



Personal Finance

# Citing identity fraud, US will limit public's access to death records

By Richard Rubin  
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WASHINGTON — The government is poised to limit public access to death records that identity thieves have used for years to commit tax fraud.

A provision in the budget measure cleared by the Senate Wednesday would limit access to information in the Social Security Administration's Death Master File to certified entities, such as life insurers and pension funds that use the data to combat fraud and administer benefits. The limits would apply for three years after an individual's death.

"We're going to save the US government money that otherwise is being stolen," said Senator Bill Nelson, Democrat of Florida.

The changes would save the government an estimated \$786 million over the next decade by reducing fraudulent claims, according to the Congressional Budget Office.

The limits also may keep genealogists from seeing the records immediately.

Nelson and other lawmakers have been trying for several years to limit access to the death records. On the Senate floor Tuesday, he cited the cases of children whose identities had been stolen after they died.

In a typical case, an identity thief files a tax return using a stolen Social Security number before the legitimate return can be filed, claiming a refund and plunging the real taxpayer's family into months

of limbo.

"Worrying about the stolen identity of a loved one is the last thing a grieving family should do," Representative Sam Johnson, a Texas Republican and chairman of the House Ways and Means Committee's panel on Social Security, said in a statement.

According to the independent National Taxpayer Advocate, the annual caseload for the Internal Revenue Service's identity theft unit increased 78 percent to 450,000 cases in fiscal 2012.

Thieves obtain taxpayers' personal information in other ways, too, including through stolen payroll records.

Companies including New York Life Insurance Co., Equifax Inc., and Nationwide Mutual Insurance Co. have been lobbying Congress on the death list issue, according to Senate records.

Stuart Pratt, chief executive of the Consumer Data Industry Association, said lawyers are studying the language to see how it would work in practice. The group, which includes companies such as the credit-reporting service Experian PLC and credit data provider CoreLogic Inc., was encouraged by exceptions for business purposes, he said.

"It's critically important that the legitimate business needs are preserved," Pratt said.

The death records became public after the government settled a lawsuit in 1980. The government created the file and began selling it rather than responding to individ-

ual requests.

The legislation would exempt the records from the federal Freedom of Information Act and give the Commerce Department 90 days to set up a process to certify legitimate users. The public would have access to the data three years after an individual's death.

In a statement, Republican Utah Senator Orrin Hatch cited "confusion and ambiguity" during the legislative process and said there should be "balance" as Commerce officials write rules.

"We need a robust rulemaking process, where all interested parties are afforded the time and opportunity to adequately express their interests," said Hatch.

In the Senate Tuesday, Nelson, Patty Murray, Democrat of Washington, and Bob Casey, Democrat of Pennsylvania, said the government shouldn't interpret the law to cut off access immediately.

"It's essential to strike the correct balance," Casey said.



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New rules will limit genealogy researchers' access to US files.