

*For Release on Delivery*

## **Collection and Use of SSA's Death Data**

**JOINT HEARING WITH  
HOUSE COMMITTEE ON WAYS AND MEANS  
SUBCOMMITTEE ON SOCIAL SECURITY  
AND  
SUBCOMMITTEE ON OVERSIGHT AND  
INVESTIGATIONS OF  
THE COMMITTEE ON FINANCIAL SERVICES**

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Ways and Means Social Security Subcommittee  
Committee on Financial Services Subcommittee on Oversight and Investigations  
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Chairman Shaw, Chairman Kelly, Representative Matsui, Representative Gutierrez, and Members of the Subcommittees:

Thank you for asking me to appear before you today to discuss the Social Security Administration's (SSA) collection, maintenance, and distribution of death information, which is critical to the administration of our programs. We use this information to determine continuing eligibility for benefits, as a lead for entitlement to benefits, and for other program and integrity purposes. We take our role as program stewards seriously and the integrity of this information is of utmost importance.

Death Information

Collection

First, I would like to provide some background on our death data. The Death Master File (DMF) was created because of a 1980 consent judgement resulting from a lawsuit brought by a private citizen under the Freedom of Information Act. As a result of that consent judgement, which specifically requires that identifying information including the Social Security number be divulged, SSA now maintains a national file of death information, the DMF. Under the Freedom of Information Act, we are required to disclose the DMF to members of the public.

SSA obtains death reports from many sources, with 90 percent of the reports obtained from family members and funeral homes. The remainder of the information comes from States and other Federal agencies through data exchanges and reports from postal authorities and financial institutions.

We match these death reports of the approximately two and one half million people who die annually against our payment records. We terminate benefits for those individuals who are deceased. This data is also used as a lead for entitlement to benefits for surviving family members. We annotate the death on our master Social Security and Supplemental Security Income beneficiary records and on the Social Security number record file for beneficiaries and non-beneficiaries.

Since studies have shown that death reports from family members and funeral homes are over 99% accurate we do not verify these reports, and immediately take action to terminate benefits. For our beneficiaries, we currently are verifying reports from financial institutions and postal authorities after terminating benefits. However, we are changing our policy to verify these reports before taking any action. Reports obtained through data exchanges require verification through our field offices before an individual's death is posted to our payment records and their benefit is terminated. This includes death data received from the States.

We do not verify death reports on persons not receiving Social Security benefits, and it would be difficult for SSA to do so since we do not have address or other identifying information on these individuals.

Verification of death means that a reporter, usually someone in the beneficiaries' home, a representative payee, a nursing home, a doctor or hospital, has agreed that the person is deceased and, if the date of death is an issue, corroborates the date reported.

Once death reports received from States are verified, the state data is then considered SSA data. This is important, because some states limit (re)disclosure of their records to only Federal benefit paying agencies. Section 205 (r) of the Social Security Act (42 U.S.C. 405 (r) gives the States this authority to limit SSA's (re)disclosure of their death records. Therefore, if SSA is providing death information to other parties we are careful that the information that we release is SSA data.

### Maintenance

It is important to know that the DMF is updated daily based on reports SSA receives and contains approximately 70 million records, including Social Security beneficiaries and non-beneficiaries, with verified and unverified reports of death. If available in our records, and as required by the consent judgement, the file contains the deceased's SSN, first name, middle name, surname, date of death, date of birth, state, county, zip code of the last address on our records, and zip code of the lump sum payment.

## Distribution

Federal agencies, State and local government, and the private sector use the national death data file. We are reimbursed for the cost of providing this information.

Currently, as required by law, SSA shares the full DMF with Federal benefit paying agencies that use the data to conduct matches against their own beneficiary rolls. Under the matching agreement with SSA these agencies are required to independently verify the fact of death before taking any adverse action. These agencies include the Railroad Retirement Board, Department of Defense, Department of Veterans Affairs, Department of Labor and Office of Personnel Management.

Other Federal agencies that use the information on the DMF include the State Department, Department of Education, National Institute for Occupational Safety and Health, Internal Revenue Service, Brooks Air Force Base, Department of the Treasury, and the Department of Commerce. In addition, several State and local agencies receive this information.

The publicly available DMF, which is the version that has no state data, is provided monthly to the Department of Commerce, National Technical Information Service (NTIS) which in turn makes it available to the public under the Freedom of Information Act. SSA currently does not have the capacity to provide a large number of individual subscribers with this information, and NTIS, because of its established distribution network, is the more appropriate agency to undertake any such distribution.

NTIS distributes it to subscribers by either a tape file or CD ROM version. Due to the large number of cartridges customers are encouraged to purchase the full file on CD-ROM. Purchasers who intend to keep their DMF current need to purchase a subscription to the DMF, which includes the full file, issued quarterly, and monthly updates.

Some of these private companies, including genealogical publishing companies create their own files from the DMF. Some private web sites have these files online.

#### Improvements

We are currently upgrading the DMF. These improvements will help to ensure that death data is posted to the correct record, that the most reliable source of death is used, that incorrect deaths are removed from all records and that field office staff are able to resolve cases where SSA's files contain inconsistent death data. We expect to have the upgrade completed within the next year.

We are also piloting an electronic transfer of death information from the States. This system is designed to enable SSA to receive death reports within 24 hours of receipt in the State vital statistics. SSA can then take action on those cases to terminate benefits.

Another improvement I want to mention is that we are currently exploring electronically transmitting our DMF data to the NTIS rather than sending it to them by Federal Express. We are prepared to do that immediately, as soon as the NTIS is ready to receive it. In

fact, we transmit the DMF to the Office of Personnel Management electronically now. Transmitting the data more frequently is also possible, perhaps weekly or biweekly.

### Electronic Data Exchange

It is also important to mention that SSA also has an electronic data exchange, known as the State Verification and Exchange System (SVES), with all States and a large number of Federal agencies. This SVES is an electronic overnight query process that enables requesters to enter a query for any individual.

If the individual is shown as deceased on our payment record, the requestor is notified within 24 hours of the request. This system processes approximately 2 million records on a daily basis. Using the SVES, State Food Stamp agencies can access our death records so that they can ensure that benefits are not paid to deceased individuals.

### Social Security Number Safeguards

I would also like to discuss an issue that deeply disturbs all of us at the Social Security Administration, we are deeply affected by the tragic events that occurred on September 11. There are indications that some of the terrorists had Social Security numbers and cards, which may have been fraudulently obtained.

As soon as we learned of this, we formed a high-level response team, which includes participation from our Office of the Inspector General and from the New York and San Francisco Regions. The response team is reexamining our enumeration process to

determine what changes we need to make in our policies and procedures to ensure that we are taking all necessary precautions to prevent those with criminal intent from using Social Security numbers and cards to advance their operations.

The response team is also reviewing the recommendations the Inspector General has made over the last five years with respect to enumeration. They are also looking at several initiatives that SSA already had underway to identify those that can be accelerated.

The team has completed its early assessments and we are evaluating their first set of recommendations. They are just the beginning of our efforts to strengthen the process.

One recommendation that we have already acted on is to establish an interagency task force on enumeration. The focus initially will be to strengthen enumeration policies with respect to those who have recently entered the country. Later the interagency taskforce will undertake a comprehensive review of policies and procedures for enumerating immigrants and develop cooperative strategies between the agencies.

Over the last few years we have made changes to our Social Security number process to improve our security procedures. Those changes sought to strike a delicate balance between measures to ensure the integrity and security of the enumeration process and a desire to get a number issued to the applicant as quickly as possible. But we all know

that the world changed on September 11, and we need to reassess that balance between customer service and security.

That brings me to your bill, Mr. Shaw, H.R. 2036, the Social Security Number Privacy and Identity Theft Prevention Act of 2001, which you have developed over the last few years, with Mr. Matsui and other members of the Social Security Subcommittee who have cosponsored the legislation. This Administration supports the goals of your legislation to enhance privacy protections for individuals and to prevent the fraudulent misuse of the Social Security number, and we look forward to working with you and the Subcommittee members to best achieve those goals.

#### Conclusion

Thank you for the opportunity to discuss with your committees how SSA gathers and distributes death information. I will be glad to answer any questions.