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BY THE U.S. GENERAL ACCOUNTING OFFICE 118303

Report To The Chairman Senate Committee On Finance

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RELEASED

Complete And Accurate Information Needed In Social Security's Automated Name And Number Files

The Social Security Administration's automated name and number files contain incomplete and inaccurate information. Because the extent of the problems is not known, the impact on social security claimants and on the operation of the files cannot be measured. Failure to identify and correct the problems prevents Social Security from effectively using the files to perform those functions for which they were intended.

Since GAO's review, SSA has made progress in improving some of the problems discussed in this report.

GAO makes recommendations to further improve the quality of the files, including strengthening controls and preventing the continued accumulation of incomplete and inaccurate data.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-206913

The Honorable Robert J. Dole
Chairman, Committee on Finance
United States Senate

Dear Mr. Chairman:

This is our report on the need for the Social Security Administration to improve the information in its automated name and number files and to improve its social security number issuance process. This report is in response to a letter from Senator Russell B. Long, former Chairman, Senate Committee on Finance.

The Department of Health and Human Services reviewed a draft of this report and its comments have been incorporated.

As discussed with your office, we are sending a copy of the report to Senator Long. However, unless you publicly announce its contents earlier, we plan no other distribution of the report until 7 days from the date of the report. At that time, we will send copies to the Director, Office of Management and Budget; the Secretary of Health and Human Services; the Commissioner of Social Security; and other interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Gregory J. Ahart".

Gregory J. Ahart
Director

D I G E S T

Social Security Administration (SSA) studies and GAO analyses showed that some of the information in SSA's name and number files is incomplete, inconsistent, or inaccurate. These files are used by SSA in (1) issuing social security numbers (SSNs), (2) processing claims for social security benefits, (3) resolving discrepancies in posting individuals' earnings to their social security earnings records and updating those records, (4) verifying identification information provided by applicants for and recipients of Federal, State, and local government benefits, and (5) carrying out other important functions. (See p. 4.)

Ideally, the name and number files should have only one individual associated with each number and one number associated with each individual. However, SSA's number file has records that have the same SSN but the identifying information (name, place and date of birth, sex, etc.) does not appear to represent the same person. SSA has identified and is correcting about 2.1 million such records. (See p. 5.)

Another problem is that neither the name nor number files contain complete and accurate identifying information for all SSNs issued. In some cases records of original applications are missing or the information is incomplete or inaccurate. SSA quality assessments of the number issuing process show a continuous increase in the rate of errors found in identifying information over the three quarters ended June 1981. GAO verified that identifying information in many records is inconsistent. (See pp. 5 and 6.)

Furthermore, newly hired employees were inadequately trained in SSN issuance procedures, thereby contributing to breakdowns in the issuance process. (See p. 9.) Controls over SSN applications in process

and safeguards over blank cards were also inadequate. (See pp. 10 and 11.)

Errors made while manually processing SSN applications, inadequate screening and editing of application data, past policies which did not encourage rigorous requirements for accuracy of application data, current practices in issuing SSNs, and physical controls over social security applications in process, have contributed to the accumulation of incomplete and inaccurate information in SSA's automated files.

SSA is currently correcting some of these problems in its number file and is implementing a new SSN application processing system. This system will replace the existing processes and channel all SSN applications through one control process and subject SSN information to much closer scrutiny than in the past. (See p. 4.)

Although SSA is addressing some problems that are adversely affecting its number file, the extent of incomplete, inaccurate, and inconsistent information in both the name and number files has not been determined. Consequently, the impact of the files' quality on social security claimants and on the efficient, effective, and economical operation of the files cannot be measured.

To further improve the quality of information in SSA's automated name and number files, strengthen controls to prevent the continued accumulation of incomplete and inaccurate information, and reduce the vulnerability of having social security cards misplaced or stolen, SSA should continue efforts to improve the quality of SSN information and the effectiveness of the SSN issuance process.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH AND HUMAN SERVICES

GAO recommends that the Secretary direct the Commissioner of SSA to:

- Determine the extent of incomplete and inaccurate information currently in the name and number files and the impact that such erroneous data have on social security claimants and on the efficient, effective, and economical operation of the files. Then, on a priority basis, eliminate as many deficiencies as possible.

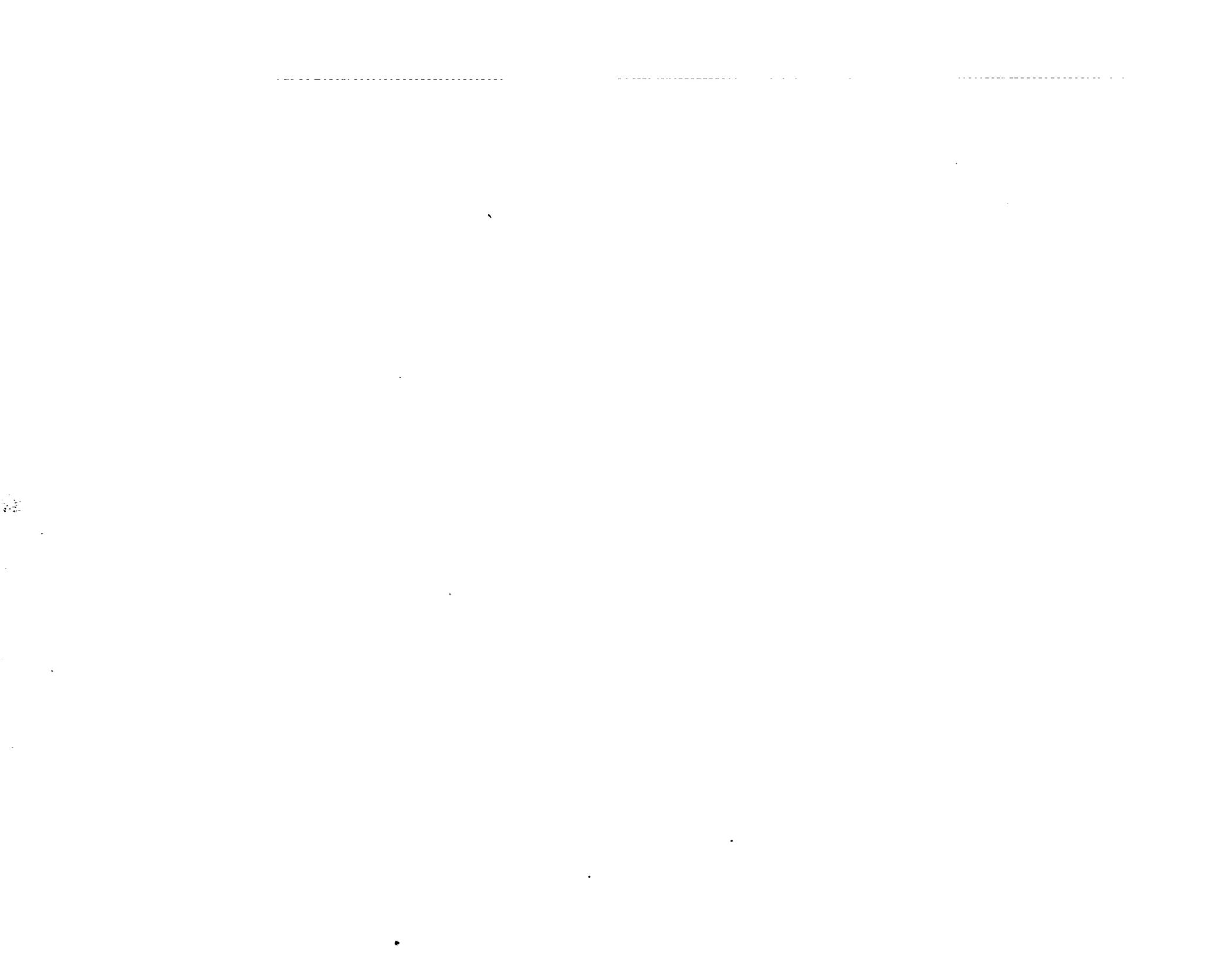
- Improve the editing and screening processes to further verify information and reduce the incomplete and inaccurate information entering the files due to errors caused by keying and manual SSN application processing.
- Establish tighter controls over SSN applications in process and blank social security cards, particularly at teleservice centers and district offices.
- Provide training to field office personnel who accept SSN applications to ensure that the required documentation is obtained and applications are checked for completeness and accuracy before the data are entered into the automated system.

AGENCY COMMENTS

In a March 1, 1982, letter, the Department of Health and Human Services agreed with GAO's findings and recommendations and stated that since GAO's review, SSA had made major progress in improving SSN file information and the SSN issuance process (see app. V). GAO recognizes that SSA has made progress in addressing problems and these efforts are continuing. GAO has not evaluated recent SSA efforts but believes that the changes it has made and is making should improve the conditions found during GAO's review and reduce the occurrence of problems in the future. (See p. 13.)

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The former Chairman, Senate Committee on Finance, asked GAO to monitor SSA's ongoing file quality studies, independently analyze some of the information in the number file, and provide the Committee the results of GAO's survey of the SSN issuance process.



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ABBREVIATIONS

GAO General Accounting Office
SSA Social Security Administration
SSN social security number

CHAPTER 1

INTRODUCTION

The Social Security Act of 1935 required workers and employers to finance workers' old-age benefits through payroll taxes on earnings. To determine eligibility for benefits and the amount of such benefits at retirement, a record of workers' earnings and taxes withheld had to be maintained. Consequently, in 1936 the Social Security Administration (SSA) devised a number system enabling it to maintain a record of, and facilitate access to, information on individuals' earnings. The key element in the system is a nine-digit social security number (SSN) that SSA assigns to each worker.

Since 1936 SSA has issued over 260 million SSNs. Currently, it maintains two automated files to help keep track of numbers issued. A name file lists alphabetically the names of all persons issued cards, and a number file lists sequentially all numbers issued. These files contain identifying information--name, date and place of birth, race, sex, and parents' names--on persons issued numbers. Because SSA uses one or more of these identifiers in most of its activities, this information is essential to its day-to-day operations. Over the years, however, incomplete and inaccurate information has been accumulating in these automated files.

OBJECTIVES, SCOPE, AND METHODOLOGY

The former Chairman, Senate Committee on Finance, requested that we (1) monitor SSA's file quality analysis studies, (2) compare data within and between files for completeness and consistency, and (3) report to the Committee the results of our evaluation of the SSN issuance process.

To comply with the Chairman's request, we interviewed agency personnel and examined the agency's work plans, progress reports, and internal memorandums on the progress of SSA file studies from August 1979 to May 1981. We reviewed the agency's file samples and the method used in selecting the samples. We also reviewed the agency's analyses of file data and its summaries, conclusions, and recommendations for correcting problems that affect the quality of these data.

To evaluate the completeness and consistency of data in SSA's records of SSNs, we examined selected records of applications for SSNs issued. These records contain identifying information (e.g., SSN, name, sex, and date of birth) from the original SSN applications or requests to change information previously provided. On a sample basis, we identified groups with more than one record and

more than one individual assigned the same number and compared the identifying information. Although we did not attempt to verify the accuracy of the data on any of the records examined, we did compare the records and noted whether there were inconsistencies among the data on each record. In some instances, the types of inconsistencies found are described as "errors" or "discrepancies" in this report. The types of inaccurate information described in this report are based on SSA study results.

Our estimates of erroneous SSN records are based on a sample of 22,470 SSNs which were documented in 29,775 records selected from the number file. 1/ Projected, the number file contained about 227 million of about 260 million SSNs issued and about 300 million of approximately 320 million records. The projected number of documented SSNs does not reflect the total number of SSNs issued because we projected on a smaller population. Our estimates have a statistical reliability at the 95-percent confidence level and were calculated based on errors or problems we found in the number file in April 1980.

Other problems discussed in this report were identified through observations of the SSN issuance process at a few processing points and may not be representative of conditions at other State and SSA offices that participate in the SSN issuance process. A description of the SSN issuance process as it existed during our review is included as appendix III. Although SSA has begun to change this process for its field offices, the changes were not fully implemented and therefore were not evaluated during our review.

Between January and September 1980, after we initiated our review, the Department of Health and Human Services' Office of Inspector General reviewed the SSN issuance process. The Office reviewed management practices and internal controls at SSA headquarters in Baltimore and several SSA field offices. The validity of SSN application data and the automated computer system were also evaluated. The findings in the Office of Inspector General's study which address the areas we studied are consistent with our findings.

In addition to evaluating the SSN file data and issuance process, we obtained the SSA Commissioner's views on the quality of the name and number files' information and SSA's progress in identifying and correcting deficiencies. (See app. II.)

1/We examined SSA's 0.01-percent random sample of 24,231 SSNs on 33,096 records but found no documentation for 1,761 SSNs, which accounts for the difference in sample sizes.

We made our review at SSA headquarters in Baltimore; SSA field offices in Baltimore, Camp Springs, Glen Burnie, Laurel, and Rockville, Maryland; and SSA data operations centers in Albuquerque, New Mexico, and Wilkes Barre, Pennsylvania. Because some States assist SSA by taking SSN applications for public assistance applicants and recipients, we also visited the Maryland Department of Human Resources and three of its field offices in the Baltimore area. This review was performed in accordance with GAO's current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

CHAPTER 2

INCOMPLETE AND INACCURATE RECORDS AND INADEQUATE CONTROLS HAVE AFFECTED THE RELIABILITY OF INFORMATION IN SSA'S NAME AND NUMBER FILES

Through monitoring SSA's efforts to improve the quality of the information in its name and number files, independently analyzing some of the information, and surveying the SSN issuance process, we identified conditions that adversely affect the reliability of information in the files. These conditions ranged from the incomplete and inaccurate documenting and cross-referencing of information in the files to inadequate document controls and safeguards. Basically, these conditions exist because of (1) errors made while keying information and manually processing SSN applications, (2) inadequate data screening and editing, (3) past policies and present practices in issuing SSNs, and (4) inadequate physical control over SSN applications and blank social security cards. SSA is currently addressing problems of incomplete and inaccurate information in its number file and is implementing a new system for processing SSN applications. This system will replace the existing processes and channel all SSN applications through one control process and subject SSN information to much closer scrutiny than in the past. These efforts should improve information in the file and the SSN issuance process.

The information in SSA's name and number files should be as complete, correct, and current as possible because it is essential to SSA's operations. The files are used in (1) issuing SSNs, (2) processing claims for social security benefits, (3) resolving discrepancies in posting individuals' earnings to their social security earnings records, (4) verifying identification information provided by applicants for and recipients of Federal, State, and local government assistance, and (5) carrying out other important functions (see app. IV). According to SSA, the name and number files should also have only one SSN associated with one person and one person associated with each number in the files.

Our analyses showed that the files did not meet these standards. Also, SSA's own studies of the number file showed that these standards were not being met. SSA did not, however, perform similar studies of the data quality in its name file and did not compare data among its name, number, and earnings files. It did make limited data comparisons between the number and earnings files. We believe such studies are necessary to determine the extent and impact of problems being caused by incomplete, inaccurate, and inconsistent data. The conditions discussed below limit SSA's ability to efficiently and effectively use the files to perform those important functions for which they were intended.

INFORMATION IS INCOMPLETELY AND
INACCURATELY DOCUMENTED AND
CROSS-REFERENCED

SSA's analyses and our evaluation of information in the name and number files indicated that conditions exist which could adversely affect the timeliness and accuracy of (1) issuing SSNs, (2) processing claims for social security benefits, (3) posting earnings to individuals' records, and (4) verifying SSNs. The specific conditions include:

- SSA identified a group of about 2.1 million records in its number file where two or more had the same SSN but, based on identifying information, did not represent the same person. According to SSA, about 70 to 80 percent of these records were incorrect because of keying errors which resulted in a one-digit transposition in the SSN. Although SSA said these records were recently corrected through computer matches and other computer techniques, the remaining records, which cannot be corrected by computers, will need to be corrected by manual reviews and processing changes. SSA estimates that it will take until December 1982 to correct all records.
- SSA discovered that about 3 million original applications were missing when it converted the number file to magnetic tape during the 1973-79 time frame. While SSA has a copy of all original applications on microfilm, it plans to use the microfilm in only about 700,000 cases where the files are largely void of the type of information that would be recorded on original applications. For the remaining 2.3 million cases where information has been added to the files from sources other than the original applications, SSA does not believe it would be cost effective to retrieve the original applications. According to SSA, the information sources it plans to use contain the most recent information needed to support SSA program needs. We did not assess the cost-effectiveness issue raised by SSA. However, since SSA has said that many of the other information sources it plans to use have been error prone, we believe that without retrieving all the missing original applications, the name and number files will continue to contain inaccurate information.
- Some name and number file records are incorrect because SSA issued cards to individuals with numbers that had been previously assigned to different people (duplicates). Although we cannot precisely quantify the extent to which duplicate numbers are issued, based on a 1-percent sample (17,949) of all applications processed through the name

and number files for 8 weeks during the first 6 months of 1978, SSA identified 33 cases wherein SSN applicants were issued numbers belonging to someone else. Furthermore, as a result of processing requests for duplicate cards, SSA estimates that, of a daily workload average of 13,000 cases, 35 are processed incorrectly. Although the incidents of processing information to the wrong SSN and/or issuing duplicate numbers are relatively low, the ramifications are significant and include (1) delays in processing social security claims, (2) delays in processing tax returns and receiving tax refunds, (3) posting earnings to the wrong workers' accounts, (4) inconveniencing the SSN holders, and (5) unnecessarily using time and resources to correct the name and number files and to recover improperly issued cards. SSA is aware of the duplicate issuance problem and expects a reduction in the instances in which the same number is issued to more than one individual when changes to the SSN issuance process are fully implemented.

--Based on a number file sample of 6,211 SSNs that had more than one record associated with them, we found questionable data entries, omissions, and errors in SSN holder identification information. The more prevalent errors were in parents' names and dates of birth--we estimate that there are about 3 million and 1.7 million SSNs, respectively, with errors in these two categories. According to SSA reports on the quality of these and other categories of identifying information being added to the file, such as the applicant's name, the error rate increased from 2.26 percent in the fourth quarter of 1980 to about 4.18 percent in the second quarter of 1981. Other SSA study groups have also identified errors in identification information and questionable data entries, such as sections of the records showing "unknown" and slashes in places assigned for name information. We also identified and estimated the extent of other discrepant conditions:

- A. 201,700 SSNs where an individual's name was on the number file but not on the name file.
- B. 110,935 SSNs in the name file but not in the number file.
- C. 121,020 SSNs where the information was inconsistent between the name and/or number files and the microfilm of the original application.

--Discrepancies exist between the number file and earnings file. Based on its 1978 file sample, SSA determined that more SSNs were in the earnings file than in the number file,

and that some SSNs in the number file were not in the earnings file, although these files should be consistent. SSA also found cases where the name, sex, race, and date of birth were not consistent in both files.

--According to a 1971 SSA task force report, the number file contains "multiple" SSNs; that is, two or more SSNs issued to one individual. When this happens, SSA should link or cross-reference the SSNs to one another. Although some multiple SSNs have not been detected, SSA has identified and attempted to cross-reference about 9 million. Many numbers, however, were either incorrectly linked or not completely linked to all of those that were known to be multiples. According to SSA, a system's problem that hindered efforts to cross-reference some of the known multiple SSNs has been corrected. SSA also believes that some other problems relating to the issuance of multiple numbers will be eliminated after the new changes to the SSN issuance process are implemented.

With regard to multiple numbers, the most important reason to cross-reference SSNs is to ensure that individuals claiming social security benefits have all earnings appropriately credited to their records. Traditionally, incomplete and incorrect cross-references have presented problems in determining the correct amount of an individual's earnings when a claim for benefits is being processed. Since some multiple SSNs are discovered when a claimant can prove more earnings than SSA has credited under one SSN, SSA officials have not undertaken a special effort to search the automated file to identify and correct multiple SSNs; they have relied on claimants who can recognize and prove a discrepancy. According to an SSA study, a special effort to search the automated files to locate multiple SSNs or incorrect cross-references would be costly and could create additional errors.

Since SSA is responsible for maintaining records of individuals' earnings, we believe it should ensure that all earnings are appropriately credited to individuals' accounts. Therefore, in our opinion, SSA should identify, correct, and complete all possible multiple SSN cross-reference errors and improve its SSN issuance and cross-reference processes to minimize future problems with multiple SSNs.

MANY FACTORS CONTRIBUTE TO
THE INCOMPLETELY AND INAC-
CURATELY DOCUMENTED AND CROSS-
REFERENCED FILE INFORMATION

There are several reasons why the name and number files contain incompletely and inaccurately documented and cross-referenced information. Most of the inaccurate information is the result of

keying errors; but SSA's manual application processing, past policies and current practices in issuing SSNs, and inadequate screening and editing of applications allow incomplete and inaccurate information to enter the automated name and number files. Also, poor controls over the physical handling of applications contribute to the discrepancies in the files.

SSA's keying and manual processes are error prone

Many errors are made when information is keyed for automated use. For example, in a 1981 SSA quality assessment report, about 75 percent of the errors found in identifying information was directly attributed to keying mistakes that were not caused by the illegibility of the information being keyed. SSA believes that keying errors also caused about 70 to 80 percent of the 2.1 million cases identified from the 1973-79 conversion, where two or more records had the same SSN but did not represent the same person. Also, when SSN applicants allege to have had an SSN previously and SSA cannot locate the name or alleged number through electronic screening of the automated name file, these applications are processed manually. According to SSA, improper clerical resolutions of these so-called "exception items" and improper keying of resolved items are the primary causes of inaccurate information in the name and number files. Furthermore, SSA believes that errors in manual processing and keying are the primary reasons why duplicate SSNs are issued and multiple SSNs are incorrectly cross-referenced. Based on our independent analysis, we concur.

Policies and practices in issuing SSNs and handling applications have not been stringent

SSA's policy during the early years of its program was to issue numbers based only on an individual's statement about his/her name, date and place of birth, sex, parents' names, etc., and to require no evidence of identity. The intent was to make the number issuing process as fast and simple as possible. According to SSA, large percentages of multiple numbers were issued during the earlier years when some people believed that they needed a new number each time they changed employment and consequently applied for another SSN. On subsequent requests for SSNs, variations in identifying information would sometimes result. Since screening procedures--the process used to determine whether an individual had already been issued an SSN--were not very efficient, another number was usually issued. These practices contributed to the inaccurate and incomplete file data. Disparities in identifying information contribute to the incomplete multiple SSN cross-references today.

Improved screening procedures, and tighter issuance policies, such as requiring documented evidence of age, identity, etc., have improved the quality of information in the files and probably reduced the number of multiple issuances. However, errors continue to occur because of continuing problems in the issuance process or because individuals provide false information to support SSN applications. In a December 23, 1980, report entitled "Reissuing Tamper-Resistant Cards Will Not Eliminate Misuse of Social Security Numbers" (HRD-81-20), we described incidences that were observed that may cause multiple SSNs to be issued, mainly because SSA field office personnel did not comply with the issuance procedures. For example:

- Incompletely or inaccurately coded applications were forwarded for processing.
- Evidentiary procedures (relating to SSA requirements for SSN applicants to provide evidence of age, identity, and citizenship) were not always followed.
- Misuse of SSN expediting procedures (the communication system that field personnel use to obtain an SSN for an applicant when there is an immediate need) was causing issuance of many duplicate cards with the same number and some multiple numbers--i.e., more than one number to the same individual.

Moreover, during visits to SSA's field offices, we noted that one factor contributing to the breakdowns in SSN issuance procedures was that newly hired, low-salaried employees--who were inadequately trained in issuance procedures--were assigned as SSN account clerks. In addition, they were inadequately trained to determine, upon inspection, the genuineness of the evidentiary documents that SSA is relying on for SSN issuance. However, SSA officials told us that some training on detecting fraudulent documents has been completed and additional training material is being developed to raise the fraud awareness of its field office personnel and improve their abilities to detect bogus alien immigration documents. Also, SSA is conducting training on the new SSN application processing system.

Just as policies and practices for issuing SSNs have contributed to the files' condition, past practices in handling applications have affected the completeness of the files. Before the number file was converted to magnetic tape, it was a paper file maintained in file cabinets. During the conversion, SSA realized that many of the original paper SSN applications had been misplaced or lost. As a consequence, information from about 3 million missing original applications was not added to the automated files. SSA plans to recover some of the information from a microfilm copy of the original applications.

Controls over SSN applications
in process and safeguards over
blank cards are inadequate

Currently, SSA has over 1,300 field offices that accept, process, and forward original SSN applications to data operations centers, where the applications are checked for accuracy. If the information appears to be accurate, it is keyed onto computerized tape and forwarded to SSA headquarters in Baltimore. In addition to processing original applications, the field offices issue replacement and name change cards. SSA has also entered into agreements with 31 States, the District of Columbia, and Puerto Rico which permit them to process SSN applications for individuals who do not have an SSN when applying for or receiving benefits from the Aid to Families with Dependent Children program.

In surveying the SSN issuance process, we noted application control deficiencies at different levels of SSN application processing. At the State level, there is no audit trail for an application once submitted to SSA. Therefore, applications cannot be traced through the different levels of processing. Furthermore, the States do not maintain counts of individual applications or even control totals of the number of applications they submit to SSA, so they cannot determine when an application is lost or misplaced.

Similarly, SSA field offices batch and periodically mail SSN applications to a designated SSA data operations center; however, no control records are kept on the individual applications batched and, as with State-processed applications, there is no way of identifying or locating lost or added applications. Although the centers have established procedures for controlling batches of applications once they are received, there are no assurances that all individual applications received by the centers originated at an authorized field office. Therefore, illegitimate SSN applications can be processed and numbers issued based on identifying information that was not verified by an authorized State or SSA field office. Also, since the centers do not keep individual counts of incoming applications, there is no assurance that all batched applications received by the centers are, in fact, processed through each step to the central computer facility in Baltimore. SSA said that the new processing system will improve controls over SSN applications in process.

Just as controls are needed over SSN applications, controls are also needed to safeguard blank social security cards. If an applicant requests a social security card because the original was destroyed or lost, a duplicate card is issued. To provide this service, SSA district offices and teleservice centers have supplies of blank cards. During our survey of the SSN issuance process and as previously reported in our December 23, 1980,

report referred to earlier, we observed that there were inadequate controls over the card stock sent from the central supply point in Baltimore to SSA field offices and over the total number of blank cards kept in the offices.

Blank cards at SSA field offices receive inadequate physical control and protection. For instance, at one district office, a working supply of blank cards was kept in an unlocked file cabinet in the receptionist's area. No controls were established and district personnel could not tell if any cards were missing. At one teleservice center, 17 cases of cards were available and stored in a lockable supply area. However, clerical personnel had day-to-day access to cards, as well as a working supply in their own desks. Moreover, there was no control over the card stock, so the field office personnel could not tell if any blank cards had been misplaced or stolen.

The blank social security card is particularly vulnerable to unauthorized use. A firm dealing in fraudulent social security card supply would only have to fill out blank cards with any name and number; they could be fictitious or those of other persons. In either case, the potential for fraudulent SSN use is significant. According to SSA, blank SSN card stocks will no longer be maintained in field offices. As the new SSN application processing system is implemented in each office, the blank card stock is destroyed.

CONCLUSIONS

Considering the many important functions of SSA's name and number files, the information in those files should be as complete, accurate, and current as possible. However, the files contain much incomplete and inaccurate information. The extent of the problem and its impact are not known although studies by GAO, SSA, and the Department of Health and Human Services' Office of the Inspector General have identified some major problems and recommended ways to improve the accuracy and completeness of the information in the files and the SSN issuance process. SSA has initiated actions to correct some of the file problems and improve the SSN issuance process. For example, by December 1982, SSA plans to complete corrective action on several major problems contributing to the incomplete and inaccurate information in the number file. Furthermore, the new system of district office direct input of SSN application data, currently being implemented in SSA field offices, is expected to improve the SSN issuance process and the quality of data entered into the automated files. We have not evaluated the effectiveness of the new system.

We believe that the problems identified in the SSN issuance process as it currently exists make the system vulnerable to error

and abuse. Failure to further identify and correct problems with the information in the name and number files prevents SSA from efficiently and effectively using the files to perform those functions for which they were intended.

To further improve the quality of information in SSA's automated name and number files, strengthen controls to prevent the continued accumulation of incomplete and inaccurate information, and reduce the vulnerability of having blank social security cards misplaced or stolen, SSA should continue efforts to improve the quality of SSN information and the effectiveness of the SSN issuance process.

RECOMMENDATIONS TO THE SECRETARY
OF HEALTH AND HUMAN SERVICES

We recommend that the Secretary direct the Commissioner of SSA to:

- Determine the extent of incomplete and inaccurate information in the name and number files and the impact that such erroneous data have on social security claimants and on the efficient, effective, and economical operation of the files. SSA should then eliminate as many deficiencies as possible.
- Improve the editing and screening processes to further verify information and reduce the amount of incomplete and inaccurate information entering the files due to errors caused by keying and manual SSN application processing.
- Establish tighter controls over SSN applications in process and blank social security cards, particularly at teleservice centers and district offices.
- Provide training to field office personnel who accept SSN applications to ensure that the required documentation is obtained and applications are checked for completeness and accuracy before the data are entered into the automated system.

AGENCY COMMENTS

In a letter dated March 1, 1982 (see app. V), the Department of Health and Human Services agreed with our findings and recommendations and stated that since our review, SSA had made major progress in improving SSN file information and the SSN issuance process. With regard to our specific recommendations, the Department stated that:

- Reduced manual processing and additional screening of SSN applications should result in fewer errors.

- The new system for district office direct input of SSN application information will result in better controls over the application process.
- Blank SSN cards have been destroyed by the 48 offices using the new system and other offices will destroy their stock as they join the system.
- Training in detecting fraudulent documents and on the new system for issuing SSNs is being provided to those involved in the SSN issuance process.

We recognize that since our review SSA has made progress in addressing problems with SSN file information and the SSN issuance process and these efforts are continuing. We have not evaluated recent SSA efforts but believe that the changes it has made and is making should improve the conditions found during the review and reduce the occurrence of problems in the future.

RUSSELL B. LONG, LA., CHAIRMAN

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DANIEL PATRICK MOYNIHAN, N.Y.	DAVID DURENBERGER, MINN.
MAX BAUCUS, MONT.	
DAVID L. BOREN, OKLA.	
BILL BRADLEY, N.J.	

MICHAEL STERN, STAFF DIRECTOR
ROBERT E. LIGHTNIZER, CHIEF MINORITY COUNSEL

United States Senate

COMMITTEE ON FINANCE
WASHINGTON, D.C. 20510

June 27, 1979

The Honorable
Elmer B. Staats
Comptroller General of
the United States
General Accounting Office
441 G Street, N. W.
Washington, D. C. 20548

Dear Mr. Staats:

The Committee on Finance has approved several measures to improve the accuracy of the Social Security Administration's name and number files and the overall integrity of the social security number (SSN). We are still concerned that these measures are not being properly implemented and that additional legislation in this matter may be required.

For lack of a better means of identifying individuals, Federal, State, and local agencies have turned more and more to the SSN to establish positive identification. For example, the Internal Revenue Service has been using the SSN to identify and process the returns of millions of taxpayers, the Office of Personnel Management controls personnel records with the number, and it is used in the administration of several Federal assistance programs. State and local Government and private industry use of the number is widespread.

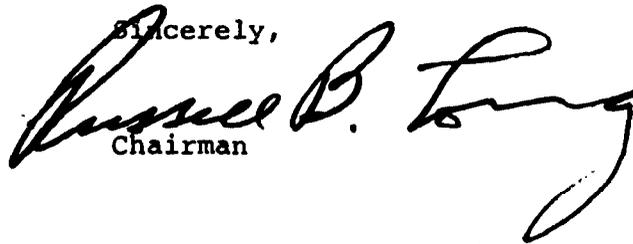
Over the years, SSA has become more aware of problems with the integrity of the number and is currently working to identify and rectify some of these problems by attempting to purify its files. Between May and August 1979, they plan to perform a thorough name and SSN file quality analysis to determine completeness and validity of file data. Among other things, the analysis should identify deficiencies, determine corrective action to be taken, and highlight the effects on user needs.

In light of SSA's efforts, I would like to request that the GAO (1) monitor the SSN file quality analysis, (2) perform analyses of the new SSN file by comparing different date elements such as name and date of birth, and (3) provide the Committee with the results of GAO's ongoing survey of the SSN issuance process.

Please report the final results of your activities to the Committee. In the interim, I would appreciate it if you would provide biweekly written status reports on SSA's progress in its efforts to identify and correct problems in the SSN file to the Committee staff. Send the interim reports and please direct any questions you have on this matter to William R. Galvin, professional staff member.

With every good wish, I am

Sincerely,

A handwritten signature in cursive script, reading "Russell B. Long". The signature is written in black ink and is positioned above the printed name "Russell B. Long".

Russell B. Long

Chairman



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
BALTIMORE, MARYLAND 21235

JUN 23 1980

OFFICE OF THE COMMISSIONER

Mr. Peter J. McGough
Group Director
Human Resources Division
General Accounting Office
Baltimore, Maryland

Dear Mr. McGough:

I am replying to Mr. Michael Zimmerman's March 12, 1980 letter about GAO's examination of the quality of SSA's automated enumeration files. Responses to the specific questions in that letter are enclosed.

In the past decade much effort has been spent on modernizing the enumeration system. One of these efforts was to convert approximately 265 million form SS-5 applications to magnetic tape. Much work remains to be completed before we are satisfied the enumeration system is responsive to all the demands made on it--including the demand that it contain the highest quality data that is practical.

Sincerely,

A handwritten signature in cursive script that reads "William J. Driver".

William J. Driver
Commissioner of Social Security

Enclosure

Responses to GAO's Questions About
SSA's Automated Enumeration File

- 1. Question:** Has SSA made any studies (other than the three mentioned in GAO's letter) of the enumeration files within the last 5 years? If so, what problems were identified and how were they corrected?

Response: An internal SSA Enumeration Task Force did a study of the enumeration system in 1977-78. While their charter was not specifically geared to the quality of the files, problems were identified and recommendations made to improve file quality. One recommendation was to improve the handling of records for people who have only one name rather than a surname and a given name. Another recommendation was to emphasize proper and legible completion of SSN applications to SSA field office personnel who initially receive the applications. Other recommendations involved process improvements which were developed to work around a less than perfect quality file. All of the recommendations have been or soon will be implemented.
- 2. Question:** Are the results of the Office of Systems' Numident file analysis reflective of the condition of the Alphident file? What is the basis for your opinion?

Response: The Office of Systems (OS) Numident file study is not yet complete. It should be finished shortly and will be available to GAO. According to Dr. Herbert Maisel, who is directing the study, it looks like there are some problems with the quality of the Numident file. Any problem with the Numident may well extend to the Alphident, but we cannot say this definitely at this time.
- 3. Question:** Is SSA planning an analysis of the Alphident file and if so, what will it cover and when will it be implemented.

Response: No analysis of the Alphident is planned at this time. However, we will take a close look at the findings and recommendations of the OS Numident study to see what corrective action, if any, is needed. Any problems identified in the report with regard to the Alphident file will also be reviewed to determine the appropriate course of action.
- 4. Question:** What file problems identified in the Office of Operational Policy and Procedures (OOPP) File Quality Analysis and the OS Numident studies mentioned above, have been corrected?

Response: None. However, an OOPP File Quality Analysis recommendation to correct 2.1 million discrepant enumeration file records is now being implemented. The electronic correction of approximately

80 percent of these records has been scheduled for August 29. Clerical correction of the remaining 20 percent of discrepant records will follow. As for the OS Numident study, when the study is completed we will take a detailed look at the findings and determine what corrective actions are called for.

5. Question: What file problems that could affect SSA's enumeration activities have been identified but not corrected? Could these and/or other problems have an adverse impact on external users such as Federal and State agencies and the private sector? And does SSA plan to inform these users about the quality of the files and whether they can rely on the accuracy of the information within? ..

Response: Apart from the 2.1 million discrepant records mentioned above, the only significant problem is approximately 3 million SSN's for which form SS-5 data is missing from enumeration files. For many of the 3 million SSN's, the enumeration files contain data from the form 7003 which people use to report name changes to their SSN records. This problem is now being analyzed to determine its exact impact on users and the best way to address it. In general, though, the main impact of incomplete or inaccurate records in the automated file appears to be the extra clerical searching effort required in the manual files when an inquiry cannot be handled electronically. Finally, it is SSA policy to make all users--internal and external alike--aware of what the SSN automated files can and cannot do.

6. Question: What rationale is used for determining which type of file analyses are needed and how are these efforts prioritized and coordinated?

Response: Analyses are generally undertaken in response to perceived problems, and the type of analysis is suited to the problem perceived. Analyses are prioritized and coordinated on a project basis. In the case of the OS Numident study and the OOPP File Quality Analysis, the two reviews have a different history and a different focus. The OS Numident study is an Associate Commissioner initiated effort and is now intended to determine the quality of the Numident file data and recommend methods of dealing with any deficiencies found. The File Quality Analysis is an OOPP Office of Enumeration and Earnings Records effort which is now geared to defining uses and users of the files and to developing recommendations for resolving known file problems. Any file deficiencies and recommendations emanating from the OS Numident study will be reviewed and factored into OOPP's File Quality Analysis, as appropriate, since OOPP has overall responsibility for the enumeration files. The OOPP File Quality Analysis is now scheduled for completion by August 1980.

7. **Question:** What is your opinion on the overall quality of SSA's enumeration data base?

Response: We believe the overall quality is good. However, this does not mean improvements are not needed. Our goal will continue to be to achieve and maintain a complete, accurate and usable enumeration data base.

HOW THE SSN ISSUANCE PROCESS WORKS 1/

SSA's issuance process encompasses the application for and assignment and issuance of SSNs. To get an SSN or change an SSN record, an individual must complete an application (Form SS-5) or a request for a change (Form OAA-7003), usually at an SSA local field office. The individual must also provide evidence of age and identity. In certain situations, such as when replacing a lost social security card, the local office will attempt to verify the person's alleged number before issuing another social security card by using local or central office files. Requests for new SSNs and requests for replacement social security cards whose numbers cannot be verified locally will be forwarded by mail to one of three SSA data operation centers (in Salinas, California; Albuquerque, New Mexico; or Wilkes Barre, Pennsylvania) for further processing.

The centers sort, review, and microfilm applications daily. After the applications are microfilmed, creating a permanent record, the data on the Forms SS-5 and OAA-7003 are put on magnetic tape and transmitted through telecommunications to SSA headquarters in Baltimore for processing.

The automated SSN information system data base is composed of two magnetic tape files--the "Alphident" or name file and the "Numident" or number file. The name file lists in alphabetical sequence the surname of each individual issued an SSN and should contain the same identifying information as in the number file. This information consists of an individual's assigned SSN, current name, date and place of birth, race, sex, father's name, and mother's maiden name. The name file is the primary file in the automated system and SSA headquarters uses it to screen all SSN applications. Its value lies in providing information relevant to an individual, based on that person's name. Using the identifying information provided by the applicant or requestor, SSA screens each request to determine whether a number has been previously assigned to an individual, to locate and verify a previously issued SSN, and/or to locate SSNs that could belong to an individual but which would require manual verification. Information from the name file is also made available on microfilm for clerical use. SSN cases which cannot be resolved through electronic screening are produced on worksheets for manual investigation. According to SSA, about 2 million applications for SSNs or duplicate social security cards were received for electronic processing during the first quarter of 1981. About 410,000 or 17 percent of those cases had

1/This process is expected to change for SSA offices with the implementation of a new system designed for district office direct input of SSN application data. Implementation for all 1,300 field offices is expected to be completed during 1982.

to be manually screened to the name file microfilm. Although SSA uses the name file primarily in the SSN issuance process, it also uses the file to maintain and update individuals' earnings records and to locate the SSNs of absent parents for the Office of Child Support programs. Once an absent parent's SSN is obtained, other social security files are searched to locate a current address for that parent.

The number file is in numerical sequence by SSN and should contain identifying information for all individuals issued numbers since 1936. Its value lies in providing information relevant to an individual based on that person's SSN. Its primary purpose is to provide number and name verification for requests other than those for issuing a number or for making changes to an existing record. For example, internal users refer to the number file when (1) processing retirement, survivors, or disability claims to verify names and SSNs, (2) manually verifying identifying information for SSNs that seem to belong to an individual but for some reason do not match perfectly when screened in the automated process, (3) resolving cases where wages were posted to the wrong account, and (4) responding to congressional inquiries. SSA makes about 14,000 such references to the number file daily. Additional uses of the file are listed in appendix IV.

SSA headquarters maintains the automated name and number files data base which assigns and issues SSNs and is the repository of over 320 million SSN records for about 260 million SSNs issued since 1936. Each year about 7 million new SSNs are assigned and over 4.3 million changes to the SSN records are processed.

The SSN is a basic identifier which is used for recording workers' earnings and for paying benefits, and according to SSA, much effort is spent to ensure that it does not issue the same number to more than one person or more than one SSN to an individual except under special circumstances. The name and number files are helpful in this regard because they store identifying information on each number-holder for use in finding the proper SSN when the number is unknown or for verifying that no prior SSN has been issued. The identifying information in the files is also used to update SSA's and other Federal agencies' data bases. The name and number files are used to produce reports and SSN information for use in SSA internal operations and by States, the Internal Revenue Service, and others.

The process of assigning SSNs varies depending on the type and nature of the application or request received at the central office. After receiving the application or request from a data operations center, the central office computer edits the data to ensure proper format and completeness. For applications for a new SSN or verification of an SSN, the computer matches the name and other identifying information on the application against the automated name file to determine if an SSN has been previously

issued for that name. If a match is found, a duplicate card is prepared using the previously assigned SSN. If an exact match is not found and the application is for a child under age 17 who does not allege having a prior number, the computer will assign a new SSN and prepare a card. In all other cases wherein an individual may have been issued a number previously, possible matches are generated and the computer prints the application data on worksheets for clerical investigation. The worksheet review process involves a more detailed search against the name file microfilm, and if needed, a check against the name file. If no match is found in the manual search, a new number is assigned; however, if a match is determined, the corresponding number is reassigned.

Once the matching process is completed and the identifying information verified, where appropriate, this information is added to the name file, an SSN is assigned, and a new, revised, or replacement social security card is issued. SSA then updates the number file with the SSN and the new or revised identifying information.

USES OF SSA'S AUTOMATED NUMBER FILE

- For SSN process audit and detection of fraud
- For detecting possible duplicate Supplemental Security Income payments
- To verify identity and citizenship of individual Supplemental Security Income cases
- To verify SSNs submitted by pension funds, handling of special requests for earnings statements, for mortality information on reimbursable cases, and for copies of SS-5s to be used in court cases
- For processing congressional or special interest cases or "problem" cases
- For resolving disagreements and errors in making adjustments to earnings records
- To verify name file information previously received on tape in certain correspondence and reinstatement cases
- For responding to correspondence from State officials requesting SSN verification
- To draw a 1-percent sample for quality assessment reviews
- To obtain SS-5 microprints for the redevelopment of monthly samples of adjudicated Retirement, Survivors, and Disability Insurance cases
- For statistical purposes, such as mortality studies, current work history sample, and survey of income and program participation
- For special studies involving the SSN issuance or claims processes
- To process correspondence and cases involving earnings records
- For claims adjudication
- To resolve SSN discrepancies on Medicare claims
- To validate name and SSN information on annual wage reports



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

MAR 1 1982

Mr. Gregory J. Ahart
Director, Human Resources
Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft of a proposed report "The Social Security Administration Needs to Improve the Information in Its Automated Name and Number Files." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

As you know my office has reviewed the related fraud aspects of this issue in some depth, and is currently reviewing SSA's action plan to implement our recommendations. Though the scope of our review differs from yours, there is some overlap. Accordingly we will keep you informed of those SSA actions pertinent to your review.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

Richard P. Kusserow
Inspector General

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON GAO
DRAFT REPORT, "SSA NEEDS TO IMPROVE THE INFORMATION IN ITS
AUTOMATED NAME AND NUMBER FILES"

General Comments

It should be emphasized that many of the findings and recommendations in this draft report relate to the Social Security Number (SSN) files and processes as GAO found them in 1980, when GAO actually did most of the work on this review. In fact, SSA has made major strides in improving the content of the 360-million plus SSN records and in tightening the processes for issuing numbers. We are currently implementing several major process changes and corrective actions. The most prominent of these innovations is the District Office Direct Input (DODI) of SSN applications. This system replaces three separate issuance processes. When it becomes completely operational (May 1982), all SSN requests will go through one automated control process and will be subjected to more intense editing techniques than in the past.

Once DODI and the other enhancements are in place, we plan to extend DODI to the State welfare agencies. We also plan to evaluate whether SSN evidence requirements and the security of the SSN process should be further strengthened.

GAO Recommendation

Determine the extent of incomplete and inaccurate information in the name and number files and the impact that such erroneous data have on social security claimants and on the efficient, effective, and economical operation of the files. SSA should then eliminate as many discrepancies as possible.

Department Comment

We do not disagree with the recommendation, but it does not take into account action already taken to improve file quality.

--GAO notes that SSA had identified 2.1 million incorrectly recorded cases. SSA has already corrected about 1.6 million and is now in the process of correcting the remainder. SSA expects to complete them by December 1982.

--GAO reports that SSA had identified about 3 million records on the name and number file that did not contain complete identifying information. It is true that we do not have original identifying information for these records on the electronic file. However, for 2.3 million of the 3 million electronic records we do have the complete most recent identifying information that is needed to satisfy SSA program needs. The other 700,000 records are on microfilm and we will convert these to the electronic file by December 1982.

--GAO reports that SSA had not identified all multiple SSN situations, and others were incorrectly or incompletely linked. SSA subsequently corrected a system-linking problem and is presently updating the multiple number records. In addition the 3 separate SSN issuance processes will be replaced by DODI and this will correct problems related to multiple numbers.

GAO Recommendation

Improve the editing and screening process to further verify information and reduce the amount of incomplete and inaccurate information entering the files due to errors caused by keying and manual SSN application processing.

Department Comment

We agree; this is being done. Actions already implemented have significantly reduced manual worksheet activity in recent years and SSA has additional systems changes in testing and under study to practically eliminate the manual actions. Under DODI, SSA has proceduralized a separate review in the field offices of all SSN applications and the final keyed product. This should aid in reducing errors and will allow for detection and correction of errors that do occur.

GAO Recommendation

Establish tighter controls over SSN applications in process and blank SSN cards, particularly at teleservice centers and district offices.

Department Comment

We agree. This recommendation is being addressed through DODI. As DODI is implemented in each office, the blank SSN card stock is destroyed. Blank cards have already been destroyed in the 48 pilot offices.

DODI also brings with it enhanced clerical and automated controls over SSN applications in process.

GAO Recommendation

Ensure that field office personnel who accept SSN applications are properly trained to obtain the required documentation and that data are complete and accurate before entered into the automated system.

Department Comments

We agree, and this is being done. SSA has just conducted extensive training on detecting fraudulent documents, is presently conducting training on the DODI process, and is actively developing additional training materials to upgrade the

capabilities of all field employees involved in the SSN process. The DODI keying process and edit routines will verify that data are complete, and, coupled with the training currently being conducted, the accuracy of the critical data in current actions should improve.

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