

MEMORANDUM

To: Social Security Advisory Board
Subject: Death Master File Issues Memo
Date: May 20, 2015

This memo provides an overview of the Death Master File (DMF) and the issues currently surrounding its use, accuracy and publication. The DMF was created in 1980 when SSA was required to make records of deceased Social Security number-holders available to the public under the Freedom of Information Act (FOIA.) SSA creates a “Numident” for each person issued a Social Security number which is marked with an indicator when Social Security Administration (SSA) is notified of an individual’s death. The DMF is created by extracting specific items on the Numident such as name, date of birth, social security number, place and date of death. Among its many uses some government agencies, banks, and financial firms use the DMF to match records and prevent fraud, medical researchers use it for tracking longevity in treating diseases, and genealogists rely on it for tracking ancestors.

The DMF contains more than 86 million records.¹ It includes both beneficiary and non-beneficiary records which entails verified and nonverified data. Ninety percent of the file includes reports from family members and funeral homes. These sources are believed to have first-hand knowledge of identity and reports are immediately added to the DMF. Five percent of the data includes reports from States and other Federal agencies. These reports for beneficiaries are verified before being added to the DMF while those for nonbeneficiaries are added without verification. Therefore, nonbeneficiary data is prone to error. The other five percent of the file comes from reports from postal authority and banking service. These reports are verified for SSDI beneficiaries while reports for SSI are included without verification. SSA doesn’t receive death information for all individuals; therefore, it doesn’t guarantee the completeness of the DMF.

The full file contains all death records extracted from the Numident including death date from the States and is only shared with certain Federal and State agencies. SSA provides the DMF to four Federal benefit-paying agencies – the Railroad Retirement Board, Department of Defense, Veterans Benefits Administration, and Office of Personnel Management. These agencies receive all death records including State records. The public file, contains the same death records with the exception of death date received from the States. This public file is provided to Department of Commerce’s National Technical Information Service (NTIS) which sells it to the public. SSA sells the DMF to NTIS who in turn sells it to private organizations such as banks and credit companies. SSA also sells the DMF to some Federal agencies including Centers for Medicare

¹ Social Security Death Master File. Available at: <https://www.ssdmf.com/FolderID/1/SessionID/%7B20390058-EBDC-403F-AE51-9B19673C1CDA%7D/PageVars/Library/InfoManage/Guide.htm>

and Medicaid Services (CMS), Internal Revenue Service (IRS) and General Accountability Office (GAO) which receive all death records excluding State records with the exception of GAO which receive State records. SSA provides a disclaimer which states that SSA has not verified all of the death data included in the DMF.

The intentions of the DMF are to prevent identity fraud and verify death. The USA Patriot Act requires an effort be made to verify the identity of customers including procedures to verify the identity of customers and maintain records of information used to verify identity. The DMF allows financial communities, security firms, insurance companies and state and local government to identify and prevent fraud by running credit and financial information against the DMF. The electronic DMF provides weekly and monthly updates reducing the production time of the data.

In 2011, the Inspector General issued a follow-up to address recommendations made in 2008 regarding the exposure of personally identifiable information available to the public. The DMF database contains detailed information of more than 86 million number-holders. Erroneous data entry into the system can lead to benefit termination as well as result in the publication of personally identifiable information (PII) in the publicly sold DMF system. In these occasions, SSA deletes the erroneous data from the DMF however these individuals' PII are still available. In 2008, the Office of the Inspector General determined that SSA's publication of the DMF from 2004 through 2007 resulted in breach of PII of more than 20,000 living individuals erroneously listed as deceased.²

In a 2008 report, the OIG recommended implementing a delay in release of the DMF, limiting the amount of information on the DMF sold to the public, and providing appropriate breach notifications. Since this review, SSA took action in response to providing breach notifications but did not take any action in response to the other recommendations made by the OIG. SSA indicated that compared to the number of death reports it processes, the number of death reporting errors was insignificant. SSA's continued publication of the DMF from 2007 through 2010 resulted in breach of PII of as many as 36,000 additional individuals listed as deceased. Although SSA attempted deleting these individuals' information from the DMF, the OIG found that this did not remove individuals' PII from the public domain.³

The issue of accuracy of the DMF has been highlighted in the past few years, especially as identity theft has been on the rise, there have been several congressional hearings and some proposed legislation which limit access to the DMF. This has caused some controversy and concern from medical researchers and genealogists who may not be able to afford the additional access. CBS news program's "60 Minutes" segment titled "Dead or Alive" followed by a hearing titled "Examining Federal Improper Payments and Errors in Death Master File" by the U.S.

² Office of the Inspector General. *Follow-up: Personally Identifiable Information Made Available to the Public Via the Death Master File*. March 2011.

³ *Ibid*

Senate Committee on Homeland Security and Governmental Affairs both addressed the rising issue with the reliability and accuracy of the DMF. In both of these circumstances, the Inspector General Patrick O'Carroll discussed the recent OIG audits. A Recent OIG audit identified 6.5 million number-holders age 112 or older who did not have death information.⁴ Most of these number-holders did not receive payments from SSA and were most likely deceased. However, their absence from the DMF leaves room for fraud.

In addition, the recent audit also showed that more than \$124 billion in improper payments have been made in FY 2014, a big spike from the \$105 billion reported in FY 2013.⁵ According to SSA, there are fewer than 1000 cases each month in which a living individual is mistakenly added to the DMF.⁶ The Inspector General also mentioned that one of the efforts made to minimize this error is that SSA reaches out to individuals 100 years old and older, and checks to see if an individual hasn't been on Medicare for three years.

The highlight of the piece titled "Dead or Alive" was the story of Judy Rivers who also testified at the Homeland Security and Government Affairs Committee hearing. Ms. Rivers was mistakenly reported as dead twice over the course of less than ten years. Due to this incorrect reporting, Ms. Rivers was declined from service by several agencies including being declined for her loans. Ms. Rivers contacted several agencies including SSA to retrieve her identity, yet none were able to help her. Ms. Rivers faced homelessness due to her loss of credibility, until she was finally able to get her name off the DMF by collecting information and contacting her bank. Ms. Rivers now always carries a letter from SSA that states her identity, that she had been mistakenly indicated as dead in the past but that she is indeed alive. Although her name is removed from the DMF, its effects follow her.

Stories such as that of Ms. Rivers are not emphasized enough. The "60 Minutes" piece also profiled a man who reported the death of his wife, but who SSA mistakenly reported him dead. There are several instances in which this type of error also takes place.

Inaccurate data due to data entry error or erroneous data reporting by the reporter also leads to improper payments by other agencies. According to Sean Brune, Senior Advisor to the Deputy Commission for Budget, Finance, Quality, and Management, Social Security Administration, there are less than 1000 cases each month in which living individuals are mistakenly included on the DMF. This can cause fraud and financial hardship. The Inspector General indicates that there are 1.4 million individuals indicated dead on one record and alive on another.⁷ This opens a gap

⁴ Office of the Inspector General: Social Security Administration. *Examining Federal Improper Payments and Errors in the Death Master File*. Available at: <http://oig.ssa.gov/newsroom/congressional-testimony/march16-hsgac>

⁵ *Ibid*

⁶ *Ibid*

⁷ US Senate Committee on Homeland Security & Governmental Affairs. *Examining Federal Improper Payments and Errors in the Death Master File*. March 16, 2015. Available at: <http://www.hsgac.senate.gov/hearings/examining-federal-improper-payments-and-errors-in-the-death-master-file>

allowing an individual to impersonate the dead person by using SSN to even receive Social Security benefits. The inaccuracy of the DMF has become an increasing issue.

The increasing issues of the DMF include the unreliability of the data. SSA does not have a death record for all individuals. This leads to the concern that the DMF can lead to improper payments by several government agencies that rely on the DMF. In addition, access to the DMF is available to the general public that can lead to identity theft and fraud.

The Limited Access DMF, available as an online search application is important for death verification. Medical researchers, and hospitals use this data to track former patients and study subjects. Federal, State and Local governments and other organizations responsible for sending payments to recipients need to know that payments are being sent to living individuals. Investigative firms also use this data to verify the death of persons during their investigation.⁸

The U.S. Department of Commerce has placed a new law addressing the abuse of the DMF, *Section 203 of Title II of the Bipartisan Budget Act of 2013*. This provision creates a restriction on access to information in the DMF for a three year period beginning on the date of the individual's death—except to those who have been certified by the Secretary of Commerce.⁹ This rule establishes a temporary certification program for those who seek access to the DMF. A person is not certified under the program unless the person certifies that access to information in the file is appropriate because the person has the intention of preventing fraud, has procedures to maintain security of the information and agrees to satisfy the requirements as if it applied to oneself.¹⁰ Congress estimates that limiting access to the death master file would save more than \$700 million over the next ten years. According to this ruling, only those who are certified will have access to the information. Genealogists and researchers are worried that they won't be able to find out the ending to individuals whom they have followed for several years.

In its most recent testimony, National Association for Public Health Statistics and Information Systems (NAPHSIS) explained the importance of securing and holding an accurate and complete birth and death record. NAPHSIS formed in 1933, is a nonprofit organization representing state vital records in the United States. Vital records are official records of birth, death, marriage and divorce collected by registrars in every state. Vital records offices record births and deaths and issue certified copies of birth and death certificates for legal and administrative purposes. NAPHSIS strives to provide national leadership for both vital records and related information systems to protect an individual's identity and improve population health.

⁸ Death Master File (DMF)

⁹ Federal Register: A Daily Journal of the United States Government. *Temporary Certification Program for Access to the Death Master File*. Available at: <https://www.federalregister.gov/articles/2014/03/26/2014-06701/temporary-certification-program-for-access-to-the-death-master-file>

¹⁰ One Hundred Thirteenth Congress of the United States of America. *Division A-Bipartisan Budget Agreement*. Available at: <http://www.gpo.gov/fdsys/pkg/BILLS-113hjres59enr/pdf/BILLS-113hjres59enr.pdf>

The federal government does not maintain a database that contains all of the vital records. However, the vital records jurisdictions which are governed under state laws have the authority to maintain these records. These vital records jurisdictions provide SSA with birth and death information in order to prevent erroneous payments by the agency to deceased beneficiaries. State vital records provide the most accurate death information about an individual. Besides these vital records, SSA also receives death information from family, friends and funeral directors making the DMF, which is compiled by the SSA, an unofficial record. Death records that are received from vital records jurisdictions are not released in the public file as they are state records.

Electronic Verification of Vital Events (EVVE) is a system operated by NAPHSIS that allows customers to efficiently verify and certify birth and death information. Electronic inquiries are matched against 250 million birth and death records owned by state and jurisdiction owned vital record databases.¹¹ EVVE provides a complete set of state and jurisdiction vital records. Currently, agencies including the Social Security Administration and Office of Personnel Management use this system to improve operations and prevent fraud.

NAPHSIS provided a written testimony to the US Senate Committee on Homeland Security & Governmental Affairs regarding electronic verification of deaths. NAPHSIS believes that manual certificate preparation slows registration delaying the availability of death data. According to a 1997 report, *Toward an Electronic Death Registration in the United States: Report of the Steering Committee to Reengineer the Death Registration Process*, prepared by National Center for Health Statistics, SSA, NAPHSIS and other professional organizations, it was concluded that automated registration processes in the states is the ultimate way to eliminate the historical problem with death registration. Electronic Death Registration Systems (EDRS) have been implanted in 44 out of the 57 vital records jurisdictions.¹²

EDRS ensure the accuracy and completeness of a death certificate before filing. It checks against SSA's data to ensure accuracy of SSN of a decedent before a death certificate is filled. EDRS allow for a timely reporting of death by different data providers including funeral homes and physicians. An EDRS also introduces more security by giving distinct username and password for each death data provider. In order for the EDRS to be effective, all data providers including funeral homes, hospitals, physician offices, and medical examiners must use the system.

In 2001, SSA provided NAPHSIS funding to implement the Electronic Verification of Vital Events (EVVE) system in order to verify benefit eligibility in a timely manner as to prevent

¹¹ NAPHSIS: Protecting Personal Identity Promoting Public Health. *NAPHSIS Provides Written Testimony to the US Senate Committee on Homeland Security & Governmental Affairs Regarding Electronic Verification of Deaths*. Available at: <http://www.naphsis.org/Blog/post/12/NAPHSIS%20Provides%20Written%20Testimony%20to%20the%20US%20Senate%20Committee%20on%20Homeland%20Security%20&%20Governmental%20Affairs%20Regarding%20Electronic%20Verification%20of%20Deaths>

¹² *Ibid*

overpayments. EVVE is an online system that verifies birth and death information. EVVE indicates whether there is or is not a match with the records maintained by the state, city or territory. Today, many agencies including SSA, the Office of Personnel Management, and Department of Homeland Security U.S. Citizenship and Immigration Services use EVVE to verify identification. The EVVE system provides protection against use of identifying information for fraudulent activities through safeguarding confidentiality of birth and death data. The EVVE system allows for rapid access to verifiable data. As of March 2015, NAPHSIS has installed EVVE in 54 jurisdictions and is in the process of installing the system in the remaining three jurisdictions.¹³ EVVE allows for a secure, reliable, and efficient identity verification by digitizing birth and death record and linking those records.

The accuracy and reliability of the DMF is an issue that questions its intention. This data containing identification information of individuals needs to be handled carefully and securely. It's important to take the necessary steps certifying information so that erroneous death reporting does not occur and that individuals' personally identifiable information is not exposed to the public.

¹³ NAPHSIS: Protecting Personal Identity Promoting Public Health. *NAPHSIS Provides Written Testimony to the US Senate Committee on Homeland Security & Governmental Affairs Regarding Electronic Verification of Deaths.*

Available at:

<http://www.naphsis.org/Blog/post/12/NAPHSIS%20Provides%20Written%20Testimony%20to%20the%20US%20Senate%20Committee%20on%20Homeland%20Security%20&%20Governmental%20Affairs%20Regarding%20Electronic%20Verification%20of%20Deaths>