

**U.S. House of Representatives
Committee on Ways and Means
Subcommittee on Social Security**

Statement for the Record

Protecting the Privacy of Social Security Numbers and Preventing Identity Theft

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Good morning, Chairman Shaw, and thank you for inviting the Office of the Inspector General (OIG), Social Security Administration (SSA), to testify today. My name is Roland Maye and I am the Special Agent-in-Charge of the criminal investigative activities in this region.

As you noted in your opening remarks, the misuse of Social Security numbers (SSNs) plays an increasingly large role in two issues currently plaguing American society. Identity theft victimizes thousands of Americans every year, and the number of Identity Theft crimes continues to grow. This crime begins, in many cases, with the misuse of an SSN. And Homeland Security has become an even greater focus for all Americans. We have learned over the past 7 months that protecting the SSN and preventing Identity fraud is not only a criminal justice issue, but a Homeland Security challenge. On behalf of the Inspector General, who could not be here today, I would like to touch briefly on each of these issues, starting with Identity Theft.

As you know, the SSN was never intended to be a national identification number, but we can no longer pretend otherwise. A vital part of commercial transactions of every kind, the SSN is as much a part of our identity as our own name. Indeed, the SSN is a more unique identifier-many people share common names, but an SSN is issued only once. For this reason, a valid SSN is an almost priceless tool for identity thieves. With an SSN in hand, unscrupulous individuals can apply for credit cards, open bank accounts, take out loans, apply for government benefits, obtain jobs, and do the many things all of us do every day.

In Fiscal Year 2000, more than half of the 92,000 allegations received by our fraud hotline were allegations of SSN misuse. The victims of Identity crimes face situations similar to those described by the witnesses here today-feelings of violation and helplessness, and a long, difficult road to financial recovery. We have made some progress. Certainly the public is more aware of Identity Theft, and of the importance of protecting their SSN and other personal information, than they have ever been. And SSA, which has adopted some of the recommendations made in our audit reports, has taken important steps in tightening the process by which SSNs are issued and used.

On the investigative side, we see more and more indictments and convictions for Identity Theft crimes around the country. Right here in Florida, agents from my office, working with the Florida Department of Law Enforcement, brought the very first case indicted by Governor Bush's 16th Statewide Grand Jury for the Purpose of Investigating Identity Theft, resulting in the

indictment of six individuals with multiple counts of Identity Theft. Around the country, similar efforts have ensured that while Identity Theft may not be a difficult crime to commit, the prosecution of those who commit Identity Theft is now more of a priority for law enforcement agencies

As great a challenge as Identity Theft has become, the true severity of the larger SSN misuse problem became horribly apparent after the attacks of September 11th. We have come to learn in the 7 months since that day just how critical it is that we protect the integrity of the SSN. We knew that our credit ratings depended on it; we know now that our lives may depend on it.

There is no greater issue in the Homeland Security arena than protecting the integrity of the SSN. It is virtually impossible to operate in the United States without an SSN. It stands to reason, then, that any enemy of the United States that wants to infiltrate our borders and live among us would need an SSN in order to do so. The challenge before us is to find a way to allow legitimate commerce to continue using the SSN for legitimate purposes, while making it less simple for both Identity Thieves and even more dangerous individuals to misuse SSNs.

Part of that solution lies with SSA and its OIG. Many of the recommendations we have made to improve the enumeration process are already in place or in the process of being implemented. For example, SSA's practice of issuing "non-work" SSNs to visitors to our country so that they can obtain drivers licenses has been discontinued. Development of a meaningful process for SSA to verify immigration documents with the Immigration and Naturalization Service before issuing an SSN has been expedited. And SSA appreciates the need to do all it can under current law and within existing budgetary constraints to protect the SSN upon its issuance, during the life of the number-holder, and upon the number-holder's death.

In OIG, we have worked around the clock since September 11th, both in support of the investigation into the events of that day, and in furtherance of Federal efforts to prevent future acts. An example is our participation in Operation Tarmac in 12 major airports around the country. The most recent of these was in the Washington, DC area, where last week, together with other Federal authorities, we arrested some 105 individuals suspected of providing false information-including SSNs-to obtain work in secure areas of Reagan National Airport, Dulles International Airport, and Baltimore-Washington International Airport. Again, working within the limitations of existing laws-laws which were written for a time before Identity Theft and Homeland Security became the overarching issues they are today-we have taken significant steps.

But we need the help of this Subcommittee and the Congress as a whole. Legislation must be enacted to close the gaps in the laws that govern the use of SSNs. Legislation like H.R. 2036, The Social Security Number Privacy and Identity Theft Protection Act of 2001, introduced by this Subcommittee, places meaningful restrictions on the use, display, and sale of SSNs and provides new and important enforcement mechanisms for offenders. Such legislation represents an important step toward reducing Identity Theft and making the SSN unavailable as a tool to those who commit or support acts of terror against the United States.

The Inspector General looks forward to working with this Subcommittee to ensure that we are doing all we can to stem the tide of SSN misuse.

Thank you and I'd be happy to answer any questions.