



## Testimony

Before the Committee on Homeland  
Security and Governmental Affairs,  
U.S. Senate

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# SOCIAL SECURITY ADMINISTRATION

## Preliminary Observations on the Death Master File

Statement of Daniel Bertoni, Director  
Education, Workforce, and Income Security Issues

# GAO Highlights

Highlights of [GAO-13-574T](#), a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

As the steward of taxpayer dollars, the federal government is accountable for safeguarding against improper payments—those that should not have been made or that were made in an incorrect amount. One tool federal agencies can use to do this is the DMF, which is a file containing records of deceased individuals who are SSN-holders. Through data matching, federal benefit-paying agencies can use the DMF to alert them of deceased benefit recipients. However, the SSA Office of Inspector General and others have identified inaccuracies in the DMF, including deceased individuals who were not listed in the file. Such inaccuracies could adversely affect its usefulness to federal agencies.

This testimony addresses preliminary observations on (1) SSA's process for handling death reports for inclusion in the DMF, and (2) federal agency access to the DMF. In addressing these objectives, we interviewed SSA officials regarding how the agency obtains death reports and maintains the DMF; reviewed applicable federal laws, SSA procedures, and reports; interviewed representatives of organizations that report deaths to SSA; and interviewed officials at other federal agencies that use the DMF.

## What GAO Recommends

The work is ongoing and GAO has no recommendations at this time. GAO plans to issue its final report later in 2013.

View [GAO-13-574T](#). For more information, contact Daniel Bertoni at (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov).

May 8, 2013

## SOCIAL SECURITY ADMINISTRATION

### Preliminary Observations on the Death Master File

## What GAO Found

The Social Security Administration's (SSA) procedures for handling and verifying death reports may allow for erroneous death information in the Death Master File (DMF) because SSA does not verify certain death reports or record others. SSA officials said, in keeping with its mission, the agency is primarily focused on ensuring that it does not make benefit payments to deceased Social Security program beneficiaries. As a result, it only verifies death reports received for individuals who are current program beneficiaries, and even then, only for those reports received from sources it considers to be less accurate. For example, SSA officials consider death reports from states that have pre-verified decedents' name and SSN to be highly accurate, so SSA does not verify that the subjects of these reports are actually deceased. It would, however, verify a report received from a source such as a post office. SSA verifies no death reports for individuals who are not beneficiaries, regardless of source. Because there are a number of death reports that SSA does not verify, the agency risks including incorrect death information in the DMF, such as including living individuals in the file or not including deceased individuals. Specifically, for death reports that are not verified, SSA would not know with certainty if the individuals are correctly reported as dead. SSA also does not record some deaths because incorrect or incomplete information included in death reports generally prevents SSA from matching decedents to SSA records. For example, if SSA is unable to match a death report to data in its records such as name and Social Security Number (SSN), it generally does not follow up to correct the non-match and does not record the death.

A number of federal agencies access the DMF for the purpose of matching it against data in their files, but the conditions of access depend on a variety of legal and other factors. Currently SSA shares a full version of the DMF with six federal agencies that it has determined meet legal requirements for accessing the file, which include being an agency that pays federal benefits. By law, SSA can require reimbursement for the cost of sharing the data, however various factors affect what the agencies actually pay. The Department of Veterans Affairs and the Office of Personnel Management pay nothing to receive the file, whereas the Department of Defense annually pays more than \$40,000. A number of other federal agencies—including several that administer programs that pay benefits—purchase a partial version of the DMF that is publicly available through the Department of Commerce's National Technical Information Service (NTIS). NTIS reimburses SSA for receipt of the file. The partial DMF does not include state-reported data and, according to SSA officials, has about 10 percent fewer records than the full DMF (roughly 87 million, compared to 98 million). Thus, agencies accessing this version of the file, such as the Department of Labor's Energy Employees Occupational Illness Compensation Program, may be missing deceased program participants. If agencies want access to the full DMF, they must formally request it. SSA makes determinations about their eligibility on a case-by-case basis. SSA officials said they were not aware of written standards or guidelines to follow in making these determinations.



Chairman Carper, Ranking Member Coburn, and Members of the Committee:

I am pleased to discuss the Social Security Administration's (SSA) death information, which is currently maintained for approximately 98 million deceased individuals who are Social Security Number (SSN) holders. Federal benefit-paying agencies generally can access the information in this file and match it against data in their files to alert them to deceased benefit recipients, and therefore help reduce improper benefit payments. As the steward of taxpayer dollars, the federal government must guard against improper payments. Yet for fiscal year 2012, the Office of Management and Budget reported federal agency improper payment estimates totaling almost \$108 billion.<sup>1</sup> Over the past decade, we have issued numerous reports and testimonies highlighting the dangers of improper payments, including adverse effects on program integrity or economic hardship for beneficiaries who have to repay overpayments.<sup>2</sup> We have also illustrated efforts agencies can take to help reduce these payments. For example, data matching allows benefit-paying agencies to compare information from different sources to confirm initial or continuing eligibility of participants or identify improper payments that have been made. Agencies can use SSA's death information to help ensure they are not paying benefits to deceased individuals. However, the SSA Inspector General and others have identified inaccuracies in this file, commonly

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<sup>1</sup> Improper payment estimates reported by federal agencies are not intended to be an estimate of fraud in federal agencies' programs and activities. An improper payment is any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. It includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, payment for a good or service not received (except for such payments where authorized by law), and any payment that does not account for credit for applicable discounts. Office of Management and Budget guidance also instructs agencies to report as improper payments any payments for which insufficient or no documentation was found.

<sup>2</sup> For example, see GAO, *Supplemental Security Income: SSA Has Taken Steps to Prevent and Detect Overpayments, but Additional Actions Could Be Taken to Improve Oversight*, [GAO-13-109](#) (Washington, D.C.: Dec. 14, 2012); *Improper Payments: Remaining Challenges and Strategies for Governmentwide Reduction Efforts*, [GAO-12-573T](#) (Washington, D.C.: Mar. 28, 2012); *Disability Insurance: SSA Can Improve Efforts to Detect, Prevent, and Recover Overpayments*, [GAO-11-724](#) (Washington, D.C.: July 27, 2011); and *Strategies to Manage Improper Payments: Learning from the Public and Private Sector Organizations*, [GAO-02-69G](#) (Washington, D.C.: October 2001).

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referred to as the Death Master File (DMF), such as deceased individuals not listed in the DMF. Such inaccuracies could adversely affect the DMF's usefulness in helping agencies combat improper payments.

In my remarks today I will describe our preliminary observations on (1) SSA's process for handling death reports for inclusion in the DMF, and (2) federal agency access to the DMF. To address these objectives, we interviewed SSA officials regarding how SSA obtains death reports and maintains the DMF, and reviewed applicable federal laws and SSA procedures, as well as relevant reports and evaluations. We also interviewed representatives of organizations that provide death reports to SSA. We analyzed the DMF to identify specific types of errors. Finally, we interviewed officials at other federal agencies that use the DMF about how they obtain and use it. This work is being conducted in accordance with generally accepted government auditing standards.

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## Background

SSA historically has compiled death information about SSN-holders in order to ensure it does not pay Social Security benefits to deceased individuals and to establish benefits for survivors. When SSA receives a report of death—which could include name, date of birth, date of death, and SSN—it matches that information against corresponding information in its database of all SSN-holders, known as the Numerical Index File (Numident).<sup>3</sup> SSA then marks the appropriate Numident record with a death indicator. This death information was not publicly available until 1980 when, in response to Freedom of Information Act requests, SSA began to extract Numident records that had a death indicator into a separate file it called the DMF.

According to SSA officials, SSA received about 7 million death reports in 2012 from a variety of sources.<sup>4</sup> These sources include family members, funeral directors, post offices, financial institutions, other federal

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<sup>3</sup> The Numident file contains identifying information associated with SSN holders and there is one record for each SSN-holder.

<sup>4</sup> These reports pertained to approximately 2.5 million individuals in the Numident, according to SSA officials.

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agencies,<sup>5</sup> and state vital records agencies (states).<sup>6</sup> To get death reports from the states, SSA has established formal agreements<sup>7</sup> that set forth a payment structure for the states' death reports and limit SSA's ability to share this information. However, the Social Security Act requires SSA to share death information, including data reported by the states, with federal agencies to ensure proper payment of benefits to individuals.<sup>8</sup> The act also prohibits SSA from sharing state-reported death information for any other purposes. As a result, SSA maintains two versions of the DMF. The "full DMF," which contains all death records, is available to federal benefit-paying agencies.<sup>9</sup> The "partial DMF," which excludes state-reported death information, is available publicly to any interested party. Following the Social Security Act, SSA removes the state-reported records from the full DMF and provides the partial DMF to the Department of Commerce's National Technical Information Service (NTIS), which reimburses SSA for the cost of providing the file and sells it through a subscription service.<sup>10</sup>

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## SSA's Procedures May Allow for Erroneous Death Information in the DMF

Our work to date has identified ways in which SSA's procedures for compiling and verifying death reports may affect the accuracy of death reports in the DMF. To guide how to handle death reports, SSA has determined accuracy levels for each of the sources based on its past experience. Of all the sources of death reports that SSA receives, SSA considers those submitted by states through Electronic Death Registration Systems (EDRS) to be the most accurate.<sup>11</sup> As part of these systems, states generally verify the names and SSNs from death reports

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<sup>5</sup> The Department of Veterans Affairs and Centers for Medicare & Medicaid Services provide death reports to SSA.

<sup>6</sup> For purposes of this testimony, we use the term states to include the vital records agencies in the 50 states, 5 territories, New York City, and the District of Columbia.

<sup>7</sup> Social Security Act § 205(r)(1), codified at 42 U.S.C. § 405(r)(1).

<sup>8</sup> Social Security Act § 205(r)(3), codified at 42 U.S.C. § 405(r)(3).

<sup>9</sup> As of March 2013, the full DMF contained 98 million records.

<sup>10</sup> NTIS distributes a range of federally-funded scientific and technical information.

<sup>11</sup> These are systems used by states to automate the electronic registering and processing of death reports in order to improve their timeliness and accuracy.

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with SSA's databases before submitting them. As of March 2013, 35 states submit their death reports using EDRS.<sup>12</sup> SSA considers reports from funeral directors and family members of decedents the next most accurate. Finally, SSA considers reports from the remaining sources to be less accurate. According to SSA officials, SSA does not collect data on the number of death reports submitted by each source. However, officials told us that if SSA receives multiple death reports for the same individual, the Numident record is updated to reflect only the source SSA considers to be the most accurate. For example, if SSA first receives a death report from a family member and subsequently receives an electronic report from a state about the same individual, the original report is overridden and SSA records only the state as the source of the death report.

Whether SSA verifies death reports depends upon (1) whether the decedent is receiving Social Security benefits, and (2) the source of the report. Verification includes confirming the date of death and decedent's SSN to ensure that the person identified in the death report is the person who has died. According to SSA officials, the agency only verifies death reports for individuals currently receiving Social Security program benefits because it is essential to its mission to stop payments to deceased beneficiaries. Even then, SSA verifies only those reports from sources it considers to be less accurate, such as financial institutions and other federal agencies. Therefore, death reports for non-beneficiaries are not verified (see table 1).<sup>13</sup> SSA officials said they do not maintain data on the number of death reports they verify annually or how long such verifications take.

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<sup>12</sup> This includes 33 states, the District of Columbia, and New York City. Two additional states use EDRS but do not verify names and SSNs with SSA's databases before submitting death reports.

<sup>13</sup> According to agency officials, SSA would not be able to verify non-beneficiary deaths because it does not maintain contact information for non-beneficiaries.

**Table 1: Types of Death Reports and Whether SSA Verifies Them**

Source of Death Report	SSA verification of death	
	Beneficiary	Non-Beneficiary
State (EDRS)	No	No
Funeral directors	No	No
Family members	No	No
Post offices	Yes	No
Financial institutions	Yes	No
Centers for Medicare & Medicaid Services	Yes	No
Department of Veterans Affairs	Yes	No
State (non-EDRS)	Yes	No

Source: GAO analysis.

The following scenarios illustrate SSA's approach to verification:

- SSA receives a death report from a funeral director and determines the decedent is currently receiving Social Security benefits. Because the report was received from a source considered highly accurate, SSA takes no further steps to verify the death. The death is recorded in the decedent's Numident record and subsequently the DMF.
- SSA receives a death report from a post office based on a returned Social Security benefit check noting the addressee is deceased. Because the decedent is a current SSA beneficiary and the report came from a source considered less accurate, it is turned over to an SSA field office to verify. Field office staff attempt to contact either the family of the decedent or some other source that is likely to have first-hand knowledge of the death to confirm the decedent's identity and date of death. Once this is completed, the death is recorded in the decedent's Numident record and the DMF.
- Veterans Affairs submits a death report to SSA. SSA determines the decedent is not receiving Social Security benefits. SSA does not verify the death before recording it in the Numident record and subsequently the DMF.

Because there are a number of death reports that SSA does not verify, the agency risks having erroneous death information in the DMF, such as including living individuals in the file or not including deceased individuals. Specifically, for death reports that are not verified, SSA would not know with certainty if the individuals reported as dead are, in fact, the ones who

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are dead. SSA acknowledges these limitations and does not guarantee the accuracy of the file.

Other SSA practices may prevent deaths from being included in the DMF or lead to other errors. For example, if SSA cannot match a death report to a corresponding Numident record because of differences in name, date of birth, or gender, it generally will not take actions to resolve the non-match.<sup>14</sup> As a result, these deaths would not be included in the DMF. In addition, analysis we performed on existing DMF records identified potentially erroneous information. Specifically, we identified:<sup>15</sup>

- 130 records where the date of death was recorded to occur before the date of birth;
- 1,295 records where the recorded age at death was between 111 and 129; and
- 1,791 records where the recorded death preceded 1936, the year SSNs were first issued, although the decedents had SSNs assigned to them.

SSA officials said some of these anomalies were likely associated with records added prior to the mid-1970s that were manually processed. For example, SSA staff could have keyed in a date of birth that occurred after a date of death. In addition, they told us SSA is taking steps toward identifying or preventing these types of potential errors. These include implementing an edit check to catch records showing a date of birth after date of death, and undertaking a review of cases in which persons appear to be unreasonably old and still receiving benefits to determine if they are dead or if their birth date was entered incorrectly.

Finally, there are other situations in which deaths would not be included in the DMF. For example, decedents who were never assigned an SSN cannot be matched to the Numident.<sup>16</sup> In addition, some deaths may not be reported to SSA, because, for example, identity cannot be established

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<sup>14</sup> According to SSA officials, if SSA receives a death report that does not match a Numident record, SSA will take some internal steps to identify the decedent.

<sup>15</sup> The number of errors we identified is based on approximately 98 million DMF records, which were available for our analysis as of March 2013. The number of errors may change in future analysis.

<sup>16</sup> These could include very young infants who had not been assigned an SSN, and older women who never worked outside the home and, therefore, did not obtain their own SSN.

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or a body is never found. However, it was beyond the scope of our review to determine the extent to which such gaps occurred.

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## Agencies' Access to the DMF Depends on a Variety of Factors

A number of federal agencies access the DMF, but the conditions of access vary widely due to legal and administrative factors. Federal agencies' access to the full DMF depends on various legal requirements, including (1) whether they pay federal benefits and (2) whether their proposed use of the DMF is consistent with uses outlined in the Social Security Act. Currently, SSA shares the full DMF with six federal benefit-paying agencies which have requested access and which it has determined meet the relevant legal requirements:<sup>17</sup>

- Centers for Medicare & Medicaid Services<sup>18</sup>
- Department of Defense (Defense Manpower Data Center)
- Department of Veterans Affairs
- Internal Revenue Service
- Office of Personnel Management
- Railroad Retirement Board

To address administrative conditions of access, these agencies have established information exchange agreements to receive the full DMF. As a part of these agreements, SSA and the agencies agree on what the agency will pay for receiving the data, among other things. SSA has statutory authority to require reimbursement to cover the reasonable cost of sharing the data,<sup>19</sup> and the amount varies by agency. According to SSA officials, although the cost is generally related to the volume of data SSA provides, other factors may affect what agencies pay. For example, the Department of Veterans Affairs does not reimburse SSA for the DMF because it is statutorily exempted from doing so.<sup>20</sup> The Office of Personnel Management similarly does not reimburse SSA because it

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<sup>17</sup> GAO, while not a benefit-paying agency, also receives the full DMF from SSA.

<sup>18</sup> Centers for Medicare & Medicaid Services administers the Medicare Fee-For-Service program, which reported the highest improper payment estimates of all federal programs for fiscal year 2012.

<sup>19</sup> See 42 U.S.C. § 405(r)(3)(A).

<sup>20</sup> 38 U.S.C. § 5106. Under this section, the cost of providing information to the Secretary of Veterans Affairs for the purposes of determining eligibility for or amount of veterans benefits shall be borne by the agency providing the information.

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provides other data to SSA, and the agencies have agreed that the expenses involved in the exchanges are reciprocal. In contrast, the Defense Manpower Data Center pays over \$40,000 annually for monthly updates, while CMS officials told us it pays about \$10,000 per year for weekly updates.

A number of other federal agencies purchase only the partial DMF that is publicly available from NTIS. Several of these pay federal benefits, including the Department of Labor's Energy Employees Occupational Illness Compensation Program, which provides compensation and health benefits to eligible Department of Energy workers and certain survivors. In addition, the Department of Agriculture's Farm Service Agency administers several programs that pay benefits to farmers. Other agencies include, for example, the Department of Homeland Security, the Department of Justice, and the Department of the Treasury office that administers the Do Not Pay Initiative.<sup>21</sup> According to SSA officials, the partial DMF has about 10 percent fewer records than the full DMF due to the removal of state-reported deaths. As more states submit records via EDRS, SSA officials expect this difference to grow over time.<sup>22</sup> As a result, any benefit-paying agency relying on the partial DMF to help identify deceased program participants may be missing death records for some of its beneficiaries because it has access to only about 87 million of the 98 million records in the full DMF.

Although SSA officials make the determination about which agencies are eligible to receive the full DMF, they told us agencies must first formally request it. In response to agencies' requests, SSA makes determinations about agencies' statutory eligibility on a case-by-case basis. However, SSA officials said they were not aware of written standards or guidelines to follow in determining which federal agencies meet statutory requirements. SSA officials said that Offices of Inspectors General at benefit-paying agencies would likely be eligible to receive the full DMF for the purpose of ensuring proper payments of benefits. In contrast, SSA

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<sup>21</sup> The Improper Payments Elimination and Recovery Improvement Act of 2012 established the Do Not Pay Initiative and set forth a requirement for federal agencies to review a number of databases, as appropriate, including the DMF, for individuals' eligibility information prior to making payments with federal funds. Pub. L. No. 112-248, § 5, 126 Stat. 2390, 2392 (2013).

<sup>22</sup> Officials noted that in 2012 alone, SSA removed about 40 percent of records for death reports received in that year because the deaths were state-reported.

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officials said that the agency has determined that the Department of the Treasury would not be eligible to receive the full DMF for the purposes of administering the Do Not Pay Initiative. Even though this initiative is designed to help agencies prevent improper payments, SSA officials explained that under the Do Not Pay Initiative, Treasury would share state death information with agencies that do not pay benefits, which would put SSA in violation of the Social Security Act and its agreements with the states.

In summary, SSA's death information can serve as a helpful tool in preventing improper payments, but can only do so if it is accurate and accessible to federal agencies that need it. As we continue our work, we will explore these and other issues in more detail and look forward to providing a final product later in 2013.

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Chairman Carper, Ranking Member Coburn, and Members of the Committee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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## Contacts and Staff Acknowledgments

For further information about this testimony, please contact me at (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. Other key contributors to the testimony include Keira Dembowski, Holly Dye, Joel Marus, Sara Pelton and Lori Rectanus.

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