

Flawed Social Security data say 6.5M in US reach age 112

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In this Aug. 14, 1935, file photo President Franklin Roosevelt signs the Social Security bill in Washington. Americans are getting older, but not this old: Social Security records show that 6.5 million people in the U.S. have reached the ripe old age of 112. In reality, only few could possibly be alive. As of last fall, there were only 42 people known to be that old in the entire world. But Social Security does not have death records for millions of people with birth dates stretching back as far as 1869, according to a report by the agency's inspector general. The first old-age monthly benefit check was paid in 1940, after President Franklin D.

Roosevelt had signed the Social Security Act in 1935. (AP Photo, File)

Americans are getting older, but not this old: Social Security records show that 6.5 million people in the U.S. have reached the ripe old age of 112.

In reality, only few could possibly be alive. As of last fall, there were only 42 people known to be that old in the entire world.

But Social Security does not have death records for millions of these people, with the oldest born in 1869, according to a report by the agency's inspector general.

Only 13 of the people are still getting Social Security benefits, the report said. But for others, their Social Security numbers are still active, so a number could be used to report wages, open bank accounts, obtain credit cards or claim fraudulent tax refunds.

"That is a real problem," said Sen. Ron Johnson, R-Wis. "When you have a fake Social Security number, that's what allows you to fraudulently do all kinds things, claim things like the earned income tax credit or other tax benefits."

Johnson is chairman of the Senate Committee on Homeland Security and Governmental Affairs, which plans a hearing Monday on problems with death records maintained by the Social Security Administration.

The agency said it is working to improve the accuracy of its death records. But it would be costly and time-consuming to update 6.5 million files that were generated decades ago, when the agency used paper records, said Sean Brune, a senior adviser to the agency's deputy

commissioner for budget, finance, quality and management.

"The records in this review are extremely old, decades-old, and unreliable," Brune said.

The internal watchdog's report does not document any fraudulent or improper payments to people using these Social Security numbers. But it raises red flags that it could be happening.

For example, nearly 67,000 of the Social Security numbers were used to report more than \$3 billion in wages, tips and self-employment income from 2006 to 2011, according to the report. One Social Security number was used 613 different times. An additional 194 numbers were used at least 50 times each.

People in the country illegally often use fake or stolen Social Security numbers to get jobs and report wages, as do other people who do not want to be found by the government. Thieves use stolen Social Security numbers to claim fraudulent tax refunds.

The IRS estimated it paid out \$5.8 billion in fraudulent tax refunds in 2013 because of identity theft. The head of the Justice Department's tax division described how it's done at a recent congressional hearing.

"The plan is frighteningly simple—steal Social Security numbers, file tax returns showing a false refund claim, and then have the refunds electronically deposited or sent to an address where the offender can access the refund checks," said acting Assistant Attorney General Caroline Ciruolo.

In some cases, she said, false tax returns are filed using Social Security numbers of deceased taxpayers or others who are not required to file.

The Social Security Administration generates a list of dead people to help public agencies and private companies know when Social Security numbers are no longer valid for use. The list is called the Death Master File, which includes the name, Social Security number, date of birth and date of death for people who have died.

The list is widely used by employers, financial firms, credit reporting agencies and security firms. Federal agencies and state and local governments rely on it to police benefit payments.

But none of the 6.5 million people cited by the inspector general's report was on the list. The audit analyzed records as of 2013, looking for people with birth dates before 1901.

President Franklin D. Roosevelt signed the Social Security Act in 1935, and the first old-age monthly benefit check was paid in 1940.

Many of the people cited in the inspector general's report never received benefits, though they were assigned Social Security numbers so spouses and children could receive them, presumably after they died.

The agency says it has corrected death information in more than 200,000 records. But fixing the entire list would be costly and time-consuming because Social Security needs proof that a person is dead to add them to the death list, said Brune, the agency official.

Brune noted that the inspector general's report did not verify that any of the 6.5 million people are actually dead. Instead, the report assumed they are dead because of their advanced age.

"We can't post information to our records based on presumption," Brune said. "We post information to our records based on evidence, and in this case it would be evidence of a death certificate."

"Some of those records may not even exist," Brune added.

Nearly all the Social Security numbers are from paper records generated before the agency started using electronic records in 1972, Brune said. Many of the records contain errors, with multiple birthdates and bits of information about different family members.

"We did transcribe paper records into the electronic system and over time that information's been purified," Brune said.

"But our focus right now is to make sure our data is as accurate and complete as it can be for our current program purpose," said Brune. "Right now, we're focused on making sure we're paying beneficiaries properly, and that's how we're investing our resources at this time."

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