

113TH CONGRESS  
2D SESSION

# S. 1360

---

## AN ACT

To amend the Improper Payments Elimination and Recovery Improvement Act of 2012, including making changes to the Do Not Pay initiative, for improved detection, prevention, and recovery of improper payments to deceased individuals, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Improper Payments  
3 Agency Cooperation Enhancement Act of 2014”.

4 **SEC. 2. DISTRIBUTION OF DEATH INFORMATION FUR-**  
5 **NISHED TO OR MAINTAINED BY THE SOCIAL**  
6 **SECURITY ADMINISTRATION.**

7 (a) IN GENERAL.—

8 (1) IN GENERAL.—Section 205(r) of the Social  
9 Security Act (42 U.S.C. 405(r)) is amended—

10 (A) in paragraph (2)—

11 (i) by striking “may” and inserting  
12 “shall”; and

13 (ii) by inserting “, and to ensure the  
14 completeness, timeliness, and accuracy of,”  
15 after “transmitting”;

16 (B) by striking paragraphs (3), (4), and  
17 (5) and inserting the following:

18 “(3)(A) The Commissioner of Social Security shall,  
19 to the extent feasible, provide for the use of information  
20 regarding all deceased individuals furnished to or main-  
21 tained by the Commissioner under this subsection in ac-  
22 cordance with subparagraph (B), subject to such safe-  
23 guards as the Commissioner of Social Security determines  
24 are necessary or appropriate to protect the information  
25 from unauthorized use or disclosure, by any Federal or  
26 State agency providing federally-funded benefits or admin-

1 istering a Federal program for such benefits, including the  
2 agency operating the Do Not Pay working system for en-  
3 suring proper payment of those benefits, through a cooper-  
4 ative arrangement with the agency (that includes the  
5 agency's Inspector General) or with an agency's Inspector  
6 General, if—

7           “(i) under such arrangement the agency (in-  
8 cluding, if applicable, the agency's Inspector Gen-  
9 eral) provides reimbursement to the Commissioner of  
10 Social Security for the reasonable cost of carrying  
11 out such arrangement, including the reasonable  
12 costs associated with the collection and maintenance  
13 of information regarding deceased individuals fur-  
14 nished to the Commissioner pursuant to paragraph  
15 (1), and

16           “(ii) such arrangement does not conflict with  
17 the duties of the Commissioner of Social Security  
18 under paragraph (1).

19           “(B) The Commissioner of Social Security shall, to  
20 the extent feasible, provide for the use of information re-  
21 garding all deceased individuals furnished to or main-  
22 tained by the Commissioner under this subsection,  
23 through a cooperative arrangement in order for a Federal  
24 agency to carry out any of the following purposes, if the

1 requirements of clauses (i) and (ii) of subparagraph (A)  
2 are met:

3           “(i) Operating the Do Not Pay working system  
4 established by section 5 of the Improper Payments  
5 Elimination and Recovery Improvement Act of 2012.  
6 Under such arrangement, the agency operating the  
7 working system may compare death information dis-  
8 closed by the Commissioner with personally identifi-  
9 able information reviewed through the working sys-  
10 tem, and may redisclose such comparison of infor-  
11 mation, as appropriate, to any Federal or State  
12 agency authorized to use the working system.

13           “(ii) To ensure proper payments under a Fed-  
14 eral program or the proper payment of federally-  
15 funded benefits, including for purposes of payment  
16 certification, payment disbursement, and the preven-  
17 tion, identification, or recoupment of improper pay-  
18 ments.

19           “(iii) To carry out tax administration or debt  
20 collection duties of the agency.

21           “(iv) For use by any policing agency of the  
22 Federal Government with the principle function of  
23 prevention, detection, or investigation of crime or  
24 the apprehension of alleged offenders.

1       “(4) The Commissioner of Social Security may enter  
2 into similar arrangements with States to provide informa-  
3 tion regarding all deceased individuals furnished to or  
4 maintained by the Commissioner under this subsection,  
5 for any of the purposes specified in paragraph (3)(B), for  
6 use by States in programs wholly funded by the States,  
7 or for use in the administration of a benefit pension plan  
8 or retirement system for employees of a State or a political  
9 subdivision thereof, if the requirements of clauses (i) and  
10 (ii) of paragraph (3)(A) are met. For purposes of this  
11 paragraph, the terms ‘retirement system’ and ‘political  
12 subdivision’ have the meanings given such terms in section  
13 218(b).

14       “(5) The Commissioner of Social Security may use  
15 or provide for the use of information regarding all de-  
16 ceased individuals furnished to or maintained by the Com-  
17 missioner under this subsection, subject to such safe-  
18 guards as the Commissioner of Social Security determines  
19 are necessary or appropriate to protect the information  
20 from unauthorized use or disclosure, for statistical pur-  
21 poses and research activities by Federal and State agen-  
22 cies if the requirements of clauses (i) and (ii) of paragraph  
23 (3)(A) are met. For purposes of this paragraph, the term  
24 ‘statistical purposes’ has the meaning given that term in

1 section 502 of the Confidential Information Protection  
2 and Statistical Efficiency Act of 2002.”; and

3 (C) in paragraph (8)(A)(i), by striking  
4 “subparagraphs (A) and (B) of paragraph (3)”  
5 and inserting “clauses (i) and (ii) of paragraph  
6 (3)(A)”.

7 (2) REPEAL.—Effective on the date that is 5  
8 years after the date of enactment of this Act, the  
9 amendments made by this subsection to paragraphs  
10 (3), (4), (5), and (8) of section 205(r) of the Social  
11 Security Act (42 U.S.C. 405(r)) are repealed, and  
12 the provisions of section 205(r) of the Social Secu-  
13 rity Act (42 U.S.C. 605(r)) so amended are restored  
14 and revived as if such amendments had not been en-  
15 acted.

16 (b) AMENDMENT TO INTERNAL REVENUE CODE.—  
17 Section 6103(d)(4) of the Internal Revenue Code of 1986  
18 is amended—

19 (1) in subparagraphs (A) and (B), by striking  
20 “Secretary of Health and Human Services” each  
21 place it appears and inserting “Commissioner of So-  
22 cial Security”; and

23 (2) in subparagraph (B)(ii), by striking “such  
24 Secretary” and all that follows through “deceased  
25 individuals.” and inserting “such Commissioner pur-

1       suant to such contract, except that such contract  
2       may provide that such information is only to be used  
3       by the Social Security Administration (or any other  
4       Federal agency) for purposes authorized in the So-  
5       cial Security Act or this title.”.

6       (c) REPORT TO CONGRESS ON ALTERNATIVE  
7 SOURCES OF DEATH DATA.—

8               (1) REQUIREMENTS.—The Director of the Of-  
9       fice of Management and Budget shall conduct a re-  
10       view of potential alternative sources of death data  
11       maintained by the non-Federal sources, including  
12       sources maintained by State agencies or associations  
13       of State agencies, for use by Federal agencies and  
14       programs. The review shall include analyses of—

15               (A) the accuracy and completeness of such  
16       data;

17               (B) interoperability of such data;

18               (C) the extent to which there is efficient  
19       accessability of such data by Federal agencies;

20               (D) the cost to Federal agencies of access-  
21       ing and maintaining such data;

22               (E) the security of such data;

23               (F) the reliability of such data; and

1 (G) a comparison of the potential alternate  
2 sources of death data to the death data distrib-  
3 uted by the Commissioner of Social Security.

4 (2) REPORT.—Not later than 4 years after the  
5 date of enactment of this Act, the Director of the  
6 Office of Management and Budget shall submit a re-  
7 port to Congress on the results of the review and  
8 analyses required under paragraph (1). The report  
9 shall include a recommendation by the Director of  
10 the Office of Management and Budget regarding  
11 whether to extend the agency access to death data  
12 distributed by the Commissioner of Social Security  
13 provided under the amendments made by subsection  
14 (a)(1) beyond the date on which such amendments  
15 are to be repealed under subsection (a)(2).

16 **SEC. 3. IMPROVING THE SHARING AND USE OF DATA BY**  
17 **GOVERNMENT AGENCIES TO CURB IM-**  
18 **PROPER PAYMENTS.**

19 The Improper Payments Elimination and Recovery  
20 Improvement Act of 2012 (31 U.S.C. 3321 note) is  
21 amended—

22 (1) in section 5—

23 (A) in subsection (a)(2), by striking sub-  
24 paragraph (A) and inserting the following:

1           “(A) The death records maintained by the  
2           Commissioner of the Social Security Adminis-  
3           tration.”; and

4           (B) in subsection (b)—

5           (i) by redesignating paragraph (5) as  
6           paragraph (6); and

7           (ii) by inserting after paragraph (4)  
8           the following:

9           “(5) USE OF DEATH AND PRISONER INFORMA-  
10          TION.—The Commissioner of Social Security, and  
11          the head of any other agency that obtains informa-  
12          tion on deaths or incarcerated individuals directly  
13          from the Commissioner of Social Security pursuant  
14          to an agreement under section 205(r) or sections  
15          202(x) and 1611(e) of the Social Security Act (42  
16          U.S.C. 405(r), 405(x), 1382(e)) or the Department  
17          of the Treasury’s Do Not Pay program, shall be con-  
18          sidered to have satisfied the requirements of this  
19          section as such requirements relate to payments or  
20          to identifying, preventing, or recovering improper  
21          payments in the case of deaths or incarcerated indi-  
22          viduals. Nothing in the preceding sentence shall be  
23          construed as exempting the Commissioner of Social  
24          Security or the head of any other agency that ob-  
25          tains information on deaths or incarcerated individ-

1 uals directly from the Commissioner of Social Secu-  
2 rity under an agreement under section 205(r) or sec-  
3 tions 202(x) and 1611(e) of the Social Security Act  
4 (42 U.S.C. 405(r), 405(x), 1382(e)) or the Depart-  
5 ment of the Treasury’s Do Not Pay program from  
6 being subject to any improper payment reporting re-  
7 quirement of the Director of the Office of Manage-  
8 ment.”; and

9 (2) by adding at the end the following:

10 **“SEC. 7. IMPROVING THE USE OF DEATH DATA BY GOVERN-**  
11 **MENT AGENCIES.**

12 “(a) PROMPT REPORTING OF DEATH INFORMATION  
13 BY THE DEPARTMENT OF STATE AND THE DEPARTMENT  
14 OF DEFENSE.—Not later than 1 year after the date of  
15 enactment of this section, the Secretary of State and the  
16 Secretary of Defense, in coordination with the Commis-  
17 sioner of Social Security, shall establish a procedure under  
18 which each Secretary shall, promptly and on a regular  
19 basis, submit to the Commissioner information relating to  
20 the deaths of individuals. The Commissioner shall, to the  
21 extent feasible, provide for the use of death information  
22 submitted under this subsection for the purpose specified  
23 in clause (i) of section 205(r)(3)(B) of the Social Security  
24 Act (42 U.S.C. 405(r)(3)(B)).

1       “(b) GUIDANCE BY THE OFFICE OF MANAGEMENT  
2 AND BUDGET.—

3           “(1) GUIDANCE TO AGENCIES.—Not later than  
4       6 months after the date of enactment of this section,  
5       and in consultation with the Council of Inspectors  
6       General on Integrity and Efficiency and the heads of  
7       other relevant Federal, State, and local agencies,  
8       and Indian tribes and tribal organizations, the Di-  
9       rector of the Office of Management and Budget  
10      shall issue guidance for each agency or component  
11      of an agency that operates or maintains a database  
12      of information relating to beneficiaries, annuity re-  
13      cipients, or any purpose described in section  
14      205(r)(3)(B) of the Social Security Act (42 U.S.C.  
15      405(r)(3)(B)) for which improved data matching  
16      with databases relating to the death of an individual  
17      (in this section referred to as ‘death databases’)  
18      would be relevant and necessary regarding imple-  
19      mentation of this section to provide such agencies or  
20      components access to the death databases no later  
21      than 6 months after such date of enactment.

22           “(2) PLAN TO ASSIST STATES AND LOCAL  
23      AGENCIES AND INDIAN TRIBES AND TRIBAL ORGANI-  
24      ZATIONS.—Not later than 1 year after the date of  
25      enactment of this section, the Director of the Office

1 of Management and Budget shall develop a plan to  
2 assist States and local agencies, and Indian tribes  
3 and tribal organizations, in providing electronically  
4 to the Federal Government records relating to the  
5 death of individuals, which may include rec-  
6 ommendations to Congress for any statutory  
7 changes or financial assistance to States and local  
8 agencies and Indian tribes and tribal organizations  
9 that are necessary to ensure States and local agen-  
10 cies and Indian tribes and tribal organizations can  
11 provide such records electronically. The plan may in-  
12 clude recommendations for the authorization of ap-  
13 propriations or other funding to carry out the plan.

14 “(c) REPORTS.—

15 “(1) REPORT TO CONGRESS ON IMPROVING  
16 DATA MATCHING REGARDING PAYMENTS TO DE-  
17 CEASED INDIVIDUALS.—Not later than 270 days  
18 after the date of enactment of this section, the Di-  
19 rector of the Office of Management and Budget, in  
20 consultation with the heads of other relevant Federal  
21 agencies, and in consultation with States and local  
22 agencies, Indian tribes and tribal organizations, shall  
23 submit to Congress a plan to improve how States  
24 and local agencies and Indian tribes and tribal orga-  
25 nizations that provide benefits under a federally-

1 funded program will improve data matching with the  
2 Federal Government with respect to the death of in-  
3 dividuals who are recipients of such benefits.

4 “(2) ANNUAL REPORT.—Not later than 1 year  
5 after the date of enactment of this section, and for  
6 each of the 4 succeeding years, the Director of the  
7 Office of Management and Budget shall submit to  
8 Congress a report regarding the implementation of  
9 this section. The first report submitted under this  
10 paragraph shall include the recommendations of the  
11 Director required under subsection (b)(2).

12 “(d) DEFINITIONS.—In this section, the terms ‘In-  
13 dian tribe’ and ‘tribal organization’ have the meanings  
14 given those terms in section 4 of the Indian Self-Deter-  
15 mination and Education Assistance Act (25 U.S.C.  
16 450b).”.

17 **SEC. 4. AVAILABILITY OF THE DO NOT PAY INITIATIVE TO**  
18 **THE JUDICIAL AND LEGISLATIVE BRANCHES**  
19 **AND STATES.**

20 Section 5 of the Improper Payments Elimination and  
21 Recovery Improvement Act of 2012 (31 U.S.C. 3321  
22 note), as amended by section 3, is further amended—

23 (1) in subsection (b)(3)—

24 (A) in the paragraph heading, by striking

25 “BY AGENCIES”; and

1 (B) by adding at the end the following:

2 “States and any contractor, subcontractor, or  
3 agent of a State, and the judicial and legislative  
4 branches of the United States (as defined in  
5 paragraphs (2) and (3), respectively, of section  
6 202(e) of title 18, United States Code), shall  
7 have access to, and use of, the Do Not Pay Ini-  
8 tiative to verify payment or award eligibility for  
9 payments (as defined in section (2)(g)(3) of the  
10 Improper Payments Information Act of 2002,  
11 31 U.S.C. 3321 note) when, with respect to a  
12 State, the Director of the Office of Manage-  
13 ment and Budget determines that the Do Not  
14 Pay Initiative is appropriately established for  
15 that State and any contractor, subcontractor, or  
16 agent of the State, and, with respect to the ju-  
17 dicial and legislative branches of the United  
18 States, when the Director of the Office of Man-  
19 agement and Budget determines that the Do  
20 Not Pay Initiative is appropriately established  
21 for the judicial branch or the legislative branch,  
22 as applicable.”; and

23 (2) in subsection (d)(2)—

24 (A) in subparagraph (B), by striking  
25 “and” after the semicolon;

1 (B) in subparagraph (C), by striking the  
2 period at the end and inserting “; and”; and

3 (C) by inserting after subparagraph (C)  
4 the following:

5 “(D) may include States and their quasi-  
6 government entities, and the judicial and legis-  
7 lative branches of the United States (as defined  
8 in paragraphs (2) and (3), respectively, of sec-  
9 tion 202(e) of title 18, United States Code) as  
10 users of the system in accordance with sub-  
11 section (b)(3).”.

12 **SEC. 5. DATA ANALYTICS.**

13 Section 5 of the Improper Payments Elimination and  
14 Recovery Improvement Act of 2012 (31 U.S.C. 3321  
15 note), as amended by sections 3 and 4, is further amended  
16 by adding at the end the following:

17 “(h) REPORT ON IMPROPER PAYMENTS DATA ANAL-  
18 YSIS.—Not later than 180 days after the date of enact-  
19 ment of the Improper Payments Agency Cooperation En-  
20 hancement Act of 2014, the Secretary of the Treasury  
21 shall submit to Congress a report which shall include a  
22 description of—

23 “(1) data analytics performed as part of the Do  
24 Not Pay Initiative for the purpose of detecting, pre-  
25 venting, and recovering improper payments through

1 pre-award, post-award pre-payment, and post-pay-  
2 ment analysis, which shall include a description of  
3 any analysis or investigations incorporating—

4 “(A) review and data matching of pay-  
5 ments and beneficiary enrollment lists of State  
6 programs carried out using Federal funds for  
7 the purposes of identifying eligibility duplica-  
8 tion, residency ineligibility, duplicate payments,  
9 or other potential improper payment issues;

10 “(B) review of multiple Federal agencies  
11 and programs for which comparison of data  
12 could show payment duplication; and

13 “(C) review of other information the Sec-  
14 retary of the Treasury determines could prove  
15 effective for identifying, preventing, or recov-  
16 ering improper payments, which may include in-  
17 vestigation or review of information from mul-  
18 tiple Federal agencies or programs; and

19 “(2) the metrics used in determining whether  
20 the analytic and investigatory efforts have reduced,

1 or contributed to the reduction of, improper pay-  
2 ments or improper awards.”.

Passed the Senate September 18, 2014.

Attest:

*Secretary.*

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

---

---

**S. 1360**

**AN ACT**

To amend the Improper Payments Elimination and Recovery Improvement Act of 2012, including making changes to the Do Not Pay initiative, for improved detection, prevention, and recovery of improper payments to deceased individuals, and for other purposes.