
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**FOLLOW-UP OF THE
ENUMERATION AT BIRTH PROGRAM**

April 2006

A-08-06-26003

AUDIT REPORT



Mission

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SOCIAL SECURITY

MEMORANDUM

Date: April 27, 2006

Refer To:

To: The Commissioner

From: Inspector General

Subject: Follow-up of the Enumeration at Birth Program (A-08-06-26003)

OBJECTIVE

Our objectives were to determine (1) the status of corrective actions the Social Security Administration (SSA) had taken to address recommendations resulting from our September 2001 report, *Audit of Enumeration at Birth Program*, (A-08-00-10047) and (2) whether the Agency's internal controls adequately protected the integrity of the Enumeration at Birth (EAB) process.

BACKGROUND

EAB offers parents an opportunity to request a Social Security number (SSN) for their newborn as part of the birth registration process. Participating hospitals forward SSN requests and other birth registration data to State Bureaus of Vital Statistics (BVS). BVSs forward the SSN requests to SSA. EAB is available in all 50 States as well as certain jurisdictions (Puerto Rico, New York City, and the District of Columbia). Approximately 92 percent of the original SSNs SSA assigns to U.S. citizens each year are processed through EAB. In Fiscal Year (FY) 2005, SSA assigned about 4 million original SSNs through EAB.

Our September 2001 report highlighted weaknesses in controls and operations that we believed SSA needed to address to reduce the EAB program's vulnerability to potential error and misuse and to enhance program efficiency. SSA agreed to:

- re-invest some of the savings realized by the EAB program and provide necessary funding, during future contract modifications, for the BVSs to perform periodic, independent reconciliations of registered births with statistics obtained from hospitals' labor and delivery units and periodically verify the legitimacy of sample birth records obtained from hospitals;
- enhance its duplicate record detection and prior SSN detection routines to provide greater protection against the assignment of multiple SSNs;

- instruct field office personnel to exercise greater care when resolving system-generated enumeration feedback messages (EFM);¹
- cross-reference² multiple SSNs SSA assigned to the 178 children in our sample; and
- continue to monitor the timeliness of BVS submissions and work with those BVSs that have difficulty complying with the time frames specified in the contracts.

The *Intelligence Reform and Terrorism Prevention Act of 2004* requires that SSA conduct a study to determine options for ensuring the integrity of the EAB process, including methods to reconcile hospital birth records with birth registrations submitted to State and local agencies and information provided to SSA. The Act also requires that SSA provide a report to Congress on the results of the study, including recommendations for legislative changes, as deemed necessary, not later than 18 months after enactment. We agreed to perform this review to assist the Agency in meeting this reporting requirement.

To accomplish our objectives, we visited hospitals, contacted BVSs, and interviewed appropriate SSA personnel. In addition, we analyzed SSA's Modernized Enumeration System (MES) Transaction History File data for children under 1 year of age whom SSA issued original and/or replacement SSN cards from April 1, 2004 through March 31, 2005 to identify instances in which SSA assigned multiple SSNs to newborns. We also assessed BVS' timeliness in submitting birth registration data to SSA. See Appendix B for additional information on our audit scope and methodology.

RESULTS OF REVIEW

We commend SSA for its EAB program and believe it has the potential to strengthen SSN integrity and assist the Agency in delivering a higher quality of service to the public. However, we identified weaknesses in existing controls and operations we believe SSA needs to address to improve the efficiency and effectiveness of the EAB process. We remain concerned about SSA's vulnerability to fictitious birth records because BVSs have not established independent methods of reconciling hospital birth records with its birth registrations. In addition, SSA continued to assign multiple SSNs to newborns because (1) system edits did not always detect multiple SSN applications processed for the same child on the same day or recognize SSNs previously assigned to newborns, and (2) field office personnel did not always properly resolve EFMs. Furthermore, some BVSs continued untimely submission of birth records.

¹ MES sends feedback messages to field offices when the data transmitted conflict with previously established data on SSA's records.

² When an individual has been assigned more than one SSN, SSA "cross-refers" the SSNs so the individual's earnings can be properly credited to his/her earnings record.

SSA REMAINED VULNERABLE TO POTENTIAL ERROR AND/OR MISUSE

Our 2001 review determined that SSA was vulnerable to potential error and/or misuse because there was a lack of separation of duties within hospitals' birth registration units. Clerks in these units gathered information needed to prepare the certificates of live birth, entered birth information into personal computers, printed birth certificates, obtained parents' and hospital certifiers' signatures, and forwarded the electronic and paper versions of the certificates to the BVSs. Therefore, we were concerned that birth registration clerks could generate a certificate of live birth for a nonexistent child. As such, we recommended that SSA provide funding for the BVSs to perform periodic independent reconciliations of registered births with statistics obtained from hospitals' labor and delivery units. In response to our recommendation, SSA stated it would propose such a review to the States in upcoming contract negotiations.

Based on the results of this review, we remain concerned about SSA's vulnerability to fictitious birth records. During our visits to eight hospitals, we determined that a lack of separation of duties within hospitals' birth registration units still existed. That is, birth clerks in the hospitals we visited were generally involved in all aspects of the birth registration process. We do not believe that one individual should perform all key aspects of the birth registration process. We recognize that staff limitations may hinder hospitals' efforts to segregate duties; however, we believe compensating controls would reduce the vulnerability to fictitious birth records.

None of the hospitals we visited had adequate controls in place to compensate for the lack of segregation of duties in their birth registration units. Specifically, none of the hospitals performed periodic, independent reconciliations of birth records with birth registrations they submitted to BVSs. Furthermore, none of the BVSs we contacted performed such reconciliations or had other adequate compensating controls in place to protect against fictitious birth records.³ We continue to believe BVSs should periodically reconcile submitted birth registrations with hospital birth records to reduce SSA's vulnerability to fictitious birth records and enhance the integrity of the EAB process.

Potential Options for Ensuring Integrity of Birth Records

To identify potential options for ensuring the integrity of birth records, we contacted additional BVSs to determine whether they (1) independently reconciled registered births with statistics obtained from hospitals' labor and delivery units or (2) had other compensating controls to protect against fictitious birth records. One of the BVSs we contacted told us it routinely matches its database of registered births with the State's Metabolic Neonatal Screening⁴ database to ensure the accuracy and completeness of its records. To identify corresponding records in each file, BVS personnel focus on the

³ We initially contacted the 10 BVSs that SSA estimated would process the most EAB records in FY 2005.

⁴ All States and U.S. territories perform newborn screening to test for metabolic and genetic diseases.

date and time of birth, baby's gender, mother's last name, and ZIP code. According to the Assistant State Registrar, the BVS plans to manually review all mismatches to resolve discrepancies.

During interviews with other BVS officials, we discussed the feasibility of matching birth registration data with neonatal screening records. BVS officials in one southeastern State agreed that matching this information was a viable option for ensuring the integrity of birth records. In fact, they told us the BVS matched birth registration data with the State's infant screening records in 2004. Because the BVS determined the State's infant screening database was incomplete, it is taking steps to ensure this information is accurate and complete before performing another match. Officials at another BVS told us they believed that matching birth registration data with neonatal screening records was feasible and could protect against fictitious birth records.

Officials at other BVSs told us that States could also match hospital discharge records with birth registration data to ensure the integrity of birth records. The Director of the Office of Vital Records in one large western State told us his office compared hospital discharge records with birth registration data a few years ago. His office identified about 1,600 mismatches but did not attempt to resolve the discrepancies. The Director told us hospitals' discharge records may not always be readily available for matching with birth registration records and therefore may not be the best option for ensuring the integrity of birth records.

In October 2005, the Department of Health and Human Services issued a draft report that included recommendations regarding BVS' verification of birth occurrence. The report recommended that each State establish independent methods for verifying that a birth actually occurred. Specifically, the report recommended that BVSs

- match electronic birth records with other databases, such as hospital discharge, newborn screening, and hospital billing records and
- establish methods for reconciling births that do not match electronically.

In addition, a May 2005 National Association for Public Health Statistics and Information Systems *White Paper on Recommendations for Improvements in Birth Certificates* recommended that all BVSs establish a method of reconciling birth-related hospital records, such as hospital discharge records or newborn metabolic or hearing screening records, with birth registrations hospitals submitted to BVSs.

We believe such matching could be a cost-effective tool for ensuring the integrity of birth records. It would help BVSs identify instances in which they have a birth record but no corresponding record in another database (for example, neonatal screening or hospital discharge records). We believe resulting mismatches could indicate fictitious birth records. Ultimately, the success of any matching process depends on the accuracy of the databases and whether BVS personnel adequately resolve mismatches.

SSA CONTINUED TO ASSIGN MULTIPLE SSNs TO NEWBORNS

During our 2001 review, we identified instances in which SSA assigned a newborn two different SSNs that were not cross-referenced. We concluded that SSA erroneously assigned these SSNs because systems edits did not (1) detect multiple SSN applications processed for the same child on the same day or (2) recognize SSNs previously assigned to newborns. Furthermore, we found that field office personnel failed to appropriately resolve EFMs. SSA agreed to (1) enhance its duplicate record detection routines⁵ to prevent future assignment of multiple SSNs, (2) look at its prior SSN detection routines and practices to determine whether there were feasible software modifications that would provide greater protection, and (3) instruct Agency personnel to exercise greater care when processing EFMs.

Our analysis of MES records disclosed 1,252 instances (nationwide) in which SSA assigned multiple SSNs to newborns. Additional analysis showed that SSA had not cross-referenced 932 of these cases. In about 53 percent of these cases, SSA assigned one SSN through the EAB process and another SSN through an SSA field office. SSA assigned multiple SSNs through EAB in about 47 percent of the cases. While we recognize that 1,252 instances from the almost 4 million SSNs assigned through EAB each year is a very small error rate (approximately .03 percent), assignment of more than 1 SSN to an individual causes concern because of the opportunity it creates for program abuse and/or identity fraud. In fact, SSA considers such cases “critical errors” when calculating its annual SSN accuracy rate.⁶ Although we did not identify instances of SSN misuse, we remain concerned about SSA’s vulnerability to such activity. As such, we continue to encourage SSA to consider enhancing its duplicate record and prior SSN detection routines to provide greater protection against the assignment of multiple SSNs, when priorities and resources allow. Additionally, we believe SSA should re-emphasize the need for Agency personnel to properly resolve EFMs to prevent assignment of multiple SSNs.

Duplicate Record and Previously Assigned SSN Detection Routines

To provide greater protection against the assignment of multiple SSNs to newborns, SSA enhanced its duplicate record detection routine in November 2005. SSA modified MES to prevent the Agency from assigning two SSNs to the same child based on two EAB record submissions (in the same file) with different birth certificate numbers.⁷ We believe this change will reduce the number of multiple SSNs the Agency assigns to newborns. In fact, we believe SSA would not have assigned 499 of the multiple SSNs

⁵ We use the term “duplicate record detection routine” throughout this report to refer to edits SSA uses to identify records containing identical data or records with slight variances in the applicant’s names.

⁶ SSA’s Office of Quality Performance defines a “critical error” as either a misassigned number or the assignment of multiple numbers that are not properly cross-referenced.

⁷ SSA also modified MES to prevent the Agency from assigning SSNs to children with first names, such as Baby, Infant, and Unknown. We support SSA’s actions to prevent assignment of SSNs to unnamed children.

we identified in this review had it implemented this detection routine before our audit period. Although we commend SSA for enhancing its duplicate record detection routine, this system modification will not detect duplicate SSN applications that are processed via EAB and through a field office on the same day.

Once a record passes the duplicate record detection routine, MES searches its SSN master file for SSNs the Agency may have previously assigned the applicant. During the search, MES compares numerous fields of data on the incoming record with the master file. However, we identified over 400 instances in which system edits failed to identify an SSN previously assigned to a child. In these cases, there was generally a variance of only one or two characters in the applicant's first name as shown on the matched records.

Inappropriate Resolution of Enumeration Feedback Messages

During our 2001 review, we identified instances in which field office personnel had not properly resolved EFMs generated by MES. As such, we recommended that SSA instruct field office personnel to exercise greater care when processing EFMs. SSA agreed with our recommendation and issued an Emergency Message that emphasized the need for field office personnel to properly resolve EFMs.

Based on the results of this review, we remain concerned about the inappropriate resolution of EFMs. Despite SSA's efforts to address this issue, we determined that MES generated an EFM on one or both of the matched records in over 14 percent of the multiple SSN cases we identified. We believe SSA would not have assigned multiple SSNs in these cases if field office personnel had properly resolved the EFMs.

SOME BVSs CONTINUED UNTIMELY SUBMISSION OF BIRTH RECORDS

During our 2001 review, we determined that 21 (40 percent) of the 53 participating BVSs had not submitted birth records to SSA within an average of 30 days of the child's date of birth, as required in their contracts. We recommended that SSA continue monitoring the timeliness of BVS submissions and work with those BVSs that were having difficulty complying with the time frames specified in their contracts. SSA agreed with our recommendation.

Although the number of BVSs in compliance with the 30-day submission requirement has improved, we remain concerned about some BVS' untimely submission of birth records. Specifically, we determined that 12 (23 percent) of the 53 BVSs did not submit birth records within the required time frame. As a result, we believe some parents applied for their childrens' SSNs through field offices even though they had previously requested an SSN though the EAB process.

Our analysis of MES data disclosed 66,642 instances, nationwide, in which parents submitted a second SSN application when they did not receive the card through EAB

within 30 days of the child's date of birth.⁸ Based on unit cost data obtained from SSA, we estimate it cost the Agency approximately \$1.6 million to process these second SSN requests through its field offices.⁹ If the timeliness of EAB application submissions does not improve, and all variables remain constant, SSA may reduce the savings otherwise realized from the EAB program by approximately \$8 million over the next 5 years.¹⁰

CONCLUSION AND RECOMMENDATIONS

We acknowledge the steps SSA has taken to enhance the integrity of the EAB process. We also recognize SSA must rely on assistance and support from hospitals and States. However, weaknesses continue to exist in controls and operations we believe SSA needs to address to enhance the efficiency and effectiveness of the EAB process. Ultimately, the success of SSA's efforts will depend on the priority it places on improving existing EAB controls and operations and how successful it is in obtaining assistance and support from hospitals and States.

We recommend that SSA:

1. Encourage and assist BVSs in establishing independent methods to reconcile hospital birth records with birth registrations submitted to States.
2. Consider enhancing its duplicate record and prior SSN detection routines to provide greater protection against the assignment of multiple SSNs.
3. Cross-reference the multiple SSNs SSA assigned to newborns during our audit period. We will provide further details regarding these individuals under separate cover.
4. Re-emphasize the need for field office personnel to exercise greater care when resolving EFM's generated by MES.

⁸ We identified 66,642 instances by analyzing our April 1, 2004 through March 31, 2005 MES Transaction History File data extract. Specifically, we identified all "original" SSNs field offices assigned to children under 1 year of age that also had corresponding "replacement" transactions processed through EAB. We then eliminated those transactions in which parents applied for original SSNs at field offices within the 30-day period allowed by the contracts.

⁹ According to SSA, in FY 2004, it cost the Agency \$24 to process an SSN application taken by field office personnel. Therefore, we calculated our estimate as follows: 66,642 x \$24 = \$1,599,408 rounded to \$1.6 million.

¹⁰ Because the trend in issuance of SSN cards via the EAB program during the last 3 years indicates a slight increase from year to year (3.779 million in FY 2002, 3.784 million in FY 2003, and 3.928 million in FY 2004), we believe the use of FY 2004 data in calculating the 5-year estimate results in a conservative amount.

5. Continue to monitor the timeliness of BVS submissions and work with those BVSs having difficulty complying with the time frames specified in the contracts.

AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix C.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – Agency Comments

[APPENDIX D](#) – OIG Contacts and Staff Acknowledgments

Acronyms

BVS	Bureau of Vital Statistics
EAB	Enumeration at Birth
EFM	Enumeration Feedback Message
FY	Fiscal Year
MES	Modernized Enumeration System
SSA	Social Security Administration
SSN	Social Security Number

Scope and Methodology

To accomplish our objectives, we reviewed applicable laws,¹ regulations,² and Social Security Administration (SSA) procedures.³ In addition, we held discussions with SSA Headquarters personnel and made site visits to eight hospitals in Alabama, California, Illinois, and Maryland. In selecting the hospitals, we considered the number of Enumeration at Birth (EAB) submissions, the type of facility (that is, public or private), and their locations.

We contacted the 10 Bureaus of Vital Statistics (BVS)⁴ SSA estimated would transmit the most birth records to the Agency during Calendar Year 2005 and inquired about controls they had in place to ensure the integrity of birth records received from hospitals. In addition, we interviewed hospital personnel to obtain an understanding of the processes they followed to collect birth registration information, prepare birth certificates, and transmit both paper and electronic versions of the certificates to the BVSs. During hospital visits, we also verified selected birth registrations with hospitals' labor and delivery units.

As part of the audit, we obtained SSA's Modernized Enumeration System (MES) Transaction History File data for children under 1 year of age whom SSA issued original and/or replacement Social Security number (SSN) cards from April 1, 2004 through March 31, 2005. Using data mining techniques, we identified records indicative of possible duplicate SSN applications. We then analyzed these records to identify situations in which we believed SSA assigned a child multiple SSNs. We also contacted BVSs to verify children's births.

We assessed participating States' and other jurisdictions' timeliness in submitting birth registration data to SSA. Using our MES data extract, we determined the number of instances in which parents submitted a second SSN application at an SSA field office when they did not receive the SSN card through EAB within 30 days of the child's date of birth. We then calculated SSA's estimated costs of processing these second applications and extrapolated that amount to obtain an estimate of the savings SSA may not realize over the next 5 years if States and other jurisdictions do not reduce their processing times.

¹ Section 205 [42 U.S.C. 405] (c)(2)(B)(i) and (ii) of the *Social Security Act*, as amended.

² 20 C.F.R. § 422.103 (b) and (c).

³ Program Operations Manual System, sections RM 00202.001 and RM 00202.035.

⁴ California, Florida, Georgia, Illinois, New York, New York City, North Carolina, Ohio, Pennsylvania and Texas.

The SSA entities audited were the Office of Public Service and Operations Support under the Deputy Commissioner for Operations and the Office of Earnings, Enumeration and Administrative Systems under the Deputy Commissioner for Systems. We performed our audit field work from May 2005 through February 2006. We conducted our audit in accordance with generally accepted government auditing standards.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: April 17, 2006 **Refer To:** S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Follow-up of the Enumeration at Birth Program" (A-08-06-26003)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Please let me know if we can be of further assistance. Staff inquiries may be directed to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "FOLLOW-UP OF THE ENUMERATION AT BIRTH PROGRAM" (A-08-06-26003)

Thank you for the opportunity to review and comment on the draft report. The Social Security Administration (SSA) has a commitment to monitor the Enumeration at Birth (EAB) program by State and to make necessary improvements where possible. We have made great headway since the original OIG report was released and we have detailed some of those accomplishments below.

We will continue to enhance the efficiency and effectiveness of the EAB process. Ultimately, our success will depend on obtaining both the assistance and support from hospitals and States and the funding necessary to implement the recommendations.

Our responses to the specific recommendations are provided below.

Recommendation 1

SSA should encourage and assist the Bureau of Vital Statistics (BVS) in establishing independent methods to reconcile hospital birth records with birth registrations submitted to States.

Response

We agree. As the Background/Report Synopsis states, an interagency workgroup headed by the Department of Health and Human Services (HHS), of which SSA is a participant, has already studied the vulnerabilities in hospital procedures and drafted a recommendations paper to address this issue. At this time, HHS advises us that they expect to have the draft regulations for standardizing the requirements States use as part of their birth registration process published in the Federal Register by late summer and the final regulations in 2007. A part of the planned regulation will pertain specifically to reconciliation of hospital birth records. SSA has awarded a contract to do the economic analysis on the recommendations.

Recommendation 2

SSA should consider enhancing its duplicate record and prior Social Security number (SSN) detection routines to provide greater protection against the assignment of multiple SSNs.

Response

We agree. In December 2005, we made changes in our systems software to capture applications input by the State that are for the same child and that have duplicate

information (with the exception of the birth certificate number) and to create an exception for the second record. This software has been working well and addresses the recommendation.

It should be noted that SSA does not issue a second (different) SSN when a case is processed from an SS-5 action and there is an EAB action on the same day. The second case that reaches the system is held and re-run the next day. This results in an exception since the SSN had already been issued the day before.

Recommendation 3

SSA should cross reference the multiple SSNs SSA assigned to newborns during our audit period.

Response

We agree. We will cross-refer the cases within 120 days of receipt from OIG. Also, we will review the cases and determine if further refinements can be made to the systems edit routine to prevent the assignment of multiple SSNs within 180 days after receipt of the cases from OIG.

Recommendation 4

SSA should re-emphasize the need for field office personnel to exercise greater care when resolving Enumeration Feedback Messages (EFM) generated by the Modernized Enumeration System (MES).

Response

We agree. Field offices should take great care to process EFMs, including the ones generated as a result of the Intelligence Reform and Terrorism Prevention Act software changes effectuated in December 2005. We released an Administrative Message (AM 080251) to this effect on February 6, 2006.

Recommendation 5

SSA should continue to monitor the timeliness of BVS submissions and work with those BVSs having difficulty complying with the time frames specified in the contracts.

Response

We agree. We have taken a number of actions to work with the States to assist them in complying with current contract timeframes. On August 22, 2000, we established a Frequently Asked Question (FAQ) on SSA's Internet site entitled "How Long Does it Take to get a Social Security Card for a Newborn?" The response provides the public

with each State's average processing time, and it also enables States to compare their performance against other States. This site is updated monthly.

Our Regional Offices receive management information reports for every EAB file that is submitted by their respective States. The Regions use these reports to monitor and keep in contact with their respective States regarding file submissions and average processing times.

Over the last several years, we have made contacts through our Regional Offices with Kentucky (KY), North Carolina (NC), and Illinois to determine what can be done to reduce the average age of birth files being submitted to SSA. Additionally, we have worked with Oklahoma, Louisiana, and Mississippi (MS) over the last year and most recently have initiated contact with Nevada to help them improve their processing time.

Despite our efforts, we still have several States that are consistently above the 30-day average. We hope to offer them solutions to bring their average age into contract compliance. We will continue to work with them and explain to them that we will have stricter guidelines for the 2008-2012 EAB contracts.

Average age varies depending upon the State's funding, ability to hire staff and to key existing backlogs. Therefore, we take 3-month snapshots and work with the States whose average processing times are over 30 days. We have been very successful in many States by reducing their average age of birth files below the 30-day national average. For example, we successfully reduced the average age for 6 of the 12 States mentioned in the report: Arkansas went down 6 days to a 30 day average; Delaware went down 7 days to a 25 day average; KY went down 24 days to a 44 day average; MS went down 10 days to 34 day average; NC went down 19 days to a 33 day average; and Pennsylvania went down 3 days to a 34 day average.

We will continue with monthly monitoring of all States' processing times, and will offer solutions to enable the States to maintain average ages that are within contract guidelines.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Kimberly A. Byrd, Director, 205-801-1605

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Acknowledgments

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