

Access Controls for the Social Security Number Verification Service

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Office of Audit Report Summary

Objective

To determine the effectiveness of the Social Security Administration's (SSA) controls to detect whether companies were improperly using SSA's employer verification programs for non-employment purposes.

Background

In 2005, SSA implemented the Social Security Number Verification Service (SSNVS) to assist employers with accurate wage reporting and increase the ease and convenience of verifying employee names and Social Security numbers (SSN).

SSA developed several fraud detection reports to help detect whether registered companies were properly using SSNVS. The SSNVS Failed Master Earnings File (MEF) check report helps ensure there is an employer/employee relationship between the user and individual verified. The Same Name/Different SSN Potential Fraud Identification report identifies users attempting to verify more than 50 combinations of the same name and different SSN for a single Employer Identification Number (EIN). The Same SSN/Different Name Potential Fraud Identification report identifies users attempting to verify more than 50 combinations of the same SSN and different name for a single EIN.

Our Findings

The controls to detect whether employers were improperly using SSA's SSNVS program for non-employment purposes need to be improved. The Failed MEF Check reports for Calendar Years 2009 and 2010, which included about 26 million transactions, were unreliable. The reports contained numerous false positive (meaning an employer/employee relationship existed), non-SSNVS, and duplicate transactions, which made it difficult for SSA staff to identify instances where employers may have been verifying individuals who were not employees.

The Same Name/Different SSN and Same SSN/Different Name Potential Fraud Identification reports effectively identified instances where registered companies may have been searching for valid name/SSN combinations. Our review of the reports generated in Fiscal Year 2010, found that seven employers may have inappropriately used SSNVS to search for valid name/SSN combinations for non-employees. Although SSA staff agreed that four of the seven employers may have used SSNVS for non-employment purposes, they were not consistent in contacting these employers to inform them about the appropriate use of SSNVS.

Our Recommendations

1. Determine whether to modify the existing Failed MEF Check report to ensure it is a reliable tool to detect whether registered companies are improperly using SSNVS for non-employment purposes or develop a more useful fraud detection tool.
2. Conduct outreach with registered companies regarding using the appropriate EIN when submitting verifications to reduce the number of transactions posted to the Failed MEF Check report.
3. Develop consistent procedures for contacting employers who appear on the fraud detection reports to ensure the appropriate use of SSNVS.

SSA agreed with all our recommendations.