

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



More Than 99 Percent of Deceased Taxpayers' Accounts Are Accurately Locked

February 23, 2026

Report Number: 2026-400-004

HIGHLIGHTS: More Than 99 Percent of Deceased Taxpayers' Accounts Are Accurately Locked

Final Audit Report issued on February 23, 2026

Report Number 2026-400-004

Why TIGTA Did This Audit

The IRS uses an indicator to lock a deceased taxpayer's account, which prevents their personal information from being used to file a fraudulent tax return. In August 2023, we reported that more than 20,000 taxpayer accounts were locked in error due to human and computer programming issues. We made seven recommendations for improvement, and the IRS agreed with six of them. We performed this audit to determine whether the IRS made improvements to the account lock process for deceased individuals.

Impact on Tax Administration

As of October 2024, approximately 57 million taxpayers had a deceased lock on their account. The IRS primarily relies on information from the Social Security Administration (SSA) to determine whether a taxpayer's account should be locked.

When a taxpayer's account is locked, and an attempt is made to file a tax return using the deceased taxpayer's Social Security Number, the tax return will be rejected (if electronically filed) or prevented (if paper-filed) from posting to the taxpayer's account.

Improperly locking taxpayer accounts can be burdensome to legitimate taxpayers because they are unable to file their tax return and cannot receive a refund until they authenticate themselves with the IRS. Additionally, not locking an account could allow a fraudster to use a deceased taxpayer's account to file a tax return and obtain a fraudulent refund.

What TIGTA Found

Our analysis of nearly 6.9 million taxpayers with a deceased lock placed on their account from October 2022 through October 2024 found that 99.8 percent of them were accurate. However, there were more than 13,500 taxpayers with a deceased lock erroneously placed on their account even though the SSA data contained no date of death for the taxpayer.

Taxpayer Services management stated that erroneous locks can occur due to incorrect SSA data, taxpayer error, and IRS employee error. For example, an IRS employee may have incorrectly marked the primary taxpayer as deceased when they should have marked the secondary taxpayer as deceased. The SSA data may also incorrectly have a date of death for a taxpayer.

Taxpayer Services management informed us that the IRS reversed the erroneous locks for the more than 13,500 taxpayers in June 2025. However, we identified two areas where improvements can be made to the IRS's existing programming. For example, revised programming is needed to 1) ensure that a date of death is recorded on the secondary taxpayer's account and 2) systemically reverse deceased locks when updated data are received from the SSA. Taxpayer Services management plans to implement programming changes that address our concerns in January 2026 and January 2027, respectively.

While some taxpayers may have their accounts erroneously marked as deceased, some deceased taxpayers may not have their accounts locked accordingly. Our analysis of nearly 144 million taxpayers with a date of death reported by the SSA (as of September 2024) identified nearly 31,000 taxpayers (less than 1 percent) whose tax account was not locked. According to SSA data, these individuals passed away in Calendar Year 2022. Deceased taxpayer accounts that are not locked by the IRS could be used by fraudsters to file tax returns and obtain fraudulent refunds.

Taxpayer Services management determined that these accounts were associated with a January 2023 SSA file that did not get processed. Taxpayer Services management expanded on our analysis and subsequently identified more than 24,000 additional taxpayers in the January 2023 file whose tax account was not locked.

Taxpayer Services management ran an update to fix the date of death for the approximately 55,000 taxpayers in April 2025, which should lock the taxpayers' accounts during the account update in January 2026.

What TIGTA Recommended

We made four recommendations to improve the accuracy of deceased locks on taxpayer accounts.

The IRS agreed with all four recommendations.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20024

February 23, 2026

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Diana M. Tengesdal
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – More Than 99 Percent of Deceased Taxpayers'
Accounts Are Accurately Locked (Audit No.: 2025400013.01)

This report presents the results of our review to determine whether the Internal Revenue Service made improvements to the account lock process for deceased individuals. This review was part of our Fiscal Year 2025 discretionary audit coverage and addresses the major management and performance challenge of *Improving Taxpayer Service and Protecting Taxpayer Rights*.

Management's complete response to the draft report is included as Appendix III. If you have any questions, please contact me or Deann L. Baiza, Assistant Inspector General for Audit (Returns Processing and Account Services).

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Background

The Internal Revenue Service (IRS) uses an indicator to lock a deceased taxpayer's account, which prevents their personal information from being used to file a fraudulent tax return. The IRS primarily relies on information received weekly from the Social Security Administration (SSA) to determine whether a taxpayer's account should be locked. Deceased taxpayers may be identified through other ways, such as when a tax return is filed indicating a date of death, through collection actions, resolution of taxpayer account issues, audits, *etc.* As of October 2024, approximately 57 million taxpayers had a deceased lock on their account.

When a taxpayer's account is locked, and an attempt is made to file a tax return using the deceased taxpayer's Social Security Number (SSN), the tax return will be rejected if electronically filed (e-filed). Paper-filed tax returns are prevented from posting to the IRS's Individual Master File and a CP01H notice, *Tax Return Submitted with Locked Social Security Number (SSN)*, is issued to the taxpayer's last known address.¹ The notice advises that the tax return could not be processed because the SSN belongs to someone who is deceased and advises the taxpayer that they must first contact the SSA if the taxpayer believes the date of death is an error.

Improperly locking taxpayer accounts can be burdensome to legitimate taxpayers because they are unable to file their tax return and cannot receive a refund. Taxpayers who have their account locked in error must authenticate themselves with the IRS proving that they are not deceased. A taxpayer can work with the SSA to obtain a letter confirming that the taxpayer is alive and that the SSA date of death was incorrect. Once authenticated, the IRS will remove the deceased lock from the taxpayer's account allowing their tax return to be processed. The IRS must balance reducing the risk of refund fraud from identity theft with the burden to taxpayers from erroneously locking their accounts. Deceased taxpayer accounts that are not locked by the IRS could be used by fraudsters to file tax returns and obtain fraudulent refunds.

A prior review identified erroneous account locks and a concern with the notice sent to taxpayers

In August 2023, we reported that more than 20,000 taxpayer accounts were locked in error due to both human and computer programming issues when identifying the appropriate taxpayer account to be locked, *i.e.*, the primary or secondary taxpayer.² We also reported that more than 6,800 (34 percent) of these accounts were issued a CP01H notice because a tax return was subsequently filed by the taxpayer. The CP01H notice may frustrate a taxpayer because it instructs the taxpayer to contact the SSA to resolve the issue even though the SSA's data indicates that the taxpayer is not deceased. As a result, the CP01H notice is burdening taxpayers because the IRS – not the SSA – has to resolve the underlying issue. We made seven recommendations to the IRS to improve the accuracy of the account locks and update the notice sent to taxpayers. The IRS agreed with six of the recommendations.

However, the IRS did not agree to update the notice to taxpayers. Taxpayer Services management stated that taxpayers can obtain a letter from the SSA confirming that they are not

¹ See Appendix IV for a glossary of terms.

² TIGTA, Report No. 2023-40-044, *Indicators Used to Prevent Filing of Tax Returns for Deceased Taxpayers Were Incorrectly Placed on Some Taxpayer Accounts* p.2 (August 2023).

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deceased. However, management also stated that the IRS can release an erroneous account lock if the taxpayer can otherwise substantiate that they are alive.

Results of Review

More Than 99 Percent of Deceased Taxpayers' Accounts Are Accurately Locked, but Additional Actions Can Prevent Erroneous Locks

Our analysis of nearly 6.9 million taxpayers with a deceased lock placed on their account from October 2022 through October 2024 found that most of the locks (99.8 percent) were accurate. The more than 13,500 (less than 1 percent) remaining taxpayers had a deceased lock erroneously placed on their account even though the SSA data contained no date of death for the taxpayer.

Taxpayer Services management agreed these locks were erroneous and informed us that the locks were reversed for each of the taxpayers we identified in June 2025. We did not confirm whether the locks were removed from the taxpayers' accounts. Taxpayer Services management stated that erroneous locks can occur due to incorrect SSA data, taxpayer error, and IRS employee error. For example, an IRS employee may have incorrectly marked the primary taxpayer as deceased when they should have marked the secondary taxpayer as deceased. The SSA data may also incorrectly have a date of death for a taxpayer.

While the IRS reversed the erroneous account locks, we identified two areas where improvements can be made to the IRS's existing programming.

- **Revised programming is needed to ensure that a date of death is recorded on the secondary taxpayer's account.** We identified secondary taxpayers, *e.g.*, spouses, whose accounts were not updated with a date of death. If a taxpayer passes away during the calendar year, the IRS instructs the surviving spouse to file a tax return with a notation that the secondary taxpayer is deceased. Although the IRS was notified of the secondary taxpayer's death, a programming error resulted in the date of death not being recorded correctly for the secondary taxpayer.
- **Programming is needed to systemically reverse deceased locks when updated data are received from the SSA.** We identified taxpayers where the IRS received updated SSA data that removed a previously reported date of death. However, the taxpayers' dates of death were not updated on their tax accounts, and as a result, the deceased locks were not reversed.

Taxpayer Services management submitted a request for a programming change to ensure that a date of death is accurately recorded on the secondary taxpayer's account. This is expected to be implemented in January 2026. Management also submitted a request for programming to change how the date of death and corrections are posted to taxpayers' accounts. This change should ensure that dates of death are systemically updated when changes are received from the SSA. Management expects the programming change will be implemented in January 2027.

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The Chief, Taxpayer Services, should:

Recommendation 1: Ensure that the programming change to accurately update the secondary taxpayer's account with the date of death annotated on a tax return is implemented in January 2026 and is functioning as intended.

Management's Response: Taxpayer Services management agreed with the recommendation and has submitted the requested programming change with an expected implementation in late January 2026. An analysis of post-2025 transactions will be performed to assess that the programming is performing as intended.

Recommendation 2: Ensure that the requested programming to change how the date of death and corrections are posted to the taxpayer's account is implemented in January 2027 and is functioning as intended.

Management's Response: Taxpayer Services management agreed with the recommendation and has submitted the requested programming change with an expected implementation date of January 1, 2027. An analysis of post-2026 transactions will be performed to assess the programming is performing as intended.

A Data Processing Error Resulted in a Small Number of Deceased Taxpayer Accounts Not Being Locked

While some taxpayers may have their accounts erroneously marked as deceased, some deceased taxpayers may not have their accounts locked accordingly. In these cases, someone could use a deceased taxpayer's information to file a tax return to claim a fraudulent refund. However, the IRS has other controls during processing to prevent the use of a deceased taxpayer's information. For example, the IRS identifies tax returns filed with a deceased taxpayer's SSN for review when there is no account lock and has identity theft filters that look for deceased taxpayers to identify potential fraud. We reviewed nearly 144 million taxpayers with a date of death reported by the SSA as of September 2024 and found that nearly 31,000 taxpayers (less than 1 percent) did not have an account lock.³ According to SSA data, these individuals passed away in Calendar Year 2022. As a result, these deceased taxpayers without an account lock could have their information used to file a tax return and obtain a fraudulent refund. Taxpayer Services management determined that these accounts were associated with a January 2023 SSA update file that did not get processed by the IRS.

Information Technology employees stated that the SSA update files are not part of the IRS's critical files listing. Therefore, a reconciliation was not done to ensure that the file was received and processed. Adding the SSA update files to the critical files listing would ensure that the files are reconciled and deceased taxpayers receive the necessary account lock.

Taxpayer Services management expanded on our analysis by looking for individuals who passed away in different calendar years and subsequently identified more than 24,000 additional taxpayers in the January 2023 SSA file whose tax account was not locked. In April 2025,

³ The remaining 99.9 percent of taxpayers with a date of death either had a lock or we determined that there were legitimate reasons to not have the lock, *e.g.*, account was removed from the Individual Master File due to lack of activity or timing differences in our analysis and posting of the locks.

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management manually updated the date of death on the approximately 55,000 accounts impacted. This update should systemically lock the taxpayer's account during the annual account update in January 2026.

Recommendation 3: The Chief, Taxpayer Services, should verify that the approximately 55,000 taxpayer accounts from the unprocessed January 2023 SSA file are locked.

Management's Response: Taxpayer Services management agreed with the recommendation and the accounts will be reviewed to ascertain that they were locked as expected.

Recommendation 4: The Chief Information Officer should add the SSA update files to the Information Technology critical files listing to prevent future SSA update files from not being processed.

Management's Response: Taxpayer Services management agreed with the recommendation and the transaction files prepared from the weekly data update received from the SSA and transmitted to the Individual Master File, were upgraded to critical files status on the Service Center Inputs Processing Automation System, effective June 23, 2025.

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine whether the IRS made improvements to the account lock process for deceased individuals. To accomplish our objective, we:

- Evaluated the systemic programming requirements for placing deceased locks on taxpayer accounts.
- Identified taxpayers with a deceased account lock placed on their account from October 28, 2022, through October 24, 2024, that did not have a date of death reported by the SSA.
- Identified taxpayers with a date of death reported by the SSA as of September 2024 that did not have a deceased account lock.

Performance of This Review

This review was performed with information obtained from Taxpayer Services Division personnel in Atlanta, Georgia, and from the Information Technology organization located in the New Carrollton Federal Building in Lanham, Maryland, during the period April 2025 through June 2025. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Data Validation Methodology

During this review, we obtained data extracts from the Individual Master File, the Individual Return Transaction File, and the National Account Profile database. Before relying on the data, we ensured that each file contained the specific data elements we requested. In addition, we selected judgmental samples of each extract and verified that the data in the extracts were the same as the data captured in the Employee User Portal or the Integrated Data Retrieval System.¹ We also performed analysis on the extracts to ensure that the validity and reasonableness of our data, such as ranges of dollar values and obvious invalid values. We determined that the data were sufficiently reliable for purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the processes and procedures for locking and unlocking deceased accounts. We evaluated these controls by reviewing IRS

¹ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

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procedures, meeting with Information Technology and Taxpayer Services management, analyzing relevant data, and reviewing information provided by the IRS.

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. These benefits will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Taxpayers Impacted – Potential; 13,581 taxpayers with an erroneous deceased lock on their account (see Recommendations 1 and 2).

Methodology Used to Measure the Reported Benefit:

Our analysis of nearly 6.9 million taxpayers with a deceased lock placed on their account from October 28, 2022, through October 24, 2024, identified 13,581 taxpayers (rounded to more than 13,500 taxpayers in body of the report) with a deceased account lock indicator and no date of death present for these taxpayers per SSA data. Taxpayer Services management agreed these locks were erroneous and informed us that the erroneous locks for the 13,581 taxpayer accounts had been reversed. We did not confirm that the locks were removed from the taxpayers' accounts.

Type and Value of Outcome Measure:

- Taxpayers Impacted – Potential; 30,896 deceased taxpayers without a deceased lock on their account due to an SSA data file not being processed by the IRS (see Recommendation 4).

Methodology Used to Measure the Reported Benefit:

Our analysis of nearly 144 million taxpayers with a date of death reported by the SSA as of September 26, 2024, identified 30,896 taxpayers (rounded to nearly 31,000 taxpayers in the body of the report) who passed away in Calendar Year 2022 and their accounts were not locked. Taxpayer Services management determined that these accounts were not locked because the IRS did not process the January 2023 SSA update file.

Management's Response to the Draft Report



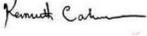
CHIEF
TAXPAYER SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

January 22, 2026

MEMORANDUM FOR DIANA M. TENGESDAL
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

Kenneth C. Corbin 
Chief, Taxpayer Services Division

Digitally signed by Kenneth C.
Corbin
Date: 2026.01.23 13:56:03 -0500

SUBJECT:

Draft Audit Report – More Than 99 Percent of Deceased
Taxpayers' Accounts Are Accurately Locked
(Audit No.: 2025400013.01)

Thank you for the opportunity to review and provide comments on the subject draft report. When identity theft-related refund fraud became a significant threat in the late 2000s and early 2010s, the Social Security Numbers (SSNs) of decedents were the most vulnerable to abuse and were used in a substantial proportion of attempted fraudulent refund claims. In 2012, recognizing that manual safeguards in place were not sufficiently addressing the elevated threat level, we introduced supplemental systemic safeguards to stop returns from completing processing when the individual to whom the SSN was assigned was not alive at any time during the tax year.

As a result of our actions in 2012 and subsequent enhancements that were implemented from a continued focus on the issue, decedent accounts are now the least vulnerable to misuse for tax purposes. We appreciate the recognition that 99.8 percent of decedent accounts are correctly locked. With additional enhancements to system programming scheduled over the next year, we intend to further reduce the 0.2 percent that were locked in error.

Our responses to your specific recommendations are enclosed. If you have any questions, please contact me, or a member of your staff may contact Karen Truss, Director, Operations Support, Taxpayer Services Division, at 470-639-3459.

Attachment

**More Than 99 Percent of Deceased Taxpayers' Accounts
Are Accurately Locked**

Attachment

Recommendations

The Chief, Taxpayer Services, should:

RECOMMENDATION 1

Ensure that the programming change to accurately update the secondary taxpayer's account with the date of death annotated on a tax return is implemented in January 2026 and is functioning as intended.

CORRECTIVE ACTION

We agree with the recommendation and have submitted the requested programming change with an expected implementation in late January 2026. An analysis of post-2025 transactions will be performed to assess the programming is performing as intended.

IMPLEMENTATION DATE

July 15, 2026

RESPONSIBLE OFFICIAL

Director, Business Technology Operations, Operations Support, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 2

Ensure that the requested programming to change how the date of death and corrections are posted to the taxpayer's account is implemented in January 2027 and is functioning as intended.

CORRECTIVE ACTION

We agree with the recommendation and have submitted the requested programming change with an expected implementation date of January 1, 2027. An analysis of post-2026 transactions will be performed to assess the programming is performing as intended.

IMPLEMENTATION DATE

July 15, 2027

RESPONSIBLE OFFICIAL

Director, Business Technology Operations, Operations Support, Taxpayer Services Division

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CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

Recommendations

RECOMMENDATION 3

The Chief, Taxpayer Services, should verify that the approximately 55,000 taxpayer accounts from the unprocessed January 2023 SSA file are locked.

CORRECTIVE ACTION

We agree with the recommendation. The accounts will be reviewed to ascertain they were locked as expected.

IMPLEMENTATION DATE

July 15, 2026

RESPONSIBLE OFFICIAL

Director, Business Technology Operations, Operations Support, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 4

The Chief Information Officer should add the SSA update files to the Information Technology critical files listing to prevent future SSA update files from not being processed.

CORRECTIVE ACTION

We agree with the recommendation. The transaction files prepared from the weekly data update received from the Social Security Administration and transmitted to the Individual Master File, were upgraded to critical files status on the Service Center Inputs Processing Automation System, effective June 23, 2025.

IMPLEMENTATION DATE

Implemented

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RESPONSIBLE OFFICIAL

Director, Business Technology Operations, Operations Support, Taxpayer Services
Division

CORRECTIVE ACTION MONITORING PLAN

N/A

Glossary of Terms

Term	Definition
Critical Files Listing	The critical files listing refers to a series of files created by supporting systems for processing by the Master Files.
Employee User Portal	An internal IRS portal that allows IRS employee users to access IRS data systems, such as tax administration processing systems, financial information systems, and other data and applications, including mission-critical applications. TIGTA auditors can also request access to this information.
Individual Master File	The IRS database that maintains transactions or records of individual tax accounts.
Individual Return Transaction File	A database maintained by the IRS that contains information on the individual tax returns it receives.
Integrated Data Retrieval System	An IRS computer system capable of retrieving or updating stored information. It works in conjunction with a taxpayer's account records.
National Account Profile	A compilation of selected entity data from various IRS Master Files and the SSA.
Social Security Number	A nine-digit number issued to an individual by the SSA. The IRS uses this number to process tax documents and returns.

Abbreviations

e-file(d)	Electronically File(d)
IRS	Internal Revenue Service
SSA	Social Security Administration
SSN	Social Security Number
TIGTA	Treasury Inspector General for Tax Administration



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.