



# Audit Report



OIG-16-042

Fiscal Service Faces Challenges in Obtaining Better Death Information For the Do Not Pay Business Center, But Alternatives Exist

May 18, 2016

Office of  
Inspector General

Department of the Treasury



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## Abbreviations and Short References

AIS	American InfoSource
DMF	Death Master File
EDRS	Electronic Death Registration System
EVVE	Electronic Verification of Vital Events System
Fiscal Service	Bureau of the Fiscal Service
GAO	Government Accountability Office
IPERIA	Improper Payments Elimination and Recovery Improvement Act of 2012
NAPHSIS	National Association for Public Health Statistics and Information Systems
NDI	National Death Index
NTIS	National Technical Information Service
OIG	Office of Inspector General
OMB	Office of Management and Budget
PACER	Payments, Claims, and Enhanced Reconciliation
PAM	Payment Automation Manager
SSA	Social Security Administration
The Center	Do Not Pay Business Center
Treasury	Department of the Treasury

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*The Department of the Treasury  
Office of Inspector General*

May 18, 2016

Sheryl Morrow  
Commissioner  
Bureau of the Fiscal Service

This report presents the results of our review of the availability of death information to the Do Not Pay Business Center.<sup>1</sup> Our objective was to summarize the challenges that the Bureau of the Fiscal Service (Fiscal Service) faces in obtaining full death information for the Do Not Pay Business Center and discuss possible alternatives to overcome those challenges.

To prepare this report, we reviewed laws, proposed legislation, Federal guidance, audit reports, and other documentation related to improper payments, Fiscal Service's Do Not Pay Business Center, Social Security Administration (SSA) death information, and death information in general. We interviewed officials and personnel from Fiscal Service, SSA, and the National Association for Public Health Statistics and Information Systems (NAPHSIS). We conducted our fieldwork principally during January through May 2015. Appendix 1 contains a detailed description of our objective, scope, and methodology.

## Results in Brief

During the course of our review we found that three conditions impacted the Do Not Pay Business Center's access to death information to the records available in the publically available Death Master File (DMF): (1) SSA's interpretation of the Social Security Act to prohibit SSA from sharing its full death file with Fiscal

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<sup>1</sup> The Do Not Pay Business Center includes the Do Not Pay portal and Data Analytics Services. The Do Not Pay portal is a single-entry, web-based portal that allows agencies to check various databases to help identify ineligible recipients before making payments or awards. Data Analytics Services provides agencies specific, customized analysis to combat improper payments, including analyzing payment files for irregularities and matching payment files against available data sources.

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Service; (2) the slow pace of legislation that could allow for sharing; and (3) the lengthy approval process to make additional databases available to the Do Not Pay Business Center beyond those required by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).<sup>2</sup> In addition, we also note that SSA death information does include inaccuracies.

Though there are challenges to obtaining better death information for the Do Not Pay Business Center, potential alternatives to improve the quality of the death data used by the Center exist. These alternatives include continuing to pursue the use of additional data sources, such as the commercial sources currently under evaluation. A nonprofit organization representing the State vital records offices may also merit periodic re-evaluation as a potential data source. Another alternative—entering into contracts with individual States to obtain State-reported death data—shows less promise.

Subsequent to the completion of our fieldwork, Congress enacted the Federal Improper Payments Coordination Act of 2015.<sup>3</sup> This law amended IPERIA to, among other things, make a technical correction to the database of death records that is to be used by the Do Not Pay Initiative. In addition, Fiscal Service is working with the Office of Management and Budget (OMB) to identify commercial databases of death information to supplement the public DMF, and to gain OMB's approval to use such databases for Do Not Pay purposes.

We are recommending that the Fiscal Service Commissioner: (1) work with OMB and SSA to implement the Federal Improper Payments Coordination Act of 2015 to ensure all death records maintained by SSA are available to Fiscal Service to help prevent, identify, or recover improper payments; (2) continue to work with OMB to designate additional cost effective and accurate data sources for the Do Not Pay Business Center and identify possible ways to shorten the designation process, and (3) periodically

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<sup>2</sup> Public Law 112-248 (Jan. 10, 2013).

<sup>3</sup> Public Law 114-109 (Dec. 18, 2015).

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evaluate sources of death information for the Do Not Pay Business Center and consider adding cost-beneficial alternatives.

In its response, provided as Appendix 2, Fiscal Service management concurred with our recommendations. Fiscal Service has been working OMB and SSA to implement the Federal Improper Payments Coordination Act of 2015. The response noted, however, that as the owners of the full death records, SSA must agree that the Act allows SSA to release the full death dataset to Fiscal Service. With respect to other data sources, Fiscal Service is continuing to work with OMB to complete an initial data designation for seven databases to be added to the Do Not Pay working system. Fiscal Service also stated that it will periodically survey the government and commercial marketplace to identify potentially useful data sources. These commitments by Fiscal Service are responsive to our recommendations. Fiscal Service will need to establish and record target dates for incomplete actions in the Joint Audit Management Enterprise System (JAMES), the Department of the Treasury's audit recommendation tracking system.

## Background

Agencies continue to face challenges in reducing improper payments.<sup>4</sup> In its report on the *Fiscal Year 2015 Financial Report of the United States Government*, the Government Accountability Office (GAO) identified the Federal government's inability to determine the full extent to which improper payments occur and to reasonably assure that appropriate actions are taken to reduce them as a material weakness in internal control.<sup>5</sup> Government-wide

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<sup>4</sup> OMB, "Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments" (OMB M-15-02; issued Oct. 20, 2014), defines an improper payment as any payment that should not have been made or that was made in an incorrect amount (overpayments or underpayments) under statutory, contractual, administrative, or other legally applicable requirements. An improper payment also includes any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods and services not received.

<sup>5</sup> Treasury, *The Financial Report of the United States Government: Fiscal Year 2015* (Feb. 25, 2016).

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improper payments were estimated at approximately \$137 billion in fiscal year 2015.<sup>6</sup>

The Improper Payments Elimination and Recovery Act of 2010<sup>7</sup> (IPERA) was enacted to expand improper payments elimination and recovery efforts. The Act requires agencies to perform improper payment reviews and risk assessments and prepare certain reports. IPERA also requires the Inspector General of each agency to determine whether the agency complied with IPERA and to issue a report on that determination each fiscal year.<sup>8</sup>

IPERIA<sup>9</sup> was enacted in 2012 to intensify efforts to identify, prevent, and recover payment error, waste, fraud, and abuse within Federal spending. Section 5 of IPERIA expanded on the Do Not Pay Initiative requiring that, at a minimum, and before issuing any payment or award, agencies review the following six databases to verify the eligibility of payments:

- Death Master File (SSA)
- Excluded Parties List System (General Services Administration)
- Debt Check Database (Department of the Treasury)
- Credit Alert System or Credit Alert Interactive Voice Response System (Department of Housing and Urban Development)
- List of Excluded Individuals/Entities (Department of Health and Human Services Office of Inspector General)
- Information regarding incarcerated individuals<sup>10</sup> (SSA)

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<sup>6</sup> The 2015 estimate of government-wide improper payments consists of \$126 billion in estimated overpayments and \$11 billion in estimated underpayments. (Source: [PaymentAccuracy.gov](http://PaymentAccuracy.gov))

<sup>7</sup> Public Law 111-204 (July 22, 2010).

<sup>8</sup> Treasury OIG performs an annual IPERA compliance audit for Treasury. Our most recent report is *Treasury's Improper Payment Reporting Needs Improvement* (OIG-15-033; issued May 15, 2015).

<sup>9</sup> Public Law 112-248 (Jan. 10, 2013).

<sup>10</sup> Information regarding incarcerated individuals maintained by the Commissioner of Social Security was added to Section 5 of IPERIA as a sixth required database in December 2013 with the enactment of the Bipartisan Budget Act of 2013.

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OMB Memorandum M-13-20, “Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative” (OMB M-13-20), implements section 5 of IPERIA and provides guidance to Federal agencies on reducing improper payments with the Do Not Pay Initiative. Part 4 of the memorandum describes Treasury’s responsibility to host a working system for the Do Not Pay Initiative that allows agencies to perform the pre-payment eligibility reviews required by IPERIA.

### **Fiscal Service**

Fiscal Service is the principal disbursing officer of payments to individuals and businesses on behalf of Federal agencies—for example, benefit payments paid by SSA or the Department of Veterans Affairs, Federal income tax refund payments, and payments to businesses for goods and services. Most payments are disbursed through electronic funds transfers; the remaining are check payments. Annually, Fiscal Service disburses more than a billion payments, with an associated value of more than \$2.4 trillion.

### **The Do Not Pay Business Center**

In April 2011, Fiscal Service established the Do Not Pay Business Center to support Federal agencies in their efforts to reduce the number of improper payments made through programs funded by the Federal government. In our November 2014 audit report on the establishment of the Do Not Pay Business Center, we noted that it did not have access to two of the six IPERIA-required databases and that access to SSA’s death information was limited to the less-complete public DMF.<sup>11</sup> This situation remained substantially unchanged as of March 2016, although progress had been made to obtain access to the two IPERIA-required databases.

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<sup>11</sup> Treasury OIG, OIG-15-006, *Fiscal Service Successfully Established the Do Not Pay Business Center But Challenges Remain* (Nov. 6, 2014). The two required databases that the Do Not Pay Business Center did not have access to were the Credit Alert System or Credit Alert Interactive Voice Response System and the Prisoner Update Processing System.

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In 2013, Fiscal Service began automatically running all of the Payments, Claims, and Enhanced Reconciliation (PACER)<sup>12</sup> and Payment Automation Manager (PAM)<sup>13</sup> payment files that it processes on behalf of Federal agencies against the public DMF and the Excluded Parties List System. Do Not Pay Business Center client agencies may also customize their use of the Do Not Pay Portal to run against the other available databases.

From April 2014 to April 2015, approximately 675 million payments (591 million PACER payments and 84 million PAM payments), totaling \$1.6 trillion, were run against the DMF. Of those payments, there were matches to the DMF (before post-payment activity) for approximately 780,000 payments, totaling \$876 million.

Matches are not conclusive proof that an improper payment has occurred. Paying agencies need to investigate the matched payments to determine whether payments are improper. Agencies enrolled in the Do Not Pay portal can review their matches in the portal, while agencies not enrolled in the Do Not Pay Portal receive matches via email. Documentation provided by Fiscal Service states that for the 9 months ending June 2015, the Do Not Pay Portal screened \$941 billion in payments that resulted in agencies identifying \$5.7 million in improper payments. We did not verify that information as part of this audit.

### **SSA's Full Death File**

SSA collects death information to help administer its programs and to ensure that it does not pay Social Security benefits to deceased individuals. SSA's full death file, also referred to as the "public plus State" version of the DMF, contains all death information reported to SSA. Sources of death information in this file include States, family members, funeral homes, Federal agencies (such as the Centers for Medicare and Medicaid Services and Veteran's Benefits Administration), postal authorities, financial institutions, and

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<sup>12</sup> PACER functions as an online, shared database that supports accounting and claim processes in Fiscal Service's Regional Financial Centers. The application provides daily check reconciliation, daily electronic fund transfer reconciliation, daily accounting balancing, and cancellation information.

<sup>13</sup> PAM is a standardized payment processing application that can be expanded and configured to support the specific needs of Federal agencies, annually processing approximately 1 billion Federal payments.

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internal sources from SSA's payments records. The full death file contains beneficiary and non-beneficiary death records, as well as verified and unverified data. As of March 2015, this file contained about 100 million records. Approximately 2.5 million records are added to the file each year.

### **State-reported Death Data**

The State-reported death data included in the full death file is accumulated and reported to SSA either electronically or manually by State vital records offices. In 2014, 39 jurisdictions (37 States plus New York City and the District of Columbia) were able to submit death records to SSA electronically via the jurisdiction's Electronic Death Registration System (EDRS).<sup>14</sup> These jurisdictions submitted 1,839,243 death records to SSA via EDRS (66 percent of the State death records submitted) and 211,713 death records manually (8 percent of State death records submitted to SSA). Fourteen jurisdictions (13 States and Puerto Rico) could only submit death records manually in 2014. These jurisdictions submitted 739,439 death records to SSA (26 percent of the total number of death records submitted).

In accordance with section 205(r)(2) of the Social Security Act,<sup>15</sup> SSA pays for the State death records to administer its programs. These records are then included in the full death data file. SSA uses a tiered fee structure to pay the States for transcribing and transmitting death information to SSA. The price per death reported by the States for 2014 ranges from \$0.86 to \$3.09. For pre-verified death information reported via the EDRS within 6 days of the date of death, SSA pays the States \$3.09. For non-EDRS reports submitted within 120 days of the date of death, it pays

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<sup>14</sup> EDRS is a system that automates the electronic registering and processing of death reports to improve timeliness and accuracy. SSA considers reports submitted by States through EDRS to be the most accurate because most States first verify the name and social security number of the decedent with SSA databases before submitting a death report.

<sup>15</sup> Section 205(r)(2) of the Social Security Act provides that each State (or political subdivision thereof) that furnishes the Commissioner of Social Security with information on records of deaths in the State or subdivision may be paid from amounts available for administration of this Act, the reasonable costs (established by the Commissioner of Social Security in consultations with the States) for transcribing and transmitting such information.

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\$0.86. SSA paid approximately \$12 million for EDRS and non-EDRS death records using fiscal year 2014 funds.

### **Publicly Available Death Master Files**

SSA shares death information, subject to limitations specified in the Social Security Act<sup>16</sup> and the Bipartisan Budget Act of 2013,<sup>17</sup> with the U.S. Department of Commerce's National Technical Information Service (NTIS). NTIS reimburses costs incurred by SSA, and then sells two separate DMF products to public and private organizations.

- The "Limited Access DMF" is available to persons certified by the Department of Commerce to have a legitimate fraud prevention or business purpose; and, systems, facilities and procedures in place to safeguard the information.<sup>18</sup> The Limited Access DMF includes information on deceased individuals maintained by SSA other than that obtained by SSA under section 205(r) of the Social Security Act (i.e., State-reported death data). Fiscal Service purchases the Limited Access DMF from NTIS for the Do Not Pay Business Center for approximately \$10,000 per year.

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<sup>16</sup> Section 205(r)(6) of the Social Security Act states that information furnished to the Commissioner of Social Security through a "program under which States (or political subdivisions thereof) voluntarily contract with the Commissioner of Social Security to furnish the Commissioner of Social Security periodically with information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the States or subdivisions) have been officially filed with them...may not be used for any purpose other than the purpose described in Section 205(r) of the Social Security Act and is exempt from disclosure under section 552 of Title V of the United States Code (also known as the Freedom of Information Act)".

<sup>17</sup> Section 203 of the Bipartisan Budget Act of 2013 (Pub. L. 113-67) (Act) prohibits disclosure of DMF information during the 3 years following a death unless the person requesting the information has been certified under a program established by the Secretary of Commerce.

<sup>18</sup> Department of Commerce, Interim Final Rule, *Temporary Certification Program for Access to the Death Master File*, 79 FR 16670 (Mar. 26, 2014) (to be codified at 15 CFR 1110) implements the certification process provided for by Section 203 of the Bipartisan Budget Act of 2013 (Pub. L. 113-67). Supplementary Information included in the Interim Final Rule states that "Executive Departments and agencies will not have to complete the Certification Form as set forth in the rule. Those working on behalf of and authorized by Executive departments or agencies may access the Limited Access DMF through that sponsoring Executive department or agency". Accordingly, Fiscal Service is able to purchase the Limited Access DMF.

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- The “Public DMF” is available to persons without restriction. The Public DMF includes information on deceased individuals maintained by SSA other than that which was provided under section 205(r) of the Social Security Act (i.e., State-reported death data) and that which is prohibited from disclosure by the Bipartisan Budget Act of 2013 (i.e., information on deaths occurring in the prior 3 years).

### **Other Death Information**

Federal agencies other than SSA, including the Department of Defense, Department of State, Department of Education, and the National Center for Health Statistics, also collect and maintain death information.

The National Center for Health Statistics works with the States’ departments of vital records and statistics offices to establish the National Death Index (NDI). However, the NDI is available solely for statistical purposes in medical and health research.<sup>19</sup>

## **Review Results**

### **Fiscal Service Faces Challenges in Obtaining Full Death Information for the Do Not Pay Business Center**

GAO stated in its March 2015 testimony on improper payments that

“sharing death information can help prevent improper payments to deceased individuals or those who use deceased individuals’ identities, but SSA faces challenges in maintaining these data, and other agencies face challenges in obtaining them.”<sup>20</sup>

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<sup>19</sup> Section 308(d) of the Public Health Services Act provides that the data collected by the National Center for Health Statistics, in the Centers for Disease Control and Prevention, may be used only for the purpose of health statistical reporting and analysis. The United States Census Bureau also uses birth and death information from the National Center for Health Statistics and from the States’ departments of vital statistics in its population projections program.

<sup>20</sup> GAO, *Improper Payments—Government-Wide Estimates and Use of Death Data to Help Prevent Payments to Deceased Individuals* (GAO-15-482T; issued Mar. 16, 2015).

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Fiscal Service's Do Not Pay Business Center can access only the Limited Access DMF. The Center's inability to access the most complete death information available reduces its effectiveness as a tool to help agencies identify and prevent improper payments. Fiscal Service officials told us that running payment files against a more complete set of death records would likely result in more matches which, once investigated, could identify and prevent more improper payments.

The Do Not Pay Business Center's access to death information has been limited by three conditions: (1) SSA's interpretation of the Social Security Act to prohibit SSA from sharing the full death file with Fiscal Service; (2) the slow pace of legislation that could allow for sharing, and (3) the lengthy approval process to make additional databases available to the Do Not Pay Business Center beyond those required by IPERIA. We discuss these challenges further in this report. In addition, we have noted that concerns with the overall accuracy of SSA's death information pose another challenge.

### **SSA Interpretation**

According to a November 2013 GAO report, SSA interpreted the Social Security Act to prevent sharing of the full death file with Treasury (Fiscal Service) even though the Do Not Pay Business Center serves the purpose of preventing improper payments. Section 205(r)(3) of the Social Security Act allows SSA to share the contents of the full death file with Federal or State agencies that pay Federally funded benefits. In addition, the Act gives SSA discretionary authority to provide State death information to Federal and State agencies for research purposes. SSA provides this file to several Federal agencies, including the Centers for Medicare and Medicaid Services, Department of Defense, Department of Veterans Affairs, Office of Personnel Management, Internal Revenue Service, GAO, the Railroad Retirement Board, and the Pension Benefit Guaranty Corporation.

GAO reported in November 2013 that SSA officials could not provide documentation outlining their rationale for denying Treasury

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access and did not have written guidance available for determining agency access to full death information.<sup>21</sup>

### **Slow Pace of Legislation**

Past legislative proposals to provide greater access to SSA's full death data were not enacted. For example, the proposed Improper Payments Agency Cooperation Enhancement Act of 2013 (S. 1360 and H.R. 3555) would have required SSA to create a National Deaths Registry, using its full death information, and to enter into cooperative agreements with agencies to provide access. SSA would have been required to provide the National Deaths Registry in full, and without limitation, to agencies for the purposes of making authorized payments or for the prevention, identification, or recovery of improper payments. However, since the last action on this legislation was in September 2014, the legislation became ineligible for consideration at the end of the 113th Congress in January 2015.

### **Lengthy Approval Process to Add Databases**

Fiscal Service may recommend to OMB to add databases to the Do Not Pay Business Center to supplement those currently available, if the databases will substantially assist agencies in preventing improper payments. Fiscal Service officials stated that some commercial sources provide better death information than the public DMF and, perhaps, SSA's full death file. However, obtaining death information for the Do Not Pay Business Center from commercial sources can take time because OMB M-13-20 requires OMB to follow an extensive authorization process to designate additional data sources for inclusion in the Do Not Pay Initiative.

According to OMB M-13-20, before designating additional databases, OMB will publish a 30-day notice of the designation proposal in the Federal Register asking for public comment. At the conclusion of the 30-day comment period, if OMB decides to finalize the designation, it will publish a notice in the Federal Register to designate officially the database for inclusion in the Do

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<sup>21</sup> GAO, *Social Security Death Data: Additional Action Needed to Address Data Errors and Federal Agency Access* (GAO-14-46; issued Nov. 27, 2013).

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Not Pay Initiative. In the process to designate additional databases, OMB considers the following:

- statutory or other limitations on the use and sharing of specific data
- privacy restrictions and risks associated with specific data
- likelihood that the data will strengthen program integrity across programs and agencies
- benefits of streamlining access to the data through the central Do Not Pay Initiative
- costs associated with expanding or centralizing access, including modifications to system interfaces or other capabilities needed to make data accessible
- other policy and stakeholder considerations, as appropriate

On March 19, 2015, Fiscal Service submitted a draft designation proposal to incorporate three data sources to the Do Not Pay Business Center. On September 4, 2015, almost 6 months after submission, OMB provided Fiscal Service with comments and questions on the proposal. Fiscal Service officials have told us that OMB's comments deal primarily with its assessment of the data sources, and that Fiscal Service is working with OMB to address them. Fiscal Service officials told us that the delay in authorization is due, in part, to the fact that this is the first time either Fiscal Service or OMB is executing the approval process required by OMB M-13-20.

### **Accuracy of Available Death Information**

Various audits have identified concerns with the quality of SSA's death information. For example, GAO reported in November 2013 that certain procedures SSA uses for collecting, verifying, and maintaining death reports could result in erroneous or delayed death information. GAO reported that SSA does not independently verify all reports before including them in its death records. The agency verifies death reports only for Social Security beneficiaries to stop benefit payments, and verifies only those reports from sources it considers less accurate, such as other Federal agencies.<sup>22</sup> In addition, in March 2015 SSA's Office of Inspector

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<sup>22</sup> GAO-14-46.

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General (OIG) reported on concerns with controls to annotate death information on social security numberholders who exceeded reasonable life expectancies.<sup>23</sup> In this regard, SSA OIG identified approximately 6.5 million social security numberholders, age 112 or older, for which there is no death information in records that SSA uses to compile its death files.<sup>24</sup>

## **Obtaining Better Death Information for the Do Not Pay Business Center**

The quality of the death data used by the Do Not Pay Business Center could be improved by the recent enactment of legislation and continuing to pursue the use of additional data sources, such as the commercial alternatives currently under evaluation. A nonprofit organization representing the State vital record offices may also merit periodic re-evaluation as a potential data source. Another alternative—entering into contracts with individual States to obtain State-reported death data—shows less promise.

### **Legislation**

Two pieces of legislation introduced in the U.S. Senate and House of Representatives in 2015 were intended to give Fiscal Service's Do Not Pay Business Center access to SSA's full death file.

- The Federal Improper Payments Coordination Act of 2015 (S. 614 and H.R. 2320), introduced in February 2015, amends IPERIA to, among other things: (1) extend the availability of the Do Not Pay Initiative to the judicial and legislative branches of the Government and to the States; (2) expand the Do Not Pay Business Center's access to death records maintained by SSA; (3) require the Departments of Defense and State to submit, promptly and regularly, relevant information on the deaths of individuals; and (4) require Treasury to report to Congress on data analytics performed as part of the Do Not Pay Initiative.

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<sup>23</sup> SSA OIG, A-06-14-34030, *Numberholders Age 112 or Older Who Did Not Have a Death Entry on the Numident* (Mar. 4, 2015).

<sup>24</sup> SSA OIG noted in its report that as of September 2014, the Gerontology Research Group reported 42 known living individuals worldwide had reached age 112.

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On December 18, 2015, subsequent to the completion of our field work, the Federal Improper Payments Coordination Act of 2015 (S. 614) was signed into law.<sup>25</sup> With respect to death data, the law amended the Improper Payments Elimination and Recovery Improvement Act of 2012 to state that the database of such information to be reviewed by agencies to verify eligibility of payments and awards was “the death records maintained by the Commissioner of Social Security.” Before the amendment, the database was referred to as “the Death Master File of the Social Security Administration.” Senate Report 114-86 accompanying S. 614 reflected this change as a technical correction.

- The Stopping Improper Payments to Deceased People Act (S 1073 and H.R. 2003), introduced in April 2015, amends Title II of the Social Security Act to direct SSA to (1) provide information on all deceased individuals that is furnished to or maintained by SSA to Federal or State agencies providing benefits or administering a Federal program and (2) provide for the use of such information by Federal agencies to operate the Do Not Pay working system (the Do Not Pay Business Center) and to carry out tax administration or debt collection duties. No further action on this legislation has occurred since April 2015.

### **Commercial Vendors**

Available commercial sources, taken together with the public DMF or, pending enactment of the legislation mentioned previously, the full death file, could provide the Do Not Pay Business Center with incrementally more complete death data. During fieldwork, we identified several commercial sources of death information, including vendors such as LexisNexis®, TransUnion’s TLOxp®, the Berwyn Group, and American InfoSource (AIS). Our review of these vendors’ websites found the following.

- LexisNexis® provides public record search services through its *PeopleWise* application, which allows for the search of death records based on an individual’s name and location.

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<sup>25</sup> Public Law No. 114-109.

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- TransUnion’s TLOxp® has a national, comprehensive, online death record database of public and proprietary records that allows users to search for deceased individuals using names, aliases, or social security numbers. TLOxp® people searches are also designed to get users exact information, even in cases where only partial source information is available, such as incomplete social security numbers or addresses.
  - The Berwyn Group provides mortality verification and locator services through its DeathCheck<sup>SM</sup> service. Files are updated weekly and contain records from SSA, State, and Federal agencies, as well as Berwyn’s own proprietary death data. The Berwyn Group’s DeathCheck<sup>SM</sup> service also allows customers to identify deceased individuals whose social security numbers were miss-typed in source files.
  - AIS, a global financial services company, acquires death information from three main sources—(1) the public DMF, (2) county court probate records, and (3) obituaries from more than 3,000 funeral homes and thousands of newspapers.

### **Nonprofit Organization—NAPHSIS**

NAPHSIS is a national nonprofit organization representing State vital records and public health statistics offices in the United States.<sup>26</sup> NAPHSIS’ Electronic Verification of Vital Events (EVVE) system provides customers with the ability to verify and certify birth and death information. Electronic inquiries from authorized users can be matched against more than 250 million birth and death records from State- and jurisdiction-owned vital-record databases nationwide.

Although the EVVE system would allow Fiscal Service access to State-reported death information, concerns exist with its ability to meet the needs of the Do Not Pay Business Center. EVVE currently provides access to birth information for 53 of 57 jurisdictions,<sup>27</sup> but

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<sup>26</sup> Vital records offices register births and deaths and issue certified copies of birth and death certificates for legal and administrative purposes.

<sup>27</sup> The 57 jurisdictions include the 50 states, five territories, the District of Columbia, and New York City.

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death information can only be accessed for 42 of those jurisdictions. Additionally, at the time of our analysis, EVVE was unable to support the high volumes of transaction queries that Fiscal Service would require. NAPHSIS personnel told us that NAPHSIS is working with LexisNexis® to make the EVVE system capable of supporting higher volumes of queries by fall 2015. They stated they were confident that the EVVE system could be scaled to handle the large data requirements of Treasury's Do Not Pay Business Center. However, NAPHSIS personnel also acknowledged that the EVVE system acts as a hub to access the systems of individual jurisdictions, and could have difficulty handling the volume of Treasury's requests.

NAPHSIS personnel also stated that Treasury's cost if it chose to use the EVVE system would be based on volume and would include a subscription fee plus a per-record fee for queries. NAPHSIS estimated that the cost per record would be between \$0.05 and \$0.25, depending on the volume and frequency of the queries. Higher volumes of queries would result in a lower per-record cost. NAPHSIS personnel stated that they would have been able to provide a more accurate pricing model if they knew the transaction volume and amount of payments that would be run through the EVVE system for death queries, along with the volume of expected death matches.

According to Fiscal Service officials, Fiscal Service considered NAPHSIS a data source for death information in 2013. However, Fiscal Service determined that NAPHSIS' EVVE system at the time would not be able to accommodate the volume of payment files currently run against the public DMF in the Do Not Pay portal. In addition, the EVVE system was based at the time, on individual queries using only first and last names, not social security numbers or tax identification numbers. According to NAPHSIS, in Spring 2015 it began requiring States to include a field in the database for social security numbers.<sup>28</sup>

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<sup>28</sup> In June 2015, NAPHSIS personnel stated that approximately 34 States and jurisdictions had added social security numbers to the EVVE system.

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## **Contracts with the States**

As previously mentioned, SSA pays the States for transcribing and transmitting death information. According to 2014 DMF statistics obtained from SSA, SSA paid approximately \$12 million for death records for fiscal year 2014. NAPHSIS assisted SSA and the States in negotiating contracts for these relationships and could conceivably assist Fiscal Service in negotiating similar contracts to obtain State death information. However, such an alternative presents a number of drawbacks that would likely make it questionable, including the following:

- NAPHSIS personnel stated that the price per death reported by the States to Fiscal Service would likely be much higher than what SSA pays because Fiscal Service would be using death information to run against payments from many Federal agencies. NAPHSIS personnel were unable to provide us with an estimate of the price per death reported without knowing the actual number of Federal agencies or programs for which Fiscal Service disburses payments.
- This alternative would result in the Federal government paying the States again for the same information already acquired by SSA, a questionable use of public funds.
- This alternative would likely require Fiscal Service to build an infrastructure to collect, maintain, and secure the State death information—a duplication of the infrastructure that already exists within SSA.

## **Recommendations**

Fiscal Service officials have taken action to supplement the Do Not Pay Business Center's use of the public DMF with a commercial database, pending OMB approval. We recommend that the Fiscal Service Commissioner take the following additional actions:

1. Work with OMB and SSA to implement the Federal Improper Payments Coordination Act of 2015 to ensure all death records maintained by SSA are available to Fiscal Service to help prevent, identify, or recover improper payments.

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### Management Response

Fiscal Service has been working with OMB and SSA to deliver the full death records data set and will continue to request access from SSA. However, as the owners of the full death records, SSA must agree that the Federal Improper Payments Coordination Act of 2015 allows SSA to release the full death dataset (also known as the Full Death Master File) to Fiscal Service.

### OIG Comment

Fiscal Service's commitment to work with OMB and SSA to obtain access to the Full Death Master file is responsive to our recommendation. Fiscal Service should establish, and record in JAMES, the anticipated date actions under this recommendation will be completed.

2. Continue to work with OMB to designate additional cost effective and accurate data sources for the Do Not Pay Business Center and identify possible ways to shorten the designation process.

### Management Response

Fiscal Service continues to work with OMB to complete an initial Data Designation for seven databases to be added to the Do Not Pay working system. The data designation was sent to OMB on March 25, 2016, and Fiscal Service is awaiting a response from OMB. Fiscal Service and OMB have a very close working relationship and that relationship will be leveraged to attempt to improve the timing of future OMB designations of data sources for Do Not Pay.

### OIG Comment

Fiscal Service's commitment to work with OMB to designate data sources and improve the timing of future designations is responsive to our recommendation. Fiscal Service should establish, and record in JAMES, the anticipated date action Data Designations under OMB review will be completed.

- 
3. Periodically evaluate sources of death information for the Do Not Pay Business Center and consider adding cost-beneficial alternatives.

Management Response

Fiscal Service will continue to periodically survey the government and commercial marketplace to identify any potential data sources which could assist agencies in the prevention, identification or recovery of improper payments.

OIG Comment

Fiscal Service's commitment to periodically evaluate sources of death information is responsive to our recommendation. We consider this recommendation to be closed.

\* \* \* \* \*

We appreciate the courtesies and cooperation provided to our staff during the review. If you wish to discuss the report, you may contact me at (202) 927-6345. Major contributors to this report are listed in Appendix 3.

/s/  
James L. Lisle, Jr.  
Director, Fiscal Service Audits

Our objective was to summarize the challenges that the Bureau of the Fiscal Service (Fiscal Service) faces in obtaining full death information for the Do Not Pay Business Center and discuss possible alternatives to overcome those challenges.

To accomplish our audit objective, we took the following actions:

- reviewed laws (and proposed legislation) and Federal guidance related to improper payments, including public laws, executive orders, presidential memoranda, and Office of Management and Budget (OMB) memoranda:
  - Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA)
  - Improper Payments Elimination and Recovery Act of 2010
  - Presidential Memo, *Enhancing Payment Accuracy Through a Do Not Pay List*, June 2010
  - Executive Order 13520, *Reducing Improper Payments and Eliminating Waste In Federal Programs*, November 2009
  - Bipartisan Budget Act of 2013, section 204, *Identification of Inmates Requesting or Receiving Improper Payments*
  - Public Health Service Act, section 308(d), *National Center of Health Services Confidentiality Statute*
  - Federal Improper Payments Coordination Act of 2015 *[Proposed Legislation]*
  - OMB M-13-20, *Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative*
  - OMB M-12-11, *Reducing Improper Payments through the “Do Not Pay List”*
- reviewed laws (and proposed legislation), Federal guidance, congressional testimonies, and audit reports related to the Social Security Administration (SSA) Death Master File (DMF) and death information in general, including the following:
  - Social Security Act, Section 205(r), “Use of Death Certificates To Correct Program Information”

- Improper Payments Agency Cooperation Enhancement Act of 2013 [*Proposed Legislation*]
- Stopping Improper Payments to Deceased People Act [*Proposed Legislation*]
- Government Accountability Office (GAO)-15-482T, *Improper Payments: Government-Wide Estimates and Use of Death Data to Help Prevent Payments to Deceased Individuals*, March 2015
- GAO-15-440T, *Government Efficiency and Effectiveness: Opportunities to Reduce Fragmentation, Overlap, Duplication, and Improper Payments and Achieve Other Financial Benefits*, March 2015
- GAO-14-46, *Social Security Death Data: Additional Action Needed to Address Data Errors And Federal Agency Access*, November 2013
- GAO-13-574T, *Social Security Administration: Preliminary Observations on the Death Master File*, May 2013
- GAO-12-405T, *Improper Payments: Moving Forward with Governmentwide Reduction Strategies*, February 2012
- SSA A-06-14-34030, *Number-holders Age 112 or Older Who Did Not Have a Death Entry on the Numident*, March 2015
- interviewed officials and personnel from Fiscal Service, SSA, and the National Association for Public Health Statistics and Information Systems
- reviewed documentation related to the Do Not Pay Business Center, SSA's DMF, and the process SSA uses to receive death information, including:
  - Pay Business Center Statistics for April 2014–April 2015
  - SSA FY 2014 DMF Statistics

We performed our audit fieldwork principally during January through May 2015.

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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix 2  
Management Response



DEPARTMENT OF THE TREASURY  
BUREAU OF THE FISCAL SERVICE  
WASHINGTON, DC 20227

April 22, 2016

Mr. James L. Lisle, Jr.  
Director, Fiscal Service Audits  
Office of Inspector General  
Department of the Treasury  
740 15th Street, NW  
Suite 600  
Washington, DC 20220

Dear Mr. Lisle:

Thank you for the opportunity to respond to the Treasury Office of Inspector General (OIG) formal draft audit report *Do Not Pay Business Center's Access to Death Data*, dated March 23, 2016. The Bureau of the Fiscal Service (Fiscal Service) remains committed to good stewardship of the Do Not Pay program and appreciates your recommendations to further our efforts. Our responses to the three recommendations are as follows:

1. Work with the Office of Management and Budget (OMB) and the Social Security Administration (SSA) to implement the Federal Improper Payments Coordination Act of 2015 to ensure all death records maintained by SSA are available to Fiscal Service to help prevent, identify, or recover improper payments.

Fiscal Service concurs with OIG's recommendation. Fiscal Service has been working with OMB and SSA to deliver the full death records data set and will continue to request access from SSA. However, as the owners of the full death records, SSA must agree that the Federal Improper Payments Coordination Act of 2015 allows SSA to release the full death dataset (also known as the Full Death Master File) to Fiscal Service.

2. Continue to work with OMB to designate additional cost effective and accurate data sources for the Do Not Pay Business Center and identify possible ways to shorten the designation process.

Fiscal Service concurs with OIG's recommendation. Fiscal Service continues to work with OMB to complete an initial Data Designation for seven databases to be added to the Do Not Pay working system. The data designation was sent to OMB on March 25, 2016 and Fiscal Service is awaiting a response from OMB. Fiscal Service and OMB have a very close working relationship and that relationship will be leveraged to attempt to improve the timing of future OMB designations of data sources for Do Not Pay.

Appendix 2  
Management Response

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3. Periodically evaluate sources of death information for the Do Not Pay Business Center and consider adding cost-beneficial alternatives.

Fiscal Service concurs with OIG's recommendation. Fiscal Service will continue to periodically survey the government and commercial marketplace to identify any potential data sources which could assist agencies in the prevention, identification or recovery of improper payments.

If you have any questions or wish to discuss these comments in more detail, please contact Virginia Rone, Executive Director of the Do Not Pay Business Center, at (202) 874-6185.

Sincerely,



Sheryl R. Morrow  
Commissioner

Appendix 3  
Major Contributors

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Christen J. Stevenson, Audit Manager  
Ashley N. Smith, Auditor-in-Charge  
Herb N. Addy, Auditor  
Justin Summers, Referencer

**Department of the Treasury**

Deputy Secretary  
Fiscal Assistant Secretary  
Office of the Deputy Chief Financial Officer, Risk and Control  
Group  
Office of Strategic Planning and Performance Management

**Bureau of the Fiscal Service**

Commissioner  
Executive Director, Do Not Pay Business Center  
Director, Finance and Internal Control Division  
OIG Liaison

**Office of Management and Budget**

OIG Budget Examiner





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