



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Follow-up Review of Numident Death Information Not Included on the Death Master File

062301 July 2024



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: July 31, 2024

Refer to: 062301

To: Martin O'Malley
Commissioner

From: Michelle L. Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit
as Acting Inspector General

Subject: Follow-up Review of Numident Death Information Not Included on the Death Master File

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration took corrective action to address the finding and recommendation in our September 2016 report, *Numident Death Information Not Included on the Death Master File*.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please contact me or have your staff contact Mark Searight, Deputy Assistant Inspector General for Audit.

Attachment

Follow-up Review of Numident Death Information Not Included on the Death Master File 062301



July 2024

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) took corrective action to address the finding and recommendation in our September 2016 report, *Numident Death Information Not Included on the Death Master File*.

Background

SSA matches death reports it receives from various sources against its payment records and records dates of death in the Numident, an electronic file that contains personally identifiable information for each person issued a Social Security number (SSN). SSA uses Numident information to create its full file of death information, which we refer to as the full Death Master File (DMF). SSA is required to share its full DMF, as authorized, with Federal benefit-paying agencies to prevent improper payments.

In a 2016 review, we found SSA excluded from the DMF personally identifiable information for approximately 8.7 million numberholders whose Numident records included their date of death. The omission of death records from the DMF could result in Federal benefit-paying agencies that rely on the DMF making erroneous payments and failing to detect inaccurate or unreported deaths. We recommended SSA develop a methodology to incorporate these numberholders' information into the DMF. SSA agreed with our recommendation.

Results

As part of its Continuing Death Data Improvements clean-up project, SSA took corrective action on approximately 7.7 million of the 8.7 million records we identified in our 2016 report and now includes those numberholders' death information in the full DMF.

Based on the application of 13 screening criteria, SSA continued to exclude from the DMF information on 941,383 numberholders with death information on the Numident. SSA developed and applied screening criteria to prevent the inclusion of living numberholders' information or invalid dates of death in the DMF. However, we disagree with SSA's rationale for the continued exclusion from the DMF of at least 915,534 records. In these cases, the criteria SSA applied did not raise doubt about the validity of the numberholders' death information in the Numident.

At the time of our review, SSA had no plan to revisit the exclusion of all 941,383 records. Withholding the records could prevent DMF and Do Not Pay portal users that rely on SSA's death information from being informed the numberholders are deceased. Taking action to include death information for hundreds of thousands of deceased numberholders whose information is omitted from the DMF would enhance Government-wide improper payment prevention and detection. SSA officials stated it inputs death information into its systems to administer SSA's programs, not to administer other agencies' programs. However, starting in December 2023, SSA has been required to provide its full DMF to the U.S. Department of Treasury's Bureau of the Fiscal Service to use in its Do Not Pay initiative.

We also determined that SSA was issuing payments to 98 of the 941,383 numberholders with death information on the Numident. As of April 2024, SSA had terminated benefits to 14 of these beneficiaries and added their death information to the DMF. We provided the other 84 numberholders' information to SSA for review.

Recommendation

We recommended SSA add the 915,534 numberholders' death information to the DMF, develop a plan to add the remaining numberholders' death information to the DMF, and review and take appropriate action on the current payment status cases. SSA disagreed with the first two recommendations but agreed to review the current payment status cases.

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ABBREVIATIONS

DMF	Death Master File
OIG	Office of the Inspector General
SSA	Social Security Administration
SSN	Social Security Number

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) took corrective action to address the finding and recommendation in our September 2016 report, *Numident Death Information Not Included on the Death Master File (A-06-16-50069)*.¹

BACKGROUND

When SSA began assigning Social Security numbers (SSN) in the 1930s, it issued SSN cards in Post Offices and Social Security field offices nationwide. In the 1970s, SSA used paper enumeration records to create the Numerical Index File, also known as the Numident, an electronic file that contains personally identifiable information for each person issued an SSN. In March 1972, SSA began exclusively assigning SSNs and issuing SSN cards via a computer-based system located in Baltimore, Maryland.

Generally, SSA assigns individuals one SSN during their lifetime, but individuals may legitimately acquire more than one SSN under certain circumstances, such as when identity theft or domestic abuse are involved. SSA is also aware that, before it centralized issuance of SSNs, individuals could obtain multiple SSNs upon request. When SSA issues an individual more than one SSN, it should cross-reference the Numident records with each other. Cross-referring allows SSA to credit individuals with multiple SSNs for all earnings reported on any of the cross-referred SSNs, for benefit purposes. SSA's Multiple Social Security Number Cross-Reference File includes more than 10 million Social Security numberholders whose Numident records are cross-referred to other Numident records.

SSA uses Numident information to create a record of reported deaths known as the Death Master File (DMF), and shares the full DMF, as authorized, with Federal benefit-paying agencies² to assist with preventing and detecting of fraud. The DMF includes each deceased numberholder's SSN, name, date of birth, and date of death. As of December 2023, the full DMF contained information on more than 141 million deceased numberholders. SSA also provides a subset of the full file, known as the Limited Access DMF, to the Department of Commerce, which, in turn, sells the data to public and private customers.³ As part of a Government-wide initiative to prevent and detect improper payments, beginning in December 2023, SSA has been required to share its full DMF with the U.S. Department of Treasury's Bureau of the Fiscal Service for use in its Do Not Pay initiative.⁴

When SSA originally created the Numident, it used a specific entry code to indicate that SSA had previously issued the SSN based on paper processes and the numberholder was already deceased (death claim record) and input the date of death appearing in its paper records. At the time, SSA did not have automated processes to incorporate the death information in its records. Because of concerns regarding the accuracy of information used to establish the death

¹ SSA, OIG, *Numident Death Information Not Included on the Death Master File, A-06-16-50069* (September 2016).

² Examples include the Internal Revenue Service, Department of Veterans Affairs, Department of Agriculture, Department of Defense, and Centers for Medicare & Medicaid Services.

³ The Limited Access DMF excludes some state death data. *Social Security Act*, § 205 (r), 42 U.S.C. § 405 (r).

⁴ The *Consolidated Appropriations Act of 2021*, Pub. L. No.116-260, Sec. 801, December 27, 2020.

claim records, when SSA first created the DMF in the 1980s, SSA officials decided to exclude the records from the DMF that were based on paper processes.

Our 2016 report stated SSA excluded from the DMF personally identifiable information for approximately 8.7 million numberholders whose Numident records included the individuals' dates of death. Almost all excluded numberholders had death claim entries on the Numident. The lack of earnings or claims activity by these numberholders during the more than 50 years since the creation of the Numident supported the validity of death information on all but a small number of records. The omission of death records from the DMF could result in Federal benefit-paying agencies that rely on the DMF making erroneous payments and failing to detect unreported deaths. We recommended SSA develop a methodology to incorporate these numberholders' information into the DMF. SSA agreed with our recommendation. See Appendix A for our scope and methodology.

RESULTS OF REVIEW

As part of its Continuing Death Data Improvements clean-up project, SSA took corrective action on approximately 7.7 million of the 8.7 million records, we identified in our 2016 report, and now includes those numberholders' death information in the full DMF.

Based on the application of 13 screening criteria⁵, SSA continued to exclude from the DMF information on 941,383 numberholders with death information on their Numident records. SSA applied this exclusion criteria to prevent the addition of erroneous or invalid death information into the DMF. SSA excluded 97 percent (915,534)⁶ of the records based on the following criteria:

- Multiple SSN involvement/cross-referred SSNs,
- Survivor beneficiary name match/mismatch, or
- Invalid Numident date of death.

We disagree with SSA's rationale for the continued exclusion from the DMF of the 915,534 records because the criteria applied did not raise doubt whether the individual was alive or dead. At this time, SSA has no plan to revisit the exclusion of all 941,383 records. SSA officials stated these records represent a small fraction of the approximately 145 million records already in the DMF and that SSA continues to make incremental improvements to its death information, as resources allow. However, withholding the records could prevent DMF and Do Not Pay portal users that rely on SSA's death information from being informed the numberholders are deceased.

Also, during our review, we determined SSA was issuing Old-Age, Survivors, and Disability Insurance benefits and/or Supplemental Security Income payments to 98 of the 941,383 numberholders with death information on the Numident. As of April 2024, SSA had

⁵ SSA's Continuing Death Data Improvements team developed these criteria for a 1-time use against the 8.7 million records identified in our 2016 audit and at this time has no plan to revisit the exclusion of these numberholders' information from the DMF.

⁶ We did not take issue with the criteria SSA applied to exclude the other 3 percent of these records.

terminated benefits to 14 beneficiaries and added their death information to the DMF. We provided the other 84 numberholders' information to SSA for review.

Multiple Social Security Number Involvement/Cross-referred Social Security Numbers

SSA excluded 455,223 individuals' death information from the DMF because the individuals' Numident records were cross-referred to another record. SSA applied this exclusion criteria to reduce the likelihood of inadvertently including the personally identifiable information of living individuals in the DMF.

Numident records containing death information that were cross-referred to records that did not contain death information did not justify their continued exclusion from the DMF. We previously reported that SSA did not develop controls to ensure that death information input on an individual's Numident record was also input on the individual's cross-referred records. As a result, SSA had death information for more than 2 million deceased individuals that it had not input into the Numident.⁷ Further, in 241,647 of the 455,223 cases, both the excluded and the cross-referred Numident records contained death information. For example, SSA issued two SSNs to an individual born in 1913 and cross-referred the Numident records. Both records contained the individual's 1969 date of death; however, because the records were cross-referred, SSA excluded both from the DMF.

SSA added death information to most of these Numident records approximately 50 years ago and is not issuing payments to these individuals. We believe adding the records to the DMF presents a minimal risk of erroneously incorporating living individuals' information to the DMF and could enhance DMF users' ability to prevent and detect fraud.

Survivor Beneficiary Name Match/Mismatch

SSA excluded 262,182 records from the DMF because it issued survivors benefits to an auxiliary beneficiary with either the same first name or different last name than the deceased numberholder. To illustrate, a man died in 1962 and SSA input his date of death in both the Numident and SSA payment records. Payment records reflect that SSA issued survivors benefits to the man's son from 1962 to 1972 and that the son died in 2018. Because the son had the same first name as the deceased man from which the son was receiving survivors benefits, SSA excluded the man's information from the DMF. SSA excluded:

- 168,970 individuals because their payment records included *survivor* beneficiaries with same first names, and
- 93,212 individuals because their payment records included *survivor* beneficiaries with different last names.

SSA applied this exclusion criteria to mitigate the risk of erroneously adding living individual's information to the DMF based on the 1970s' use of paper records to post death information to the Numident. However, SSA issued survivors benefits to these numberholders' family

⁷ SSA, OIG, *Cross-referred Social Security Numbers*, A-06-13-23091 (July 2017).

members, which required SSA to confirm each numberholder was deceased and directly conflicts with the continued exclusion of the numberholder's death information from the DMF.

Invalid Numident Date of Death

SSA excluded 198,129 numberholders' records from the DMF because the date of death that SSA input on their Numident records included one or more letter "X" and therefore SSA considered the date to be invalid. To illustrate, if the date of death SSA input on the Numident record was "XX/29/1962," SSA excluded the record from the DMF and had no plan to go back and ever add the record to the DMF. We disagree with SSA's application of this exclusion criteria for several reasons:

- We identified no law or policy that prevents SSA from including the letter "X" in a numberholder's DMF date of death. In fact, SSA already publishes invalid dates of birth or death on more than 900,000 DMF records. In each case, the numberholders' month and/or year of birth or death reflects "00" or "0000," respectively.⁸ To illustrate, the date of birth on a deceased numberholder's Numident record is "XX/XX/XXXX." Instead of excluding this record from the DMF because of the invalid date of birth, SSA substituted "0" for each "X" and published this numberholder's date of birth in the DMF as "00/00/0000." SSA could similarly substitute "0" for each "X" in the numberholders' Numident date of death.
- The average year of birth on these Numident records was 1897.⁹ To illustrate, SSA excluded a numberholder's death information from the DMF because the date of death SSA input on the numberholder's Numident record in 1976 was "XX/XX/19XX." However, the Numident record also reflected the numberholder was born in 1873. The oldest known living person on earth is 117 years old. Therefore, any numberholder born in 1907 or earlier is deceased.
- Use of the letter "X" in the numberholder's date of death does not indicate they are alive. Instead, the letter "X" indicates that, when SSA initially created the Numident record based on information from paper files the death information was missing or illegible, so the people who input the original Numident entries substituted the letter "X" for the missing or illegible date information.

SSA applied this exclusion criteria to prevent incorporation of invalid dates into the DMF. However, simply because SSA cannot identify exact dates of death does not change the fact that these individuals are deceased or justify the continued exclusion of the records from the DMF.

Risk of Improper Payments for Federal Agencies

At this time, SSA had no plan to revisit its decision to withhold the 941,383 records from the DMF. Therefore, withholding the records prevents DMF users that rely on SSA's death

⁸ 919,498 DMF records listed the numberholder's birth month and/or year as "00" or "0000." Four additional DMF records listed the numberholder's death month or year as "00" or "0000."

⁹ Average computed based on all 125,494 Numident records that included one or more "X" in Numident date of death and the numberholders' full year of birth (year of birth entry did not contain "0000" or include one or more "X").

information from being informed the numberholders are deceased and could lead to improper payments by Federal agencies.

Taking action to include death information for hundreds of thousands of deceased numberholders whose information is omitted from the DMF would enhance Government-wide improper payment prevention and detection. SSA officials stated that SSA inputs death information into its systems to administer its programs and not to administer other agencies' programs. SSA officials stated that SSA does not guarantee the accuracy of the DMF and that entities using the DMF should independently verify death information themselves. However, starting in December 2023, SSA has been required to provide its full DMF to the U.S. Department of the Treasury's Bureau of the Fiscal Service for use in its Do Not Pay initiative.¹⁰

Numberholders in Current Payment Status

When a beneficiary dies, SSA should terminate their payments. However, during our review, we determined that SSA was issuing Old-Age, Survivors, and Disability Insurance benefits and/or Supplemental Security Income payments to 98 of the 941,383 numberholders with death information on the Numident. As of April 2024, SSA had terminated benefits to 14 beneficiaries and added their death information to the DMF. We provided the other 84 numberholders' information to SSA for review.

RECOMMENDATIONS

We recommend that SSA:

1. Add the 915,534 records to the DMF.
2. Develop a plan to add the remaining excluded records to the DMF (for example, add the records 117 years after the Numident date of birth).
3. Review the 84 current payment status cases and take appropriate action (for example, terminate improper payments).

AGENCY COMMENTS

SSA disagreed with recommendations 1 and 2 and stated the value of the DMF lies in its accuracy and reliability. SSA analyzed the records identified in recommendations 1 and 2 and determined they did not meet the Agency's automated algorithm criteria, and that adding the records to the DMF would pose a significant risk of posting incorrect death information on the DMF. SSA stated a laborious manual review of each record would be necessary, and since these are records of individuals who are not beneficiaries, SSA cannot devote the resources to such an effort while experiencing a customer service crisis. SSA stated it would be willing to support this effort if any DMF customers identified a need for the information and provided

¹⁰ Do Not Pay also receives death data for other sources.

funding to support a manual review. SSA agreed with recommendation 3. The Agency's comments are included in Appendix B.

OIG RESPONSE

Regarding recommendation 1, we disagree with SSA's assertion that adding these records to the DMF would pose a significant risk of posting incorrect death information. We believe, the criteria SSA applied to justify exclusion of these records did not raise doubt about the death information already appearing in these individuals' SSA records. The Numident reflects that most of the individuals were born in 1939 or earlier and had death information on their SSA records for more than 50 years. If these individuals were alive, it is likely there would be some type of activity visible to SSA, such as reported earnings or receipt of retirement benefits or Supplemental Security Income payments. However, our prior audit demonstrated almost none of the individuals had any earnings in the past 25 years, and aside from the 98 numberholders associated with recommendation 3, none of the numberholders received SSA payments at the time of this review. Therefore, adding the records to the DMF would present a minimal risk of erroneously incorporating living individuals' information to the DMF.

Regarding recommendation 2, we disagree with SSA that developing a plan to eventually add these records to the DMF would involve a laborious manual process. We believe SSA could develop a periodic, automated review process to identify records meeting specific criteria, such as individuals born more than 115 years ago and/or records with no claims or earnings activity over a certain number of years. This would require minimal manual review. By refusing to develop a plan to incorporate these records into the DMF, SSA ensures that nearly 1 million deceased numberholders' information will be permanently excluded from the DMF, preventing DMF and Do Not Pay users from knowing the individuals are deceased.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed pertinent sections of the Social Security Administration's (SSA) policies and procedures as well as other relevant laws and regulations.
- Reviewed the criteria SSA established to exclude certain numberholders from the Death Master File.
- Identified 941,383 numberholders whose Numident record contained a date of death, but whose personally identifiable information did not appear on the Death Master File. We then
 - Matched the Social Security numbers (SSN) against SSA's Master Beneficiary Record and Supplemental Security Record;
 - Matched the SSNs against SSA's Multiple Social Security Number Cross-Reference file and identified SSNs with a cross-referenced SSN present;
 - Identified instances where a date of death was present on all cross-referenced SSNs;
 - Identified SSNs where there were mixed personally identifiable information on the Numident record;
 - Identified cross-referenced SSNs with the same name as the numberholder; and
 - Identified SSNs with a Master Beneficiary Record that included survivor beneficiaries.

We conducted our audit between April 2023 and December 2023 in Dallas, Texas. We determined the data used for this audit were sufficiently reliable to meet our audit objective. The primary entities audited were the Offices of the Deputy Commissioners for Systems and Operations. We did not independently review the overall system of internal controls. However, we assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following Component and two Principles as significant to the audit objective.

- **Component 3: Control Activities**
 - Principle 10: Design control activities
 - Principle 12: Implement control activities

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: July 12, 2024

Refer To: TQA-1

To: Michelle L. H. Anderson
Acting Inspector General

From: Dustin Brown
Acting Chief of Staff

A handwritten signature in blue ink, appearing to read 'Dustin Brown'.

Subject: Office of the Inspector General Draft Report, "Follow-up Review of Numident Death Information Not Included on The Death Master File" (062301) -- INFORMATION

Thank you for the opportunity to review the draft report and acknowledging the steps we have taken to increase the completeness of the Death Master file (DMF). We agree with recommendation 3.

We disagree with recommendations 1 and 2. The value of the Death Master File lies in its accuracy and reliability. In response to the 2016 audit, we implemented an automated algorithm to conduct a thorough review of these records as part of our Continuing Death Data Improvement (CDDI) project. We analyzed the same records identified in recommendations 1 and 2 and determined they do not meet our automated algorithm criteria, posing a significant risk of posting incorrect death information on the DMF. A laborious manual review of each of these records would be necessary and since these are records of individuals who are not beneficiaries, we cannot devote the resources to such an effort while we are experiencing a customer service crisis. However, we would be willing to support an effort, should any of our DMF customers identify a need for this information, and have the funding necessary to support a manual review.

Please let me know if I can be of further assistance. You may direct staff inquiries to Hank Amato, Director of the Audit Liaison Staff, at (407) 765-9774.



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