

Congress of the United States
Washington, DC 20510

May 7, 2020

The Honorable Steven T. Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

The Honorable Andrew Saul
Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Secretary Mnuchin, Commissioner Rettig, and Commissioner Saul:

We write to raise questions and express concerns with reports that deceased individuals are receiving COVID-19 related economic impact payments. In addition, we write to encourage your departments to take immediate action to prevent these improper CARES Act payments. While it is essential that our constituents receive stimulus payments quickly, these improper payments to deceased individuals represent significant government waste and a burden to constituents who mistakenly accept the payments.

As you know, the CARES Act provided for a \$1,200 one-time payment per adult and a \$500 payment per child for those making up to \$75,000 in annual income. Of note, the Department of the Treasury and the Internal Revenue Service (IRS) have estimated that there will be 171 million rebate payments under the CARES Act. According to Treasury, as of April 29, 130 million Americans¹ have received payments from the IRS. Sadly—as has been widely reported in the news, and as many of our constituents have informed us—some of those payments have been made to people who are deceased.

Unfortunately, this is not a new issue. In fiscal year 2019, the Government Accountability Office (GAO) estimated that improper payments throughout the federal government totaled about \$175 billion. Since 2003, when agencies were first directed to begin reporting improper payments, cumulative improper payment estimates across government have totaled almost \$1.7 trillion. In many instances, agencies have made improper payments to the deceased. According to an Office of Personnel Management Inspector General report, agencies made a total of \$601 million in

¹ Internal Revenue Service, IRS Statement: Update on IRS operations April 29, 2020, *available at*: <https://www.irs.gov/newsroom/irs-statement-update-on-irs-operations>

improper payments from 2006 to 2010 to federal retirees later found to have already died². In total, the Administration, in its most recent budget request, estimates that payments to deceased individuals cost taxpayers over \$800 million per year.³

That is why we introduced the *Stopping Improper Payments to Deceased People Act*, which would grant federal agencies access to the full set of the Social Security Administration (SSA's) death records, including state-reported death data. As you know, SSA maintains the most complete federal database of individuals who are reported to have died. However, only a small number of federal agencies have access to this official list. To date, those without access include Treasury's Do Not Pay working system, the government's centralized no-cost data analytics tool, which helps federal agencies detect and prevent improper payments.

Given the many reported cases of improper CARES Act economic impact payments to deceased individuals, we encourage your agencies to take immediate action to prevent these improper payments. The guidance issued by the IRS yesterday is a welcome first step and we thank you for taking that action however, additional questions remain about the steps needed to address this issue going forward. With that in mind, we request the answers to the following questions:

1. Are there situations where Treasury and the IRS would determine CARES Act economic impact payments to deceased individuals as eligible, proper payments that would not be considered improper payments under the Payment Integrity Information Act of 2019 (P.L. 116-117)? If so, describe the reasons and criteria that the IRS uses to support any such determinations.
2. How many of the 130 million payments to Americans were to deceased individuals? How much did CARES ACT economic impact improper payments cost the federal government overall?
3. How many of these improper payments does the Treasury Department (Treasury) attribute to errors in the federal databases of deceased individuals, and which databases did Treasury consult? How many can be attributed to errors in Treasury's procedures?
4. Will Treasury and the IRS take steps to recover these funds? If yes, what are these steps? How could Treasury utilize payee databases and the Do Not Pay Business Center's expertise in recovering improper payments?
5. What steps are Treasury and the IRS taking to protect and support taxpayers who unknowingly and faultlessly spent improper payments?
6. What steps are Treasury and the IRS taking to prevent future improper payments of CARES Act funds to deceased individuals?
7. Do Treasury and IRS utilize the (a) Death Master File, (b) Full Death File, or (c) any other death database(s) to preview eligibility before sending out the CARES Act economic impact payments?
8. What steps is SSA taking to make timely updates to the full set of death records it maintains? Does the Treasury Department, including the Internal Revenue Service, have appropriate and timely access to SSA's full set of death records?

² U.S. Office of Personnel Management Office of the Inspector General. *Stopping Improper Payments to Deceased Annuitants*. September 14, 2011, available at: <https://www.opm.gov/our-inspector-general/publications/reports/2011/stopping-improper-payments-to-deceased-annuitants-in-washington-dc.pdf>

³ The White House. *A Budget for America's Future*. Fiscal Year 2021. Page 16 available at:

9. What actions, if any, should the federal government be taking with regard to state-reported death data to ensure that it is reported and shared with the agencies in a timely manner?
10. Has Treasury determined that CARES Act payments are susceptible to significant improper payments? If so, does the IRS plan to estimate the amount of total improper payments associated with these CARES Act payments in accordance with the Payment Integrity Information Act?
11. What steps, if any, did IRS take to make sure improper payments were not made to other potentially ineligible recipients?

While we appreciate that the nature of this pandemic favors speedy delivery of payments, many of our constituents now must deal with the stress of what to do with checks sent to their deceased loved ones. We look forward to seeing your response to these questions as well as the steps your agencies are taking to prevent improper CARES Act payments to deceased individuals.

Sincerely,

/s/ Thomas R. Carper

Thomas R. Carper
United States Senator

/s/ Cheri Bustos

Cheri Bustos
Member of Congress

/s/ Gary C. Peters

Gary C. Peters
United States Senator

/s/ Greg Gianforte

Greg Gianforte
Member of Congress

/s/ Krysten Sinema

Krysten Sinema
United States Senator

/s/ Bryan Steil

Bryan Steil
Member of Congress

/s/ Angus S. King, Jr

Angus S. King, Jr.
United States Senator

/s/ Gilbert R. Cisneros

Gilbert R. Cisneros
Member of Congress

/s/ Jon Tester

Jon Tester
United States Senator