policies

- Component 4: Information and Communications

  - Principle 13: Management should use quality information to achieve the entity's objectives

  - Principle 14: Management should internally communicate the necessary quality information to achieve the entity's objectives

  - Principle 15: Management should externally communicate the necessary quality information to achieve the entity's objectives

- Component 5: Monitoring

  - Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results

  - Principle 17: Management should remediate identified internal controls deficiencies on a timely basis

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[21] GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

[22] Because the review was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies during the review period.

Fraud Assessment

The review team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant within the context of the review objectives, could occur during this review. The team exercised due diligence in staying alert to any fraud indicators by

- soliciting the OIG's Office of Investigations for indicators, and

- reviewing the OIG hotline complaints and concerns for indicators.

The OIG did not identify any instances of fraud.

Data Reliability

The review team compared VBA file numbers, beneficiary names, claim dates, claim types, and award types as provided in the data received. These comparisons were used to determine whether there were any discrepancies. Testing of the data disclosed that they were sufficiently reliable for the review objectives. Comparison of the data with information contained in the Veterans Benefits Management System electronic claims folders and the Compensation and Pension Record Interchange did not disclose any problems with data reliability, as the team did not find any discrepancies in the fields in any of the data sets.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendations	Explanation of Benefits	Better Use of Funds	Questioned Costs
1, 3	The OIG determined that VBA made unintentional improper payments to 78 deceased veterans totaling $677,385 in monetary losses that VBA should recover.		$677,385
	Total		**$677,385**

The term "improper payment" means a payment that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. The term improper payment includes any payment to an ineligible recipient; any payment for an ineligible good or service; any duplicate payment; any payment for a good or service not received, except for those payments where authorized by law; any payment that is not authorized by law; and any payment that does not account for credit or applicable discounts.[23]

The team determined the payments were improper because they were made to veterans who are considered ineligible recipients due to being deceased. These improper payments are classified as resulting in monetary losses because the payments, by definition, should or could be recovered. VBA did not have the most recent death information for the veterans identified; therefore, the payments issued to the deceased veterans are considered unintentional improper payments resulting in monetary losses.

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[23] Executive Office of the President, Transmittal of Appendix C to OMB Circular A-123, "Requirements for Payment Integrity Improvement," OMB Memo M-21-19, March 5, 2021.

Appendix C: VA Management Comments

Department of Veterans Affairs Memorandum

Date: March 25, 2022

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report – Additional Actions Can Help Prevent Benefit Payments Being Sent to Deceased Veterans [Project No. 2021-00836-AE-0028] [VIEWS 06992270]

To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG Draft Report: Additional Actions Can Help Prevent Benefit Payments Being Sent to Deceased Veterans

2. Questions regarding the contents of this memorandum may be directed to VBA's Office of Program Integrity and Internal Controls at:

The OIG removed point of contact information prior to publication.

(Original signed by)

Michael J. Frueh, PDUSB for
Thomas J. Murphy
Director, Northeast District, Veterans Benefits Administration, Performing the Delegable Duties of the Under Secretary for Benefits

Attachments

Attachment

Veterans Benefits Administration (VBA)
Comments on OIG Draft Report
Additional Actions Can Help Prevent Benefit Payments Being Sent to Deceased Veterans

VBA concurs with the findings in OIG's draft report and provides the following comments in response to the recommendations:

Recommendation 1: The Acting Under Secretary for Benefits should implement procedures to identify failed automated weekly death matches and demonstrate progress towards processing all failed matches.

VBA Response: Concur. On September 30, 2021, VBA and VA's Office of Information and Technology (OI&T) Hines Information Technology Center (ITC) implemented procedures to identify failed automated weekly death matches. The procedures outlined in Attachment A, include a communication protocol to ensure transparency when there are issues surrounding Social Security Administration (SSA) Death Match issues/failures and root cause analysis.

The Hines ITC will develop and implement a master job audit to ensure all SSA matches that occurred prior to September 30, 2021, were properly completed.

Target Completion Date: October 31, 2022

Recommendation 2: The Acting Under Secretary for Benefits should implement a process to review the social security number verification program and demonstrate progress towards ensuring the accuracy of social security numbers in VBA electronic systems.

VBA Response: Concur. VBA is reviewing the current Social Security Number (SSN) verification match processes to identify deficiencies, particularly when mismatches are identified, and execute a remediation plan.

Target Completion Date: November 30, 2022

Recommendation 3: The Acting Under Secretary for Benefits should implement an intra-agency data-sharing process with the Veterans Health Administration and demonstrate progress in obtaining information on veterans' deaths.

VBA Response: Concur. VBA's Pension and Fiduciary Service (P&F) will collaborate with VBA's Office of Performance Analysis and Integrity (PA&I) and the Veterans Health Administration (VHA) Office of Health Informatics, to determine the availability and viability of sharing Veteran's death data between VBA and VHA.

Target Completion Date: August 31, 2022

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

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