

U.S. Senate

Senate Committee on Finance



Statement for the Record

**Protecting The Social Security Number And
Issues of Privacy For Security**

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Good afternoon, Chairman Breaux, Senator Kyl, and members of the subcommittee.

It is a pleasure to have the opportunity to discuss with this subcommittee the need for legislation to protect the keystone of this nation's social security programs—the Social Security number (SSN). That need, though certainly not new, has never been more acute than it is today. The SSN has grown in stature to where it is no longer merely a social insurance number, but a tool for financial crimes and a significant Homeland Security vulnerability.

Our audit and investigative work has identified three distinct areas in which legislation is critically needed.

Enumeration

The first is in the area of the Social Security Administration's (SSA's) enumeration processes. In calendar year 2000, SSA issued over 5.5 million original SSNs. Of these, 1.2 million were issued to non-citizens, and preliminary results of a study conducted by my office estimate that more than 100,000 were issued on the basis of fraudulent identity and/or immigration documents.

The laws and regulations which govern the issuance of SSNs were designed for a social insurance number, not a *de facto* national identification number. As a result, the SSN is not afforded the security measures one might expect.

To give credit where credit is due, SSA has made great strides to improve the integrity of the enumeration process on its own. But SSA can do only so much without a clear Congressional mandate. While SSNs are no longer issued for the sole purpose of obtaining a drivers' license, they are still issued to non-citizens when needed to obtain certain government benefits.

Most disturbing, in light of the events of September 11th, is the continued inability of SSA to verify the authenticity of identification documents presented by non-citizens who apply for SSNs. The Immigration and Naturalization Service and SSA should find a way to authenticate immigration documents before an SSN is issued. We must ensure that *no* SSN is issued based on INS documents that a simple inter-agency check could have revealed to be fraudulent. The lack of adequate controls over this process creates a national security risk that both the Commissioner and I find unacceptable.

Controlling SSNs in Circulation

The second area in which legislation is overdue is in limiting the use and display of the SSN in the public and private sectors. Difficult decisions over appropriate uses remain subject to debate, but one easy decision can be made now. The public display of SSNs—on identification cards, motor vehicle records, court documents, and the like—must be curtailed immediately. Those who use the SSN must share the responsibility for ensuring its integrity. While we cannot return the SSN to its simple status of a half-century ago, we *can* ensure that identity thieves and other criminals cannot walk into a municipal court house and walk out again with the means of committing state-facilitated identity theft. The cost to the victims of identity theft, and to all of us, is too great. And the potential for these numbers to be used to commit acts of violence and terrorism is unthinkable.

Criminal, Civil, and Administrative Penalties

Finally, while no legislation can eradicate SSN misuse and identity theft altogether, the present panoply of criminal penalties is clearly insufficient to deter and/or punish identity thieves.

The felony provisions of the Social Security Act have no civil or administrative counterparts. Federal prosecutors cannot pursue every SSN violation criminally, or even civilly. Our Civil Monetary Penalty program has been a success in the area of program fraud, and could have a similar impact in the area of SSN misuse, if Congress would grant us such authority. We have asked before, and I ask again—vest in us the authority to impose penalties against those who misuse SSNs. We can make a difference.

Conclusion

Various members of both houses of Congress have introduced legislation over the past several years to deal with the national dilemma presented by SSN misuse and identity theft. Very little has actually been enacted. I urge this subcommittee to bring its influence to bear so that we might at least take the first legislative steps necessary to turn the tide in the war against SSN misuse and identity theft. Thank you, and I'd be happy to answer any questions.

