

Report Summary

Social Security Administration Office of the Inspector General

January 2009



Objective

To assess the probability that more than one individual worked under the same Social Security number (SSN) when the earnings record indicated a large number of employers reported wages for the numberholder in Tax Year (TY) 2005.

Background

Because the Social Security Administration (SSA) bases future benefits on earnings an individual accumulates over his or her lifetime, accuracy in recording those earnings is critical. SSA maintains a Master Earnings File (MEF) of annual wages reported by employers and the Internal Revenue Service (IRS) for U.S. workers. SSA's ability to ensure individuals' earnings are properly credited to the MEF is greatly dependent on employers and employees accurately reporting SSNs and names on a Form W-2 (*Wage and Tax Statement*).

To view the full report, visit
<http://www.ssa.gov/oig/ADO/BEPDF/A-08-08-18002.pdf>

Earnings Records with Multiple Employer Identification Numbers (A-08-08-18002)

Our Findings

Our audit confirmed that earnings records with wages reported by multiple employers in 1 year may indicate SSN misuse. That is, when SSA receives wage reports for one numberholder from more than six employers in 1 year, it may suggest that multiple individuals are using the SSN and name to work. For example, in our sample of numberholders with wages reported by 6 to 12 employers, it appears that 1.6 percent of the SSNs/names were used by more than 1 person to work in the U.S. economy. Additionally, in our sample of numberholders with wages reported by 13 to 100 employers, we estimate that 2,268 (10.5 percent) of the 21,603 SSNs in the population were used by more than 1 person for work purposes.

Along with our Office of Investigations, we determined there are legitimate reasons an individual may receive wage reports from multiple employers. For example, for TY 2005 cases in which over 100 employers reported wages for a numberholder, we found no evidence of SSN misuse. Rather, it appears these 14 numberholders served as resident agents, officers and/or board members for numerous "passive investment corporations" and received wages from each.

Our Recommendation

Evaluate the feasibility of adding a special indicator code on the Numident for those numberholders who disclaimed wages with SSA or the IRS and alleged that someone other than the true numberholder used his or her SSN and name to work. This indicator should prevent the issuance of replacement SSN cards and/or SSN Verification Printouts without independent verification of identity documents.

SSA agreed with the recommendation.