

This Testimony is Embargoed Until Thursday, February 2nd at 9:00 AM



**HEARING BEFORE
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON SOCIAL SECURITY,
U.S. HOUSE OF REPRESENTATIVES**

SOCIAL SECURITY AND DEATH INFORMATION

FEBRUARY 2, 2012

STATEMENT OF

**MICHAEL J. ASTRUE
COMMISSIONER OF SOCIAL SECURITY**

This Testimony is Embargoed Until Thursday, February 2nd at 9:00 AM

Chairman Johnson, Ranking Member Becerra, and Members of the Subcommittee:

Thank you for inviting me to discuss the Social Security Administration's (SSA) Death Master File (DMF) and some of the known concerns. This hearing marks our first opportunity to express our views to Congress on this important subject, and I commend you for adding it to your agenda.

How We Use Death Information

We do not generate death data; rather, we collect it from a variety of sources so that we can run our programs. We receive about 2.5 million reports of death each year primarily from family members, funeral homes, financial institutions, and States. When we receive information about an individual, we update our records, including the Numident file,¹ which allows us to stop payment of benefits to a deceased beneficiary and establish benefits for survivors.

Experience shows that some sources, including family members and funeral homes, are highly accurate and we use them to administer our programs without further development. For other reports, such as those we receive from a non-family member, we verify the report if we need to use the death record to administer our programs. If the deceased person is not a beneficiary and no survivor benefits are payable, we do not verify the death report. However, we update the Numident with the death information.

Creation of the DMF

Individuals and entities became aware of the death information we gathered to run our programs. In 1978, Ronald Perholtz filed a lawsuit against us under the Freedom of Information Act (FOIA) to gain access to this information. Deceased individuals generally do not have privacy rights; therefore, after consulting with the Department of Justice, we settled the case by agreeing to disclose certain information about deceased individuals to Mr. Perholtz.

As legally mandated FOIA responses for death information increased, we decided in 1980 that the most efficient way to handle the growing requests was to create a file that we could make available to the public. That file is commonly known as the Death Master File, or DMF. Since 1992, we have provided the file to the Department of Commerce's National Technical Information Service (NTIS) to distribute because NTIS functions as a national clearinghouse for a wide array of Government data. NTIS reimburses us for the file under a contractual arrangement and then sells it to over 450 entities including banks, hospitals, universities, insurance companies, and genealogical services. In addition, NTIS makes the file available for online searching by many organizations with similar requirements but who do not wish to load the raw data on their internal systems. The financial services community in particular expressed a desire for this ability when the Subcommittee and the Financial Services Subcommittee on Investigations and Oversight held a joint hearing on the DMF in November 2001.

¹ The Numident contains identifying information associated with a Social Security Number, including a death indicator and parents' names.

This Testimony is Embargoed Until Thursday, February 2nd at 9:00 AM

Additional Statutory Requirements on Death Information

In 1983, Congress added subsection (r) to section 205 of the Social Security Act. This subsection requires us to collect death information from States to update our program records, provides the circumstances under which certain agencies may receive such information from us, and exempts the death information we receive from States from FOIA and the Privacy Act.

Pursuant to section 205(r), we provide Federal benefit-paying agencies with all of the death information in our records on a regular basis, including the death information we receive from the States. We provide an electronic file with all of our death records to the Centers for Medicare & Medicaid, Department of Defense, Government Accountability Office, Internal Revenue Service (IRS), Office of Personnel Management, Railroad Retirement Board, Department of Veterans Affairs, and Pension Benefit Guaranty Corporation. Federal benefit-paying agencies need death information to ensure accuracy of their benefit payments and prevent fraud, waste, and abuse. In addition, IRS has a complete copy of our Numident file, and we send them weekly updates.

Electronic Death Registration

As explained, we need accurate death information to properly administer our programs. Since 2002, we have worked with States and other jurisdictions to increase the use of Electronic Death Registration (EDR). EDR automates our receipt of death information and is highly accurate because the States verify the name and Social Security Number of deceased individuals against our records before they transmit the death report to us. Currently 32 states, the City of New York, and the District of Columbia participate in EDR.

Our death information is becoming even more accurate as more States participate in EDR. We realize, however, that a low error rate is meaningless to the living people whose information is erroneously divulged. We encourage States to participate in EDR to ensure our death records are as accurate as possible.

Possible Changes to the DMF

Identity theft is a spreading plague on our Nation. The Federal government must do all that we can to curtail this problem, and we certainly should not make it worse. Unfortunately, public access to the DMF has created opportunities for criminals. The media has reported incidents involving the use of death data to commit tax fraud. The most efficient way to help curtail fraud is by ensuring it is not released to those entities or individuals who might misuse it.

Without your support, any change we make to our procedures for disclosing information will be met with resistance, especially given our obligations under FOIA. For example, we recently removed the ZIP code and quickly received a FOIA request for that information. Trying to keep up with individual FOIA requests for information on millions of deceased individuals is a resource issue at a time when the agency is struggling to keep up with rising demand for services in a time of dwindling resources.

This Testimony is Embargoed Until Thursday, February 2nd at 9:00 AM

We support the basic principles of striking the balance between transparency and protecting individuals from identity theft that underlies Chairman Johnson's bill, H.R. 3475 "Keeping IDs Safe," and look forward to working with Congress, the Administration, and other parties on legislation that achieves that purpose.² The bill would continue to permit the disclosure of our death information, as under current law, to Federal benefit-paying agencies. We are currently part of an interagency group reviewing legislative options in this area, and may have some further suggestions that address the legitimate needs of a broad spectrum of organizations, including means by which outside parties with reasons to use the DMF might do so. We look forward to working with Congress to strike the proper balance between preventing fraud and abuse, and protecting individuals from identify theft.

Conclusion

We appreciate Congress' interest in working with us to protect our fellow Americans. We are committed to continuing to share death information with our Federal partners and appreciate that there are other parties that, with vigilant oversight, have reasonable and responsible purposes for obtaining death data. Under the provisions in subsection 205(r), the amount of publicly available data we share would continue to shrink if participation in EDR increases. We hope Congress will move quickly to address this problem.

I would be happy to answer any questions you may have.

² All statutes enacted after October 28, 2009, must also cite to 5 U.S.C. 552(b)(3) in order to withhold information from the public.