



## SOCIAL SECURITY

### **MEMORANDUM**

Date: June 17, 2003

Refer To:

To: The Commissioner

From: Inspector General

Subject: Data Matching with Foreign Countries (A-13-03-23015)

The attached final report presents the results of our audit. Our objective was to determine the availability of data in foreign countries the Social Security Administration could use to identify changes that may impact a beneficiary's right to, or amount of, Old-Age, Survivors and Disability Insurance benefits. Specifically, we limited our review to data contained in death records in Canada, England, and Ireland.

Please comment within 60 days from the date of this memorandum on corrective action taken or planned on each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr.".

James G. Huse, Jr.

Attachment

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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**DATA MATCHING WITH  
FOREIGN COUNTRIES**

**June 2003**

**A-13-03-23015**

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**AUDIT REPORT**

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## **Mission**

**We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.**

## **Authority**

**The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:**

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- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

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- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

## **Vision**

**By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.**

# *Executive Summary*

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## **OBJECTIVE**

Our objective was to determine the availability of data in foreign countries the Social Security Administration (SSA) could use to identify changes that may impact a beneficiary's right to, or amount of, Old-Age, Survivors and Disability Insurance benefits. Specifically, we limited our review to data contained in death records in Canada, England, and Ireland.

## **BACKGROUND**

As of December 2002, there were approximately 418,000 Old-Age, Survivors and Disability Insurance beneficiaries residing in foreign countries receiving about \$192 million in monthly benefits (about \$2.3 billion, annually). SSA advises beneficiaries that it is their responsibility to report specific events that could affect the beneficiary's right to, or amount of, benefits.

SSA has become the focal point in the United States for death data. SSA maintains a Death Master File, which contains about 70 million records, including SSA beneficiaries and non-beneficiaries, with verified and unverified reports of death. Approximately 2 million SSA beneficiaries die in the United States, annually. Friends, relatives, and funeral homes account for about 90 percent of the death notifications to SSA, postal authorities and financial institutions account for about 5 percent, and automated death matches with the States and others account for about 5 percent. SSA uses the death notifications to prevent benefit payments from being issued to deceased persons. The General Accounting Office has identified data sharing and matching as a best practice for identifying and reducing payment errors.

## **RESULTS OF REVIEW**

SSA conducts certain activities to identify changes that may impact beneficiaries residing in foreign countries. The Agency sends out questionnaires periodically, conducts validation surveys in foreign countries, and initiates projects under Mutual Assistance Agreements. However, information is available in death records maintained in foreign countries that SSA could use for electronic data matching. Although the General Accounting Office has determined that data matching is a "best practice" for identifying and reducing payment errors, SSA has neither conducted automated data matches of death information with foreign countries nor piloted any such data matches to determine their cost-benefit.

## **RECOMMENDATIONS**

We recommend that SSA:

1. Complete negotiations with Italy for establishing a model for an automated death data exchange.
2. Work with representatives of Canada, England, and Ireland to determine whether sufficient automated death information exists within these countries for use in matching with its benefit payment data.
3. Conduct pilot matches of automated death data, where feasible, using lessons learned and best practices obtained from the electronic death data match with Italy.
4. Determine whether continued matches should be initiated to prevent Old-Age, Survivors and Disability Insurance overpayments to deceased beneficiaries or their representative payees residing in foreign countries, based on cost-benefit data obtained from prior data matches.

## **AGENCY COMMENTS**

SSA generally agreed with our recommendations. Regarding Recommendation 2, the Agency stated that beyond determining whether sufficient automated death information exists, there would still be other legal and technological issues that would have to be resolved. In addition, the Agency provided other comments. The text of SSA's comments is included in Appendix B.

## **OIG RESPONSE**

We believe SSA should continue to expand its use of data matching to assist in identifying improper payments. As the Agency proceeds in these endeavors, it should continue to address any technological and legal barriers that may exist.

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## *Acronyms*

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|           |   |
|-----------|---|
| DMF       | Death Master File                           |
| GAO       | General Accounting Office                   |
| MAA       | Mutual Assistance Agreement                 |
| OASDI     | Old-Age, Survivors and Disability Insurance |
| Rep Payee | Representative Payee                        |
| SSA       | Social Security Administration              |
| SSN       | Social Security Number                      |

## OBJECTIVE

Our objective was to determine the availability of data in foreign countries the Social Security Administration (SSA) could use to identify changes that may impact a beneficiary's right to, or amount of, Old-Age, Survivors and Disability Insurance (OASDI) benefits. We limited our review to data contained in death records in Canada, England, and Ireland.

## BACKGROUND

As of December 2002, there were approximately 418,000 OASDI beneficiaries residing in foreign countries receiving about \$192 million in monthly benefits (about \$2.3 billion, annually). SSA advises beneficiaries that it is their responsibility to report specific events that could affect the beneficiary's right to, or amount of, benefits. Self-reporting occurs when a beneficiary, or their representative payee (Rep Payee), notifies SSA about such an event.<sup>1</sup> SSA provides instructions for beneficiaries or their Rep Payees regarding the types of events that must be reported promptly, after they occur. Reporting instructions specifically for beneficiaries residing outside the United States are contained in SSA Publication No. 05-10137, *Social Security: Your Payments While You Are Outside the United States*. Events that must be reported include

- change of address,
- work outside the United States,
- improvement of disability,
- marriage,
- divorce,
- child leaves care,
- inability to manage payments, and
- death.

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<sup>1</sup> A Rep Payee is a person or organization SSA selects to receive benefits on a beneficiary's behalf. Generally, SSA will select a Rep Payee if SSA determines the beneficiary cannot manage or direct the management of his/her benefit payments. 42 U.S.C. §§ 405(j) and 1383(a)(2).

SSA does not rely exclusively on self-reporting to determine appropriate benefit payments. The Agency also sends out questionnaires periodically to all OASDI beneficiaries, or their Rep Payees, residing in a foreign country.<sup>2</sup> Information obtained from the questionnaires could affect the beneficiary's right to, or amount of, benefits. Moreover, SSA conducts validation surveys<sup>3</sup> to determine the integrity of the program and the accuracy of the payments being made. SSA also relies on self-reporting for payments to beneficiaries residing in the United States to foster program integrity and help identify payment errors.

In addition, SSA uses data sharing and matching to supplement beneficiary self-reporting. In October 2001, the General Accounting Office (GAO) published a guide<sup>4</sup> on managing improper payments. GAO identified data sharing with vendors, States, and other Federal agencies as a "best practice" for identifying and reducing payment errors. GAO cited SSA for its use of this "best practice" and noted that SSA performs over 20 data matches with more than 10 Federal agencies and 3,500 State and local entities.<sup>5</sup>

As required by law,<sup>6</sup> SSA obtains death data from the States or their political subdivisions to compare that data to its own records. SSA makes this comparison to ensure it is making proper payments and that payments are not being sent to deceased persons.<sup>7</sup> Approximately 2 million SSA beneficiaries die in the United States, annually.<sup>8</sup> Friends, relatives, and funeral homes provide SSA about 90 percent of the death notifications. Postal authorities and financial institutions account for about 5 percent, and computer matches conducted by SSA identify the remaining 5 percent. SSA uses the Death Alert, Control, and Update System to match death data with its information for beneficiaries receiving benefit payments.

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<sup>2</sup> The questionnaires are Forms SSA-7162-OCR-SM for beneficiaries (Report to United States Social Security Administration) and SSA-7161-OCR-SM for Rep Payees (Report to United States Social Security Administration by Person Receiving Benefits for a Child or for an Adult Unable to Handle Funds). SSA distributes the questionnaires either annually or biennially depending on the country of residence and the type of benefits involved.

<sup>3</sup> A validation survey involves SSA making a personal contact with a beneficiary to confirm identity and continuing eligibility for benefits. A sample of beneficiaries is selected for contact to determine the soundness of the program as it concerns beneficiaries residing in a foreign country.

<sup>4</sup> *Executive Guide Strategies to Manage Improper Payments*, GAO-02-69G.

<sup>5</sup> *Id.* at 18. Federal entities performing data matching must do so in accordance with the provisions of the Privacy Act of 1974, as amended. 5 U.S.C. § 552a. Death information furnished to the Commissioner of SSA is exempt from the requirements of the Privacy Act. 42 U.S.C. § 405(r)(6); 5 U.S.C. § 552a(a)(2). This Audit is limited to examining the feasibility of data exchanges of death information. Exchanges of other information between SSA and foreign countries must be reviewed for compliance with the Privacy Act.

<sup>6</sup> 42 U.S.C. § 405(r).

<sup>7</sup> SSA also obtains death data from other Federal agencies that provide benefit payments, such as the Veterans Administration.

<sup>8</sup> Annual Statistical Supplement, 1999 to the Social Security Bulletin, table 6. F2.

SSA has become the focal point for death data in the United States. This extends beyond the Agency's core mission. SSA maintains a Death Master File (DMF), which contains about 70 million records including SSA beneficiaries and non-beneficiaries, with verified and unverified reports of death. In fact, SSA is required to make the DMF available to Federal and State agencies administering Federally funded benefits to match against their own beneficiary information.<sup>9</sup> SSA is also required to make the DMF available to the private sector.<sup>10</sup> SSA is authorized to pay the States or political subdivisions for their costs in transcribing their death data and transmitting the data to SSA. Alternately, SSA may charge users for the cost of providing these data.

To identify erroneous payments to deceased individuals, SSA's Death Alert, Control, and Update System performs computer matches with death data received from internal and external sources. SSA estimates it saves \$350 million, annually, in OASDI benefit payments and \$325 million in Supplemental Security Income payments through the overall use of data matching, including matches of death data.

## SCOPE AND METHODOLOGY

We limited our review to death records maintained in Canada, England, and Ireland. We selected these countries because they had a sizable Social Security beneficiary population (a total of approximately 124,000 beneficiaries), maintained death information in the English language, and maintained bilateral Totalization agreements<sup>11</sup> with SSA. See Appendix A for detailed information on each country.

To accomplish our objective, we:

- Reviewed SSA's policies, procedures, and statistics related to OASDI payments to beneficiaries residing outside the United States.
- Reviewed prior Office of the Inspector General and SSA reports related to death matches as well as the GAO guide regarding "best practices" for identifying and reducing payment errors.
- Interviewed SSA personnel responsible for data matches and payments to beneficiaries living abroad.
- Interviewed foreign government personnel responsible for recording and maintaining death records.
- Reviewed documentation describing data collection and recordation of vital life events in foreign countries.

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<sup>9</sup> 42 U.S.C. § 405(r)(3).

<sup>10</sup> 5 U.S.C. § 552. However, SSA may not disclose DMF information if SSA's only source of that information was a State Death Match. Program Operations Manual System, GN 03315.010(A)(2)(a).

<sup>11</sup> International Social Security agreements, often called "Totalization Agreements," have two main purposes: they eliminate dual taxation and help fill the gaps in benefit protection for workers who have divided their careers between the United States and another country. See 42 U.S.C. § 433.

Our audit was conducted between August 2002 and January 2003 in Baltimore, Maryland. The primary entities audited were SSA's Offices of International Operations and International Programs. Except for a limitation of scope regarding the assessment of internal controls and compliance with laws and regulations, we conducted our review in accordance with generally accepted government auditing standards.

## Results of Review

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SSA has engaged in activities to identify changes impacting OASDI benefit payments to beneficiaries residing in foreign countries. However, we determined that information is available in death records maintained by certain countries that the Agency could use to determine whether those payments need to be adjusted or terminated. Although there may be issues that need to be resolved, the data maintained by these countries could be used to perform electronic data matching of foreign death records with SSA's beneficiary rolls.

As of January 2003, SSA had begun discussions with representatives from Italy to establish electronic data exchanges, including death records. The discussions have centered on establishing a pilot project. SSA officials involved in the negotiations have expressed the opinion that this activity be completed and precede other potential data matches with foreign nations. The lessons learned from this activity are expected to provide useful information in establishing pilot programs with other nations. Also, Italy has the lead for data exchanges within the European Union and has already developed a web-based encrypted system that could be applied to future data exchanges.

SSA has also had preliminary discussions regarding electronic data exchanges with representatives from Ireland.

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### **SSA Conducts Certain Activities to Identify Changes Impacting Beneficiaries Residing in Foreign Countries**

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SSA has conducted certain activities in Canada, the United Kingdom, and Ireland to identify changes that may impact a beneficiary's right to, or amount of, OASDI benefit payments.<sup>12</sup> Those activities did not include electronic data matches, but did include the following.

#### **Canada**

- A validation survey was completed in 1969. The predominant problem areas identified were inaccurate dates of birth and unreported work activity. Based on its work, the Agency concluded there were enough instances of unreported work activity to support the need for improvements in its efforts to obtain information impacting beneficiaries' benefit payments. Another validation survey conducted in 1976 also found that unreported work activity was the primary problem.

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<sup>12</sup> The United Kingdom consists of a union of England, Scotland, Wales, and Northern Ireland. Throughout this report, we refer to the United Kingdom when referring to the sovereign entity that conducts international agreements with the United States. However, we limited our review to examining records only in England because most of the United Kingdom population resides in England, each country has variations in its recordkeeping, and review of record systems in the other entities in the United Kingdom is not necessary to meet the objective of this review.

- Pursuant to a 1996 Mutual Assistance Agreement (MAA),<sup>13</sup> the United States and Canada executed a detailed Administrative Understanding on Mutual Assistance in 1998. SSA requested that Canada confirm the existence of all Canadian residents age 90 and older receiving U.S. Social Security benefits. Approximately 3,000 beneficiaries were identified. As a result, SSA found that about \$151,000 in overpayments and \$17,000 in underpayments occurred because of non-reporting of, and/or discrepancies in, date of death. For this project, SSA provided Canada paper records, which were not formatted to enable electronic matching. Based on a recommendation from Canada, SSA will make every effort to exchange data electronically in future projects.
- During its 1998 validation survey, the first since 1976, SSA reviewed about 1,600 randomly selected beneficiaries. Survey results identified several items that could impact a beneficiary's right to, or amount of, OASDI benefit payments. Irregularities were found in the areas of existence and identity, unreported work activity, failure to report non-covered pension, and remarriage. SSA found four unreported deaths with overpayments totaling over \$36,000. SSA noted that the size of the country and beneficiary population made it difficult to monitor the program's integrity. The report contained a recommendation to conduct surveys more frequently, perhaps every 10 years.

## **United Kingdom**

- Pursuant to a 1992 MAA, the United States and the United Kingdom conducted a pilot project. SSA requested the United Kingdom personnel make home visits to two distinct groups: beneficiaries age 95 or older and beneficiaries with a Rep Payee. These groups were thought to be the most likely to contain an unreported death. No instances of unreported death were found in either group. However, SSA found the project's benefits outweighed the difficulties encountered in conducting the effort and recommended the possibility of further program integrity-related work.
- SSA requested, pursuant to another MAA, that United Kingdom representatives visit 1,000 randomly selected SSA beneficiaries to determine whether any events had occurred that would have affected payment accuracy. One instance of an unreported death was found. However, an estimated \$191,000 in overpayments was discovered because of unreported events, such as pension income or work activity. SSA concluded that these surveys were expensive, but necessary from an integrity perspective, and cost-beneficial.

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<sup>13</sup> An MAA is a formal Administrative Agreement whereby SSA and a foreign governmental entity spell out the details of a project that will entail mutual assistance.

## Ireland

- Since 2001, SSA and representatives of Ireland have been in discussions concerning future mutual assistance work. Both countries have agreed that a prerequisite for conducting a data match is that the data must be in an electronic form and contain data fields adequate to facilitate a match.

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### **SSA Could Use Death Records Maintained in Canada, England, and Ireland For Data Matching**

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SSA could use death records maintained in foreign countries in conducting an electronic data match to identify deaths of beneficiaries residing in those countries. Canada, England, and Ireland maintain death records that contain data fields<sup>14</sup> that could be used to determine when a beneficiary has died. We identified and obtained information regarding the recordation and maintenance of vital records located in these countries. SSA could electronically match its beneficiary data against the information maintained by these countries to identify beneficiaries that may have died.

## Canada

In Canada, vital records, including death records are recorded and maintained by Province, the regional government designation. These records may be maintained on paper, on microfilm, or electronically. Each Province has its own set of data fields. These data fields include name, dates and places of birth and death, marital status, parents' and spouse's names, and employment information. Records are maintained alphabetically and by date of death.

Canada has embarked on a project to establish a national routing system to replace the paper-based routing among the Provinces. This would facilitate an improved electronic transmission of vital event data. Canada anticipates that implementation of a national vital event capture and routing system will provide for more timely, accurate, and accessible data.

## England<sup>15</sup>

Within England, vital records, including death records are recorded and maintained in local Registrars' offices and also maintained at a centralized location in the General Register Office in London. Death records in London are maintained on paper, microfilm, and CD-ROM. Since 1984, indexes of death records have been automated and available on CD-ROM. Additionally, the indexes are being made available on-line. Data fields on the death certificate include name (including maiden name), dates and

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<sup>14</sup> Data fields include name, address, date of birth, date of death, etc.

<sup>15</sup> When reviewing how death records are recorded and maintained in the United Kingdom, we limited our review to England. Within the United Kingdom, there is an office responsible for registering vital events data for England and Wales, and there is a separate office each for Scotland and Northern Ireland.

places of birth and death, and occupation. Records are maintained alphabetically and by date of death.

## **Ireland**

In Ireland, death records are recorded and maintained in local Registrars' offices and at a centralized location in the General Register office in Dublin. Paper records are maintained in local Registrars' offices. Centralized records are maintained on microfilm. Data fields include name, age, gender, usual occupation and address of employer, and dates of birth and death. Records are maintained alphabetically and by date of death.

A consultant's report issued in 2001 reported Ireland's system of record was still largely manual and paper-based. The consultant recommended the creation of an automated system and database of vital records. The Government of Ireland has begun modernization initiatives. The modernization efforts will include Ireland's system of recording vital life events, such as death records. The conversion of archival records to an electronic medium has already begun, as has a project to capture all new records on an on-line computer system.

## **Performing Electronic Data Matching**

SSA-issued Social Security numbers (SSNs) were not used as an identifier in the vital records of countries for which we gathered information. However, this does not preclude electronic data matching. For example, SSA performed a pilot data match between the Master Beneficiary Record<sup>16</sup> and marriage/divorce records maintained by the State of Kansas. SSA used an Alphident<sup>17</sup> search to identify SSNs because the State of Kansas did not record the SSN on its marriage records. The data fields used to discover the SSN were last name, first name, middle initial, date of birth, and gender. These data fields are available or can be determined from the death data records maintained in Canada, England, and Ireland.

SSA does not obtain death data from foreign countries for electronic data matching. Furthermore, SSA has not piloted any foreign electronic data matches to determine whether this effort would be cost-beneficial. However, as of January 2003, SSA had begun discussions with representatives from Italy to establish automated data exchanges, including death records. These discussions may result in the Agency conducting an electronic data match with Italy. If an electronic data match is initiated, SSA should identify "best" practices and "lessons learned" for use in future data matches. SSA has held preliminary discussions regarding data exchange activities with representatives from Ireland.

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<sup>16</sup> The Master Beneficiary Record is a database of every OASDI beneficiary. It is established on an account basis after an initial claim action is received.

<sup>17</sup> The Alphident database contains records that allow SSA to search the Numident (master file of all assigned Social Security Numbers and their associated customer records) based on name and date of birth information. SSA can search the Alphident to match a name and date of birth with other databases and try to obtain a person's SSN.

Further, the Office of the Inspector General, Office of Investigations, has also initiated complementary efforts. Since November 2001, the Office of Investigations has been exploring the possibility of obtaining Mexican death records from a private entity for matching purposes and obtaining funding from SSA for this project.

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**Possible Impediments  
May Exist for Electronic  
Data Matching with  
Foreign Countries**

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Based on our discussions with Agency staff members and recordkeeping personnel in Canada, possible impediments may exist regarding electronic data matching. Possible impediments include concerns about disclosure of information and the lack of cost-benefit data.

For example, Canadian personnel expressed concerns about disclosure of vital record data. Representatives of the United Kingdom have also expressed concerns to the Agency that legal constraints<sup>18</sup> may exist regarding the ability to disclose its vital record data. During our review, representatives of Ireland were in negotiations with SSA and had not expressed concerns about their ability to disclose data. However, after we completed our review, representatives of Ireland expressed concerns to SSA about Ireland's ability to disclose data. In addition to their own laws, England and Ireland are members of the European Union and therefore are subject to European Union criteria regarding disclosure issues. However, the negotiations with Italy are expected to provide possible solutions for any potential impediments that may exist for future data matches.

The Agency lacks specific data on the cost-benefit of performing electronic data matching with foreign countries. In prior validation surveys and MAAs, SSA noted the projects were, beneficial and cost-effective. The Agency previously estimated that it saves \$350 million, annually, in OASDI benefits and \$325 million in Supplemental Security Income payments through domestic data matching. In an evaluation of its National Death Match, SSA has addressed the cost-benefit of performing domestic death data matching. As of the end of our field work in January 2003, the evaluation had not been released in final, and the results were unavailable. Also, when the data matching was performed using the State of Kansas data, which lacked SSNs, SSA stated that this data match proved to be both feasible and cost-effective. However, it was not feasible to use automated data matches to identify termination and benefit reduction situations without including manual screening and review.

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<sup>18</sup>Data Protection Act 1998.

# Conclusions and Recommendations

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GAO has recognized data matching to identify improper payments as a “best practice.” SSA has estimated hundreds of million dollars in savings annually by using data matching. Since SSA payments to OASDI beneficiaries residing abroad exceed \$2 billion, annually, SSA needs to explore additional cost-effective mechanisms that address the risk of improper payments. Death records in Canada, England, and Ireland contain data that can be matched with SSA records to determine potential improper payments.<sup>19</sup> Although these countries do not use SSA’s issued SSNs as an identifier, this does not preclude a matching initiative. We recommend that SSA:

1. Complete negotiations with Italy for establishing a model for an automated death data exchange.
2. Work with representatives of Canada, England, and Ireland to determine whether sufficient automated death information exists within these countries for use in matching with its benefit payment data.
3. Conduct pilot matches of automated death data, where feasible, using lessons learned and best practices obtained from the electronic death data match with Italy.
4. Determine whether continued matches should be initiated to prevent OASDI overpayments to deceased beneficiaries or their Rep Payee residing in foreign countries, based on cost-benefit data obtained from prior data matches.

## AGENCY COMMENTS

SSA generally agreed with our recommendations. Regarding Recommendation 2, the Agency stated that beyond determining whether sufficient automated death information exists, there would still be other legal and technological issues that would have to be resolved. In addition, the Agency provided other comments. The text of SSA’s comments is included in Appendix B.

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<sup>19</sup>We define an improper payment as caused by either an unreported or late-reported death.

## OIG RESPONSE

We believe SSA should continue to expand its use of data matching to assist in identifying improper payments. As the Agency proceeds in these endeavors, it should continue to address any technological and legal barriers that may exist.

# *Appendices*

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## **Canada, United Kingdom, and Ireland Fact Sheet**

|  | <b>Canada</b> | <b>United Kingdom</b> | <b>Ireland</b> |
|--|---------------|-----------------------|----------------|
| Number of beneficiaries residing in country            | 91,000        | 26,000                | 7,000          |
| Annual total benefits sent to beneficiaries in country | \$446 million | \$147 million         | \$49 million   |
| Death data recorded and maintained in English language | Yes           | Yes                   | Yes            |
| Existing bilateral agreement                           | Yes           | Yes                   | Yes            |
| Prior Mutual Assistance Agreement or Validation Survey | Yes           | Yes                   | Yes            |

## **Agency Comments**



## SOCIAL SECURITY

### MEMORANDUM - *Revision*

**Date:** May 23, 2003

**Refer To:** S1J-3

**To:** James G. Huse, Jr.  
Inspector General

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

**Subject** Office of the Inspector General Draft Report, "Data Matching with Foreign Countries"  
: (A-13-03-23015)—INFORMATION

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

Please let us know if we can be of further assistance. Staff questions can be referred to Janet Carbonara at extension 53568.

Attachment:  
SSA Response

## **COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “DATA MATCHING WITH FOREIGN COUNTRIES” A-13-03-23015**

We appreciate the opportunity to comment on this draft report. The Social Security Administration agrees that it would be beneficial to develop agreements with foreign countries to automatically exchange death data. However, it should be noted that the enforcement activities initiated by SSA in the three countries included in this report have not identified a major problem with unreported deaths. In fact, studies in Canada, England and Ireland show that in most cases, deaths are reported to SSA or the Foreign Service Posts on a timely basis.

### **Recommendation 1**

Complete negotiations with Italy for establishing a model for an automated death data exchange.

We agree. However, while negotiations have been initiated with Italy, there are a number of technological issues that have to be addressed that may impede or delay the successful implementation of a model. For example, because of different naming traditions in each country, a name on SSA’s databases and on Italian records may be shown differently even though they refer to the same individual. While we believe it is possible to resolve these issues, there is no guarantee we will be able to implement a fully automated death match.

### **Recommendation 2**

Work with representatives of Canada, England, and Ireland to determine whether sufficient automated death information exists within these countries for use in matching with its benefit payment data.

### **Comment**

The Agency has had preliminary discussions with Canada concerning the possibility of electronic data exchange pending completion of the data exchange pilot with Italy. However, beyond determining whether sufficient automated death information exists, there would still be other legal and technological issues that would have to be resolved. A resolution of those issues in a match with Italy does not guarantee they would be transferable to matches with other countries. For example, Italy’s privacy/disclosure concerns may be different from those of Canada, England or Ireland.

### **Recommendation 3**

Conduct pilot matches of automated death data, where feasible, using lessons learned and best practices obtained from the electronic death data match with Italy.

### **Comment**

The Agency will work to establish and conduct pilot matches using lessons learned and best practices obtained from the electronic death data match pilot with Italy.

### **Recommendation 4**

Determine whether continued matches should be initiated to prevent Old-Age, Survivors and Disability Insurance overpayments to deceased beneficiaries or their representative payees residing in foreign countries, based on cost-benefit data obtained from prior data matches.

### **Comment**

The Agency agrees to conduct an analysis of cost benefit data obtained from prior matches after the data exchange model pilot with Italy is negotiated.

## **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

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Evan Buckingham, Senior Program Analyst

Sandra Westfall, Senior Program Analyst

Kimberly Beauchamp, Writer-Editor

For additional copies of this report, please visit our web site at <http://www.ssa.gov/oig> or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to common Identification Number A-02-02-12033.

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Chairman and Ranking Minority Member, Committee on Government Reform and Oversight

Chairman and Ranking Minority Member, Committee on Governmental Affairs

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging

Social Security Advisory Board

# **Overview of the Office of the Inspector General**

## **Office of Audit**

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations and cash flow. Performance audits review the economy, efficiency and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

## **Office of Executive Operations**

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

## **Office of Investigations**

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

## **Counsel to the Inspector General**

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.