FAX COVER

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Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

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U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

April 16, 1996

Page 13 has relevant quote

Honorable Robert Dole
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Senator Dole:

This letter presents the views of the Administration concerning S. 1664, the "Immigration Control and Financial Responsibility Act of 1996", as reported by the Committee on the Judiciary on March 21, 1996.

Many of the provisions in S. 1664 advance the Administration's four-part strategy to control illegal immigration. This strategy calls for regaining control of our borders; protecting U.S. workers and removing the job magnet through worksite enforcement; aggressively removing criminal and other deportable aliens; and securing from Congress the resources to support the Administration's illegal immigration enforcement strategy and to assist states with the costs of illegal immigration. Many of the provisions of S. 1664 are identical or similar to provisions in the Administration's bill, S. 754, the "Immigration Enforcement Improvements Act of 1995."

While the Administration strongly supports reform of the current immigration law that deters illegal immigration, and S. 1664 contains many provisions that are similar or identical to the Administration's legislative proposal, enforcement initiatives, and overall strategy, S. 1664 raises serious concerns in specific areas that we hope the Senate will examine thoroughly during floor consideration of the bill. The Administration's concerns include, but are not limited to the following:

- If S. 1664 were presented to the President with provisions that would jeopardize any child's right to full participation in public elementary and secondary education, including pre-school and school lunch programs, the Secretary of Education and the Attorney General would recommend that the bill be vetoed.

- The Administration opposes broadening the application of deeming rules from a well-defined set of programs to all means-tested programs including Medicaid, the Maternal and Child Health Services program, the School Lunch program, student financial assistance programs for postsecondary education and scores of intrusion by the federal government into the responsibilities of states and the personal lives of law-abiding citizens.

As an example, there are about 60 million Americans under age 16. If each had to replace the copy of his or her birth certificate before applying for a driver's license, and states charged an average of $10 for a certified copy of a birth certificate, this would cost these teenagers a total of $600 million. In addition, the cost of this section to senior citizens and others who do business with the SSA would be at least $100 million annually. About 5 million elderly persons would have to purchase a new birth certificate each year in order to apply for Medicare and cash benefits. Another 5 million would have to purchase a new birth certificate each year to apply for Social Security cards.

In addition, the Administration has a number of concerns regarding the section on drivers' licenses. First, this section would likely create an unfunded mandate on those states and localities that have to change their drivers' licenses, e.g. format, required information, and procedures for issuing a license. Second, we have strong reservations about requiring a Social Security number on drivers' licenses, which could then become tantamount to a universal identification card. Lastly, we are concerned about the constitutional and operational aspects of attempting to regulate state-issued drivers' licenses and state procedures.

The requirement that HHS submit a report on ways to reduce the fraudulent obtaining and use of birth certificates places the responsibility for the report in just one of the agencies that has an interest in this issue. We remain concerned about the constitutional and operational aspects of attempting to regulate birth certificates. The language approved by the Judiciary Committee represents an improvement over previous language, but the Administration continues to have concerns.

Former Section 118 as reported by the Subcommittee on Immigration, would have credited any employer sanctions penalties received in excess of $5,000,000 to the INS Salaries and Expenses appropriations account that funds activities associated with employer sanctions enforcement, but was stricken from the bill by the Judiciary Committee. This provision was identical to the Administration's proposal. It would represent a substantial commitment to the enforcement of the employer sanctions provisions of the INA, and we recommend that it be restored.

Sec. 119 authorizes an administrative law judge to increase the civil penalties provided under employer sanctions to an amount up to two times the normal penalties if labor standards violations are present.

H.R. 231
SECURE SSN CARD

FOR RELEASE UPON DELIVERY

HEARING BEFORE THE
HOUSE COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON IMMIGRATION AND
CLAIMS

MAY 13, 1997

SOCIAL SECURITY
USA
ADMINISTRATION

STATEMENT BY
SANDY CRANK
ASSOCIATE COMMISSIONER FOR POLICY
AND PLANNING

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting the Social Security Administration (SSA) to testify on H.R. 231, a bill designed to improve the integrity of the Social Security card for employment eligibility verification purposes.

Today, I will discuss the development of the Social Security card and the role that it plays in the verification of employment eligibility. I will also talk about some previously legislatively mandated projects which relate to the bill and provide comments on the bill.

History of the Social Security Card

Let me provide a context for my comments on the provisions in the bill that affect SSA by giving you some background on the Social Security number (SSN) and card. At the time the Social Security card was initially developed in the 1930's, its only purpose was to provide a record of the number that had been assigned to the individual so that the employer could accurately report Social Security earnings for the individual. That is still the primary purpose for which SSA issues the card. It was never intended to serve as a personal identification document--that is, to establish that the person presenting it is actually the person whose name and SSN appear on the card. Although we have made the card counterfeit-resistant, it does not contain information that allows it to be used as proof of identity.

Over time, however, the use of the SSN and the Social Security card has greatly expanded, and the card is now used for purposes other than Social Security earnings record maintenance, including use as evidence of authorization to work. Society's increasing use of computerized data has led to suggestions to use the SSN as a personal identifier in computer records.

Prior to November 1971, all SSNs were assigned and cards issued based solely on information alleged by an individual. Because of the expanding use of the card for other purposes, there was concern about its integrity. Beginning November 1971, persons age 55 and over applying for an SSN for the first time were required to submit evidence of identity. Beginning April 15, 1974, noncitizens were required to provide documentary evidence of age, identity, and noncitizen status. This made it more difficult to obtain a card on the basis of a false identity. Because of our concern that individuals who had been assigned SSNs for purposes other than work might use the card to obtain unauthorized employment, in July 1974, we began to annotate our records to reflect the fact that a noncitizen had been issued a nonwork SSN.

Several years later, the integrity of the SSN process was further improved. On May 15, 1978, we began requiring all SSN applicants to provide documentary evidence of age, identity, and U.S. citizenship or noncitizen status. Generally, to obtain an original SSN and Social Security card, an applicant now must submit at least two forms of acceptable evidence, such as a birth certificate and driver's license. Noncitizens must submit appropriate Immigration and Naturalization Service (INS) documents to establish lawful noncitizen status. Applicants for replacement Social Security cards must submit evidence of identity, and if foreign-born, evidence of current noncitizen status. It must be kept in mind that the Social Security card was never meant to be an identification document. The underlying documents could be counterfeit despite best efforts to guard against such incidents.

Applicants for an original SSN age 18 or over are also required to have an in-person interview. During the interview, the applicant is asked for prior names and surnames and the reasons for never before needing an SSN. For those who allege being born in the U.S., SSA performs additional verification prior to the issuance of an original SSN, because most people born in the U.S. should have been assigned an SSN by the time they have reached age 18. For these applicants, SSA also verifies the existence of a birth certificate at the State Bureau of Vital Statistics, and initiates a search for a death certificate when there is reason to believe the applicant may be assuming a false identity. SSA also requires documentation supporting the reason(s) the applicant never had an SSN.

Enumeration At Birth Initiative

The Enumeration at Birth (EAB) program was established in 1989 as another means of improving the SSN process. It is a valuable tool in preventing fraudulent acquisition of an SSN and a Social Security card. This program is available in the 50 States (plus the District of Columbia and Puerto Rico) and allows parents to indicate on the birth certificate information form whether they want an SSN assigned to their newborn child. States provide SSA with birth record information about newborns whose parents want a Social Security card for their child, and SSA then assigns an SSN and issues a card. More than one-half of the original Social Security cards issued in fiscal year 1996 were processed through EAB. This process greatly reduces the potential for someone to use another person's birth certificate to obtain a Social Security card. For example, an individual who presents the birth certificate of a child enumerated under EAB would not be assigned a new SSN, since our records would indicate that an SSN had already been assigned to the child named on the birth certificate. As more children are enumerated through the EAB program, there will be fewer persons without SSNs whose birth certificates could be used to obtain an SSN for someone else.

Federal income tax law requires that all persons claimed as dependents for Federal tax deduction purposes have a taxpayer identification number. This has created a strong incentive for individuals to obtain SSNs for their children at birth, thus reducing the potential for someone else's birth certificate to be used.

We must remember that, even with these improvements to the SSN card issuance process, the Social Security card is still just a record of the SSN assigned to the individual and not an identity document. Further, SSA records reflect citizenship and work authorization status only as of the time the SSN is assigned or the card is replaced. SSA updates this information only if the person applies for a replacement card.

Social Security Cards for Work Authorization

I would now like to discuss the role of the Social Security card as evidence of work authorization, which is a separate issue from personal identification. The Immigration Reform and Control Act of 1986 (IRCA) makes it illegal for an employer to knowingly hire anyone not legally permitted to work in the U.S.; that is, noncitizens not authorized to work by INS. Under IRCA, all employers are required to verify the identity and employment eligibility of all job applicants regardless of citizenship or national origin. Any of a variety of documents specified in the law and in INS regulations can be used for this verification. Some of these documents--such as a U.S. Passport--establish both employment eligibility and identity. Others--including a Social Security card without a restrictive nonwork legend--can be used to establish employment eligibility, but must be accompanied by an identification document, such as a State driver's license. Employers do not have the authority to require employees to show their Social Security card to establish employment eligibility.

Originally, SSA issued the same type of Social Security card to everyone, whether or not they were authorized to work. Beginning in May 1982, a legend, "NOT VALID FOR EMPLOYMENT," was printed on the Social Security cards of noncitizens not authorized to work. This was due to the increasing need for persons to have SSNs for nonwork purposes and INS concern that such persons could use their SSNs for work. Currently, there are few valid reasons to be issued a nonwork Social Security number card, although one such reason is to receive Federal benefits.

With this nonwork legend appearing on the card, employers were able, for the first time, to determine whether the individual to whom the card was issued was authorized to work at the time the card was issued. Of course, they still could not rely solely on the card to establish that the person presenting it was the person to whom the SSN was assigned. Beginning September 14, 1992, SSA began issuing SSN cards with the legend "VALID FOR WORK ONLY WITH INS AUTHORIZATION" to noncitizens lawfully in the U.S. with temporary authority to work. In these cases, employers must look at the noncitizen's INS document to determine if the noncitizen has current authorization to work in the U.S.

Counterfeit-Resistant Social Security Cards

In the beginning of the Social Security program, due to the limited purpose of the Social Security card, no special efforts were made to prevent Social Security cards from being counterfeited. However, as counterfeiting became a concern, actions were taken to address this problem. For example, legislation enacted in 1983 required that Social Security cards be made of banknote paper and--to the maximum extent practicable--be resistant to counterfeiting. SSA worked with the Bureau of Engraving, the Secret Service, and the Federal Bureau of Investigation to design a card that met these requirements. All Social Security cards issued since October 31, 1983, incorporate a number of security features intended to make the card counterfeit-resistant and tamper-proof. It is now difficult to produce a high-quality counterfeit of these cards.

If the Social Security card were the only work authorization document, it would have to contain features that would allow employers to easily detect counterfeit cards. Some types of humanly readable security features that make the card more counterfeit-resistant are already incorporated in the current Social Security card. However, while some of these security features have been made public, others, for obvious reasons, have not. Thus, it would be difficult to train employers to identify counterfeit Social Security cards without disclosing the very security features designed to make the card counterfeit-resistant. Under current law, employers are only required to make a good faith effort to ensure that documents are genuine, and they are not required to be document experts. For the same reason that most of us will accept a counterfeit $20 bill--lack of experience, expertise, and equipment in identifying a counterfeit bill--employers may accept counterfeit Social Security cards.

As new versions of Social Security cards have been developed, new and replacement cards have been issued prospectively because of the prohibitive cost of replacing all cards still in use. Thus, there are now 47 versions of the Social Security card in use, all of which are still valid.

Employment Eligibility Verification Pilot Project

Under the 1996 immigration reform legislation, we are working with INS on a pilot employment eligibility verification project to allow employers to verify by telephone the name, SSN, and work authorization status of a newly hired employee. At the outset, the pilot will involve 25-50 employers from Chicago, since Illinois is one of the 5 States with the highest noncitizen population. Subsequent expansion will include the other 4 States (Texas, California, Florida, and New York). The project is to take place beginning in the summer of this year with results available beginning in the Fall of 2000.

Prototype SSN Card Study/Report

As you know, both welfare reform and immigration reform legislation required us to develop a prototype of a new card. The new card is to:

- be made of a durable, tamper-resistant material like plastic;
- use technologies that provide security features, such as a magnetic stripe; and
- provide individuals with reliable proof of citizenship or legal resident status.

The legislation also requires us to study and report on different methods of improving the Social Security card application process. We are to include in the report:

- an evaluation of the cost and workload implications of issuing a counterfeit-resistant card for all individuals over a 3-, 5-, and 10-year period; and

- an evaluation of the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for the counterfeit-resistant card prior to the scheduled phase-in options.

The prototype and report are to be submitted to Congress by the end of August of this year. Because the increasing use of the SSN and card by the government and private sectors clearly has implications for SSA, we decided to take this opportunity to reexamine the present and future purpose and use of the SSN and card from both policy and technological perspectives.

We are analyzing how the SSN is used in American society today and the relationship between the SSN and card and the role of each. We are looking at the importance of the SSN and card in other government benefit programs, education, finance, law enforcement, health care delivery, as well as other major domains of society. The proliferation of the use of the SSN throughout our society has significant implications and needs to be analyzed in conjunction with the possible development of an enhanced card.

H.R. 231 Provisions that Affect SSA

Let me begin my discussion of H.R. 231 by briefly summarizing the provisions that affect SSA. The stated purpose of H.R. 231 is to carry out the employer sanctions provisions of the Immigration and Nationality Act by improving the Social Security card to ensure that it is secure against counterfeiting, forgery, alteration, and misuse. Specifically, the bill would require that:

- the Social Security card be made as secure against counterfeiting as the $100 bill, with a comparable rate of counterfeit detection, and as secure against fraudulent use as a U.S. passport;

- all Social Security cards issued after January 1, 2000, whether new or replacement, meet these standards; and

- beginning on January 1, 2006, only Social Security cards (other than nonwork cards) be used as evidence of work authorization.

SSA Comments on H.R. 231

We oppose H.R. 231 because it would be premature to determine the physical design and security features of the card while extensive study of these issues, mandated by Congress, is taking place. Resolution of these issues depends on the uses for which the SSN and card are designed, as well as other considerations, such as burden and inconvenience for the public, status of technology, and cost.

In addition, we have some concerns about specific provisions of H.R. 231. As I previously stated, the law already requires that the Social Security card, to the maximum extent practical, be counterfeit-proof. As indicated above, we have incorporated a number of security features in the physical design of the card which we believe result in a card that meets this statutory requirement. It is not clear what further changes would be necessary to satisfy the requirement in H.R. 231 that the card be as resistant to counterfeiting as a $100 bill. For example, H.R. 231 raises questions as to which specific features of a $100 bill would guarantee the same degree of counterfeit resistance as a $100 bill. It is entirely possible that a $100 bill is more

DEPARTMENT OF HEALTH & HUMAN SERVICES
Social Security Administration
Refer to
Baltimore MD 21235

FOR RELEASE ONLY UPON DELIVERY

STATEMENT

BY

GWENDOLYN S. KING

COMMISSIONER OF SOCIAL SECURITY

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY

COMMITTEE ON WAYS AND MEANS

ON

SOCIAL SECURITY NUMBER AND CARD

FEBRUARY 27, 1991

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today as you focus attention on how the Social Security number is being used to collect and dispense information about people, and on ways to protect individual privacy in the computer age.

As you requested in your letter of invitation, I will discuss the original purpose of the Social Security number, or SSN as we call it, and how its use has expanded over the years. I will then describe what effect this expansion has had on the Social Security Administration (SSA) and the conditions under which we disclose or verify an SSN for third parties.

Original Purpose of the Social Security Number and Card

Following the passage of the Social Security Act in 1935, the SSN was devised administratively as a way to keep track of the earnings of people who worked in jobs covered under the new program. The requirement that workers covered by Social Security apply for an SSN was published in Treasury regulations in 1936. (Treasury issued this requirement because it was given general authority by law to implement the taxation provisions of the Act.)

Initially, the only purpose of the Social Security card was to indicate that a number had been issued to an individual and to provide an employer with the proper SSN for reporting earnings for an employee. Primarily because some 30 million numbers had to be issued in a very short time, a decision was made that SSNs should be issued based on a person's statements (whether documented or not) about his name, date of birth, and other identifying information. This procedure was sufficient early on because at that time the SSN's sole purpose was to provide an individually unique number for recording wages reported for workers.

Growth of SSN as an Identifier for Non-SSA Purposes

In spite of the narrowly drawn purpose of the SSN, use of the SSN as a convenient means of identifying people in records systems has grown over the years. In 1943, Executive Order (EO) 9397 required Federal agencies to use the SSN in any new system for identifying individuals. This directive had no significant, immediate effect on use of the SSN. Instead, it was the computer revolution which took hold in the 1960's--and the simplicity of using a unique number that most people already had been issued--that provided the major impetus for widespread use of the SSN by Government agencies and private organizations.

In 1961, the Federal Civil Service Commission established a numerical identification system for all Federal employees using the SSN as the identifying number. The next year, the Internal Revenue Service (IRS) decided to use the SSN as its taxpayer identification number (TIN) for individuals. And, in 1967, the

Defense Department adopted the SSN as its identification number for military personnel. In the following years, use of the SSN for computer and other recordkeeping systems spread throughout State and local governments, and to banks, credit bureaus, hospitals, educational institutions and other areas of the private sector.

Statutory Expansion of SSN Use

The first explicit statutory authority to issue SSNs did not occur until 1972, when Congress required that SSA issue SSNs to all legally admitted aliens authorized to work in this country and take affirmative steps to issue SSNs to children and anyone receiving or applying for a benefit paid for by Federal funds. This change was prompted by congressional concerns about welfare fraud and about aliens working in the U.S. illegally. Subsequent Congresses have enacted legislation which requires an SSN as a condition of eligibility for AFDC benefits, Medicaid, food stamps, the school lunch program, and loans under any Federal loan program. Also, States were authorized in 1976 to use the SSN in the administration of any tax, general public assistance, driver's license or motor vehicle registration law within their jurisdiction.

Separate pieces of legislation in recent years have provided for additional uses of the SSN including draft registration, commercial motor vehicle operators' licenses, and for operators of stores that redeem food stamps.

Evidentiary Requirements for SSNs

Not surprisingly, as public and private use of the SSN expanded, so too did congressional concern about the integrity of the SSN. In 1972, Congress enacted Social Security legislation to tighten the SSN evidentiary requirements. Thus, SSA's regulations contain the following requirements for SSNs:

- All applicants--regardless of age--are required to provide documentary evidence of age, identity, and U.S. citizenship or alien status. Generally, for a new SSN, an applicant must submit at least two forms of acceptable evidence. For example, an adult U.S. citizen can use a birth certificate and a driver's license, and an alien can use a birth certificate and an immigration record; and,

- A personal interview is conducted with all SSN applicants aged 18 and older who apply for new numbers. This is primarily because it is unusual for people living in the United States not to have an SSN by age 18.

Let me emphasize, Mr. Chairman, that because these more stringent documentation requirements were not implemented until the late 1970's, the majority of SSN records today--over 60 percent--still are based on the representations that were made by the numberholder at the time he or she applied for an SSN.

Effect on SSA of Expanded Use of SSNs

The largest non-Social Security use of SSNs in the public sector is for income tax purposes. In recent years, we have issued SSNs as TINs to millions of children age 2 and older who are claimed as dependents on Federal tax returns. Also, the 1990 Omnibus Budget Reconciliation Act requires that children over age 1 must have SSNs in order to be claimed as dependents on returns for tax year 1991.

Expanded use of the SSN also has led to requests for SSA to verify that the name and SSN in the files of third parties are the same as those on our SSN records. Where required by law and, in certain circumstances where permitted by law, we comply with SSN verification requests. Such verifications are done primarily through our regular automated exchanges with Federal and State needs-tested benefit programs to help ensure the accuracy of their eligibility determinations.

Except for employers to report wages, SSA does not verify SSNs for the private sector because of limits we have established in our disclosure policy to protect the privacy rights of SSN holders and to limit use of our resources to the business of Social Security.

Expanded use of the SSN through proposals to make the Social Security card a national personal identifier could create a tremendous burden for SSA. The current Social Security card is of no use as a personal identifier because it contains only a name, an SSN, and a space for a signature after the card is received by mail. Thus, anyone can fraudulently present a Social Security card issued to another person.

Even if the Social Security card were enhanced to make it more effective as a personal identifier, there still would be a problem of ensuring that the card had been properly issued to an individual. This is because the documents an SSN applicant must present to establish identity--primarily birth certificates--are relatively easy to alter, counterfeit, or obtain fraudulently.

Let me mention, too, what an enormous and expensive undertaking it would be to issue new Social Security cards containing enhancements to make them useful for personal identification. The process of verifying identities and reissuing everyone a new, more secure card would be very costly--in the range of $1.5 to $2.5 billion. The exact cost would depend on the security features and issuance procedures used, but in any case reissuance would require an enormous diversion of SSA attention and resources from our program responsibilities.

Also, SSA and the Congress have historically had fundamental concerns about the possibility that the SSN might become a universal identifier in this country. These concerns center on questions of individual privacy and the increased possibility of the invasion of that privacy if all records pertaining to an individual could be accessed under one number. While no one advocates such a step, we must be careful that the SSN does not become a de facto national identifier, particularly in record systems.

SSN Disclosure Policy

Our policy regarding disclosure of SSNs reflects our concern about maintaining the privacy of information regarding individuals in SSA records. Thus, our policy is not to disclose information about an individual without his or her consent unless we are required by statute to do so, or there are reasons to do so related to the administration of the Social Security program or of other governmental health or income maintenance programs.

Conclusion

Mr. Chairman, use of the SSN has expanded far beyond its original purpose of keeping track of earnings for individual workers. The expanded use by Federal and State programs has generally been under specific statutory mandate.

The need for a unique number for individual records in computer systems means that use of the SSN is likely to continue to expand in the years ahead. While the Social Security Administration is not, and we believe should not be, responsible for use of the SSN in the private sector, we have a deep concern that individuals not be harmed through carelessness in the use of the SSN.

We will be happy to work closely with the subcommittee as you examine the many uses of the Social Security number.

SOCIAL SECURITY ADMINISTRATION

FAX

DEPUTY COMMISSIONER FOR LEGISLATION
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PART II

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REMARKS:

Here are the earliest on SSN/cards + (1991) PART I

the latest (1997)

I will also send you 2 more from 1995 when we discussed employer sanctions & the card. PART II

Sandy

FOR RELEASE ON DELIVERY

STATEMENT ON

WORKSITE ENFORCEMENT OF EMPLOYER SANCTIONS

BY

DR. SHIRLEY S. CHATER
COMMISSIONER OF
SOCIAL SECURITY

BEFORE THE
HOUSE COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON IMMIGRATION AND CLAIMS

MARCH 3, 1995

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss the integrity of the Social Security card as well as its role in the verification of employment eligibility. We look forward to working with you to address your concerns about the system.

The employment eligibility verification process is composed of two elements: verifying the identity of the job applicant and ensuring that the applicant has authority to work. SSA's role in the current work eligibility verification process is limited. A worker must present to an employer documents which establish either identity or authorization to work or both. Some documents serve as evidence of both elements, but most documents establish only one or the other. The Social Security card is in the latter category, indicating only whether the individual named on the card had authority to work when the card was issued.

For a variety of reasons which I will explain in my testimony, it is not feasible to use the current Social Security card for the purpose of establishing that the person in possession of the card is the person to whom it was issued. Perhaps no single document can guarantee identity.

History of the Social Security Card

Let me give you some background on the Social Security card. At the time the Social Security card was devised in the 1930's, its only purpose was to provide a record of the number that had been issued to the individual so that the employer could accurately report earnings for the individual. That is still the primary purpose for which SSA issues the card. It was never intended to serve as a personal identifier--that is, to establish that the person presenting it is actually the person whose name and Social Security number (SSN) appear on the card. Although we have made it counterfeit-resistant, it does not contain information that allows it to be used to establish identity.

Over time, however, the use of the SSN and Social Security card has greatly expanded, and the card is now used for purposes other than Social Security earnings record maintenance, including its use as evidence of authorization to work. Society's increasing use of computerized data has led to suggestions to use the SSN and the card as a personal identifier. The card itself, however, is still simply a paper record with a name and number on it.

Prior to 1971, all SSNs were issued based solely on information alleged by an individual. Because of the expanding use of the card for other purposes, there was concern about the integrity of the card. Beginning in 1971, certain categories of applicants were required to provide documentary evidence of age, identity, and alien status. This made it more difficult to obtain a card on the basis of a false identity. However, the card was still no more than a reminder of the number assigned to the individual named on the card. Because of our concern that individuals who had been assigned SSNs for purposes other than work might use the card to obtain unauthorized employment, in July 1974, we began to annotate our records to reflect the fact that an alien had been issued a nonwork SSN. This allowed us to identify, and report to the Immigration and Naturalization Service (INS), instances in which Social Security earnings were reported on nonwork SSNs.

Several years later, the integrity of the SSN process was further improved. Since May 15, 1978, all applicants have been required to provide documentary evidence of age, identity, and U.S. citizenship or alien status. Generally, to obtain an original Social Security card, an applicant must submit at least two forms of acceptable evidence, such as a birth certificate and driver's license. Aliens must submit appropriate INS documents to establish lawful status.

Any alien other than one admitted for permanent residence receives a card indicating whether he or she is authorized to work. To obtain an unrestricted Social Security card, they must provide an alien registration receipt card displaying a photograph. This document is issued to aliens by INS.

Applicants for an original SSN age 18 or over are required to have a personal interview. During the interview the applicant is asked for prior names and surnames and the reasons for never before needing an SSN. For those who allege having been born in the U.S., SSA performs additional verification prior to the issuance of an original SSN because most people born in the U.S. have been issued an SSN by the time they have reached age 18. For instance, SSA verifies the existence of a birth certificate at the State Bureau of Vital Statistics for all applicants for original cards who are over 18, and initiates a search for a death certificate when there is reason to believe the applicant may be assuming a false identity.

<u>Enumeration At Birth Initiative</u>

The "Enumeration at Birth" (EAB) program was established in 1989 as another means of improving the SSN process. It is a valuable tool in preventing fraudulent acquisition of an SSN. This program allows parents in the 49 participating States (plus New York City, the District of Columbia, and Puerto Rico) to indicate on the birth certificate information form whether they want an SSN issued to their newborn child. States provide SSA with birth record information about newborns whose parents want a Social Security card for their child, and SSA then assigns an SSN and issues a card. Approximately one-half of the original Social Security cards issued in fiscal year 1994 were processed through EAB. With the addition of the State of California's participation in January 1994, representing approximately 15 percent of the national births, we expect a significant increase for fiscal year 1995. This process greatly reduces the potential for someone to use another person's birth certificate to obtain a Social Security card. For example, individuals who present the birth certificate of a child enumerated under EAB would not be issued an SSN, since our records would indicate that an SSN had already been issued to the child named on the birth certificate. As EAB expands, there will be fewer children without SSNs whose birth certificates could be used to obtain an SSN for another person.

Federal income tax law requires that persons age 1 or older claimed as dependents for Federal tax deduction purposes have an SSN. By 1996, this requirement will apply to all claimed dependents. This has created a strong incentive for individuals to obtain an SSN for their children and also reduces the potential for someone else's birth certificate to be used.

We must remember that, even with these improvements to strengthen the SSN issuance process, the Social Security card is still just a record of the SSN issued and not an identity document.

General Accounting Office (GAO) Analysis of Enhanced Social Security Card

From time to time, it has been suggested that the Social Security card could be an effective proof of identity if it were enhanced. Some have proposed such features as a photograph, fingerprint or other biometric identifier, hologram, or magnetic stripe that would make the card difficult to duplicate.

GAO was directed by the Immigration Reform and Control Act of 1986 (IRCA) to look at this role for the Social Security card. GAO evaluated plastic and polyester card technologies and found that these technologies are two to ten times more expensive than paper cards. In addition, GAO noted that plastic or polyester cards wear out and have to be replaced every few years. In its March 1988 report, the GAO concluded that, even with enhancements, the Social Security card would probably not provide an effective identity system.

GAO also noted that an enhanced card would impose additional burdens on employers, yet provide no guarantee against counterfeiting. Data storage devices require the use of electronic equipment. Off-line readers would merely establish whether or not the name and SSN displayed on the card match the encoded information on the magnetic stripe. On-line systems, linked to a central data base, would be needed to both confirm the name and number match and verify the identifying data the card contains. The magnetic stripe on a plastic card is the technology most in use today. GAO reported that magnetic stripe readers cost $100-$150, a considerable outlay for many employers who would have no other use for the equipment. Also, they concluded that the commercial availability of readers and coding equipment for magnetic stripes makes this technology highly susceptible to counterfeiting. GAO also pointed out that rapid advances in card technology may quickly render obsolete any hi-tech anti-counterfeiting efforts.

Changing the Social Security card by adding a photograph and requiring that it be signed when issued might make it more effective as an identity document, but people intent on fraud can substitute a photograph, modify their appearance, or reproduce signatures with practice. In addition, pictures on the card would require updating from time to time because of changes in personal appearance.

More effective biometric identifiers, such as fingerprints, require verification techniques that are expensive and that cannot be applied by nonexperts. A technology that has emerged for linking users to documents is the Personal Identification Number or PIN. Automatic teller machines in particular have popularized this technology. However, GAO noted that incorporating a PIN in a work eligibility document would require the use of card readers and on-line access to a data base matching the PIN with a unique code in a magnetic stripe on the card. Also, GAO reported that law enforcement authorities have found that many users write their PIN on the card or elsewhere in their wallet or purse in case they should forget it. Thus, if the card is stolen, the thief also has the PIN that permits him to use the card.

GAO concluded that the card would not be a good identifier because it does not satisfy three criteria for a reliable identity document. It must be difficult to counterfeit; allow verification that the person presenting the document is, in fact, the individual to whom it was issued; and be difficult to obtain fraudulently.

We share GAO's views that these are the appropriate criteria to use in evaluating identity documents. It appears that no single document can meet all three criteria, primarily because a determined individual can obtain a counterfeit document or a valid document through fraudulent means. Furthermore, efforts to develop a fraud-proof identity document for employment eligibility verification purposes would require major changes in the process of issuing birth certificates and be very expensive. While it is possible to develop a more counterfeit-resistant Social Security card, there are reasons aside from cost-effectiveness why it would not be an effective identity document.

False Documents Impede the Security of Social Security Cards

As I mentioned earlier, even if the Social Security card were enhanced, there would be no assurance that the card had been properly issued to an individual. This is because the documents which a Social Security card applicant must present--primarily a birth certificate and immigration forms--are relatively easy to alter, counterfeit, or obtain fraudulently.

In 1988, the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) issued a report entitled Birth Certificate Fraud which examined vulnerabilities to fraud in birth certificate forms and issuance procedures and in procedures of user agencies which receive birth certificates as documentation. The problems found by the OIG included:

- False birth certificates are used to create false identities;
- An estimated 7,000 local issuing offices issue some 10,000 different versions of birth certificate forms which may be submitted to user agencies for evaluation; and,
- States have open access to vital records, and there is lax physical security of blank forms and seals, especially in local offices.

In 1991, OIG issued a follow-up report on efforts to control birth certificate fraud. The relevant finding was that the nature and extent of birth certificate fraud appeared to be relatively unchanged since 1988. OIG reported that major weaknesses in the procedures used by issuing agencies continued to hamper the ability of user agencies, both Federal and State, to rely on birth certificates as evidence of identity. The cost of revamping the system by which birth certificates are issued would be enormous, and while some State and local jurisdictions have initiated reforms, most are severely constrained from making major reforms by increasingly limited resources.

Logistics of Reissuance of Social Security Cards

Let me now discuss the logistics that would be involved in issuing enhanced Social Security cards to the almost 270 million current card holders. To be effective, a new card would have to be issued relatively quickly to all card holders.

Otherwise, they could present earlier versions of the Social Security card and claim they had not yet been issued a new card. The process of verifying identities and reissuing everyone a new, more secure card would be very costly--from $3 to $6 billion from general revenues, depending on the security features and issuance procedures. (The $3-$6 billion does not include the potential cost to employers.) The additional cost of the secure feature itself (e.g., a bar code or photo) would be relatively small. However, the labor costs associated with interviewing, verifying evidence, and producing the card would make the total reissuance cost extremely high.

Issuing new cards to everyone would also be burdensome on the public, as individuals would be required to establish their identity and citizenship or lawful alien status satisfactorily before being issued a new card.

The workload that would result from the issuance of new Social Security cards to all card holders would primarily serve purposes other than the administration of the Social Security program and would be a tremendous challenge for the Agency and its employees. The volume of interviews required to reissue almost 270 million Social Security cards in 5 or even in 10 years could not be handled in SSA's 1,300 local offices, because it would interfere with the ability of the offices to properly serve the people needing help with Social Security problems at a time when the Agency is facing heavy workloads. The law provides that any changes made to the Social Security card for purposes of work eligibility must be financed from general revenues and not be borne by the Social Security trust funds.

<u>Social Security Cards for Work Authorization</u>

I would now like to discuss the role of the Social Security card as evidence of work authorization, which is a separate issue from personal identification. As you know, Mr. Chairman, IRCA makes it illegal for an employer to knowingly hire anyone not legally permitted to work in the U.S.; that is, aliens not authorized to work by INS. Under IRCA, all employers are required to verify a job applicant's identity and authorization to work. Any of a variety of documents specified in the law and in INS regulations can be used for this verification, which is required for all employees, regardless of citizenship or national origin. Some of these documents--such as a U.S. Passport--establish both employment eligibility and identity. Others--including the Social Security card--can be used to establish work authorization, but must be accompanied by an identification document, such as a State driver's license.

Originally, the same type of Social Security card was issued to all SSN applicants who requested one, whether or not they were authorized to work. Beginning in May 1982, a legend, "NOT VALID FOR EMPLOYMENT", was placed on the Social Security cards of aliens not authorized to work to identify nonwork SSNs. This was due to the increasing need for persons to have SSNs for nonwork purposes and concern that such persons could use their SSN for work purposes. These non-employment-related Social Security cards are issued to:

- Aliens in the U.S. who do not have authorization to work, but who need SSNs for a valid nonwork purpose (such as driver's licenses in some States or bank accounts); and

- Certain aliens residing outside the U.S. (for example, dependents listed on U.S. income tax returns or individuals entitled to Social Security auxiliary or survivor's benefits).

With this legend appearing on the card, employers were able, for the first time, to determine whether an individual was authorized to work. Since September 14, 1992, cards with the legend "VALID FOR WORK ONLY WITH INS AUTHORIZATION" have been issued to aliens lawfully in the U.S. with temporary authority to work. Thus, employers are now able to determine if an alien has exceeded the time limit for his or her work authorization by checking the alien's INS document.

Counterfeit-Resistant Social Security Cards

Originally, due to the limited purpose of the Social Security card, no special efforts were made to prevent them from being counterfeited. However, as counterfeiting became a concern, actions were taken to address this problem. For example, legislation enacted in 1983 required that new and replacement Social Security cards be made of banknote paper and--to the maximum extent practicable--be resistant to counterfeiting. The current card incorporates these and a number of other security features. It is now difficult to produce a high-quality counterfeit of these cards.

If the Social Security card were the only work eligibility document, it would have to contain features that would allow employers to easily detect counterfeit cards. Some types of humanly readable security features that make the card more counterfeit resistant are already incorporated in the current Social Security card. However, employers would have to look for them and be trained to recognize counterfeit cards. Under current law, employers are only required to make a good faith effort to ensure that documents are genuine, and they are not required to be document experts. But for the same reason that most of us will accept a counterfeit $20 bill--lack of experience and expertise in identifying a counterfeit bill--counterfeit Social Security cards may be accepted by employers.

When improved versions of Social Security cards have been developed, they have been issued only to new applicants because of the prohibitive cost of replacing all cards still in use.

Thus, there are now 46 valid versions of the Social Security card in use. Approximately 61 percent of active card holders have been issued a counterfeit-resistant card. But, as I mentioned, previous versions are still valid and employers generally have no reason not to accept them.

SSA's Role in SSN Verification

It is important to keep in mind that the personal identity and Social Security card appearance issues that I have been discussing are quite separate from the issue of SSN verification. By SSN verification, we mean the process by which SSA determines whether a name and SSN match SSA's records, that is, whether SSA issued a given SSN to a given person. This process cannot determine whether the person presenting the name and SSN is, in fact, the person to whom the SSN was issued.

SSA has always had the capability to verify SSNs, which is an important function in ensuring accurate wage reporting and, ultimately, accurate benefit payments. Employers may immediately verify SSNs for payroll purposes by calling our 800-number or local office. This option is also available to employers who want to verify the SSN as part of the employment eligibility verification process. Relatively few employers call for either purpose, however, because they tend not to question the name and SSN provided by an employee. And although this option is available to employers, neither the 800 number nor local offices are equipped to handle large numbers of SSN verification requests.

With the expansion of the SSN's use over the years, especially as a result of widespread dependence on computers, SSA began to experience more and more requests for SSN verification for purposes other than the Social Security program. Many of these requests were from government agencies for the purpose of ensuring the accuracy of other Federal and State benefit programs, and automated data exchange systems were developed to comply with these requests.

On the other hand, SSA does not verify SSNs for the private sector for purposes other than employer wage reporting and employment eligibility verification. The law and our disclosure policy are designed to protect individual privacy--a fundamental and widespread concern--and the confidentiality of the SSN because of the potential for its use as a means of unauthorized access to personal records.

One of the systems that was developed to verify SSNs for States is available to employers to verify SSNs for employment eligibility verification purposes. The Enumeration Verification System (EVS), which was designed to carry out SSA's role with respect to the Federal-State Income and Eligibility Verification System (IEVS), verifies SSNs based on data such as name and date of birth. Since the mid-1980's, each State has been required to have an IEVS to match financial information received from public assistance claimants with information in Federal and State data bases so that they can identify claimants who are ineligible or who receive incorrect benefit payments.

Although EVS is used primarily by States, employers may also use EVS to verify SSNs for wage reporting or employment eligibility purposes. However, because EVS consists of a high-volume process, under which the requests are transmitted to SSA by mail on magnetic tape and the results returned to the requestors in about 4 weeks, this system does not allow for immediate SSN verification. Thus, it may not effectively serve an employer's employment eligibility verification needs.

IRCA required the Secretary of Health and Human Services to study the feasibility, costs, and privacy considerations of an SSN validation system for employers. From January 1987 through September 1988, SSA tested a telephone system under which employers in 3 Texas cities requested SSN validations orally and received oral responses from SSA employees who had online access to SSA data bases. The test allowed employers to use existing telephone lines and equipment to request SSN validation of prospective employees from SSA and receive an immediate response. This is similar to an employer's calling the 800-number today, except that the test provided for a special staff dedicated to this specific function.

The test results indicated that, although technically feasible, the effectiveness of an SSN validation system in helping employers prevent aliens not authorized to work in this country from gaining employment would be limited, because there is no way to be sure that the job applicant presenting a valid Social Security card is the person to whom it was issued.

<u>Employment Eligibility Verification Pilot Projects</u>

The Commission on Immigration Reform's interim report to Congress in September 1994 proposed a computer registry based on SSA and INS data which employers could check to determine if a new employee is eligible to work. The Commission recommended that the President immediately pilot the registry in the five States with the highest levels of illegal immigration and several other States.

Our SSN data base is highly accurate and is updated overnight. Since the data base was established to carry out Social Security functions, such as to facilitate wage reporting, the data base and its supporting systems are not designed to support work eligibility verification, although they contain information that is useful for that activity. Because of this, we need new programming to support verification of work eligibility and to make the verification process more convenient for employers.

The Administration believes that worksite enforcement of immigration laws is a necessary and effective means of controlling illegal immigration and promoting fair competition among employers and workers in the United States. The Administration's FY 1996 budget proposal includes substantial new resources to pursue this goal. As a part of this effort, the Administration is seeking to enhance effective verification of a new employee's authorization to work in the United States.

A major concern, present when Social Security started and still present today as we pursue this effort, is how best to protect people's privacy. In this age of computers and automated data banks, we must not forget the threat to personal privacy that can be posed by unauthorized access to information in government records; accordingly, we are looking at several possible measures, such as password requirements, privacy agreements with employers, and other security procedures. An Administration interagency group is also reviewing the privacy and civil rights concerns that may arise as we proceed.

On February 7, 1995, President Clinton announced several major immigration reform initiatives, including expanded worksite enforcement. To improve such enforcement, the President also announced several pilot projects to verify employment eligibility for newly hired employees, as recommended by the Commission on Immigration Reform. The President has directed SSA and INS to develop pilot projects in response to some of the issues raised in the Commission's report and to test the feasibility of matching SSA and INS records in the future.

One of the pilot projects is a two-step process using SSA and INS data bases. Current plans call for a number of selected volunteer employers to request verification of employment eligibility by submitting to SSA a newly-hired employee's SSN, name, and a date of birth. SSA would match that information against its data base and would also check for citizenship/alien status coding. If SSA records indicated that the employee was an alien at the time he or she applied for an SSN card, SSA would advise the employer to verify with INS, using the employee's alien identification number, that the employee was authorized to work. We estimate that this pilot will be operational on a small scale by the end of 1995 or early 1996 in one or more geographic areas with high levels of illegal immigration. We expect to expand the pilot to more employers in 1996 and perhaps 1997.

Conclusion

In conclusion, Mr. Chairman, the Social Security card was originally intended to be nothing more than a means of recording the Social Security number. Its use for other purposes has provided the incentive to improve the quality of the issuance process and the counterfeit-resistance of the card. As I have indicated, we are concerned about the possible use of the Social Security card as an identity document, the costs associated with making it serve that purpose and its implications for individual privacy; nevertheless, we are committed to testing effective, nondiscriminatory means of improving the employment eligibility verification system.

We fully understand and share the subcommittee's concerns about improving the integrity of the employment eligibility verification system. SSA will continue to assist employers in verifying employment eligibility and we will gladly work with the subcommittee to improve that system.

FOR RELEASE ON DELIVERY

STATEMENT ON

THE IMMIGRATION IN THE NATIONAL INTEREST ACT

BY
LAWRENCE H. THOMPSON
PRINCIPAL DEPUTY COMMISSIONER OF
SOCIAL SECURITY

BEFORE THE
HOUSE COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON IMMIGRATION AND CLAIMS

JUNE 29, 1995

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss SSA's role in discouraging illegal immigration and, to the extent possible, comment on certain aspects of H.R. 1915, introduced by Chairman Smith on June 22, 1995. As Commissioner Chater mentioned in her testimony before the subcommittee earlier this year, the Clinton Administration believes that worksite enforcement of immigration laws is a necessary and effective means of controlling illegal immigration, and is firmly committed to establishing an effective, non-discriminatory means of verifying the employment authorization of all new employees. In fact, the Administration has already taken a number of steps to address this issue, and I will review them today.

SSA's Role in SSN Verification

Let me begin my discussion today by briefly reviewing how SSA now verifies Social Security numbers (SSNs) and then discuss our plans for piloting new procedures to help prevent unauthorized work.

SSA has always had the capability to verify SSNs, which is an important function in ensuring accurate wage reporting and, ultimately, accurate benefit payments. Employers may immediately verify SSNs for payroll purposes by calling our 800-number or local office. Relatively few employers call for either purpose, however, because they tend not to question the name and SSN provided by an employee. And although this option is available to employers, neither the 800 number nor local offices are equipped to handle large numbers of SSN verification requests.

With the expansion of the SSN's use over the years, especially as a result of widespread dependence on computers, SSA began to experience more and more requests for SSN verification for purposes other than the Social Security program. Many of these requests were from government agencies for the purpose of ensuring the accuracy of other Federal and State benefit programs, and automated data exchange systems were developed to comply with these requests.

One of the systems that was developed to verify SSNs for States is available to employers to verify SSNs. The Enumeration Verification System (EVS), which was designed to carry out SSA's role with respect to the Federal-State Income and Eligibility Verification System (IEVS), verifies SSNs based on data such as name and date of birth. Under Federal law, since the mid-1980's, each State has been required to have an IEVS to match financial information received from public assistance claimants with information in Federal and State data bases so that they can identify claimants who are ineligible or who receive incorrect benefit payments. Although EVS is used primarily by States, employers may also use EVS to verify SSNs for wage reporting purposes.

Employment Eligibility Verification Pilot Projects

The Commission on Immigration Reform's interim report to Congress in September 1994 proposed a computer registry based on SSA and INS data which employers could check to determine if a new employee is eligible to work. The Commission recommended that the President pilot the registry in the five States with the highest levels of illegal immigration and several other States.

The Administration believes that worksite enforcement of immigration laws is a necessary and effective means of controlling illegal immigration and promoting fair competition among employers and workers in the United States. The Administration's FY 1996 budget proposal includes substantial new resources to pursue this goal. As a part of this effort, the Administration is seeking to enhance effective verification of a new employee's authorization to work in the United States and do it in a non-discriminatory manner.

On February 7, 1995, President Clinton announced several major immigration reform initiatives, including expanded worksite enforcement. To improve such enforcement, the President also announced several pilot projects to verify employment eligibility for newly hired employees, as recommended by the Commission on Immigration Reform. The President has directed SSA and INS to develop pilot projects in response to some of the issues raised in the Commission's report and to test the feasibility of matching SSA and INS records in the future.

One of the pilot projects is a two-step process using SSA and INS data bases. Current plans call for a number of selected volunteer employers to request verification of employment eligibility by submitting to SSA a newly-hired employee's SSN, name, and date of birth. SSA will match that information against its data base and will also check for citizenship/noncitizenship status coding. If SSA records indicate that the employee was not a citizen at the time he or she applied for an SSN card, SSA will advise the employer to verify with INS, using the employee's alien identification number, that the employee is authorized to work.

The data base which we use now to verify SSNs is highly accurate, and is updated overnight, every night. Since the data base was established to carry out Social Security functions, such as issuing SSN cards and facilitating wage reporting, the data base and its supporting systems are not designed solely to support work eligibility verification. To use the data base to support work eligibility verification, it would be necessary to establish new systems and procedures and to make the verification process more convenient for employers.

Views on H.R. 1915

Mr. Chairman, your letter of invitation to testify at this hearing indicated that you would be interested in our views on H.R. 1915, the Immigration in the National Interest Act. Since the bill was introduced only very recently, we have not had an opportunity to analyze thoroughly its impact on SSA, or to confirm our understanding of its provisions with the Immigration and Naturalization Service.

Our preliminary analysis indicates that, insofar as SSA's involvement is concerned, the bill appears to be generally consistent with the Administration's approach to prevention of unauthorized work. H.R. 1915 requires that the Attorney General develop a procedure for employers to use to confirm an individual's employment eligibility. The employer would either call a toll-free number or make the request through some other electronic media to be established by the Attorney General and would be notified whether the individual is authorized to work. As part of this process, Social Security is to compare the information provided by the Attorney General against its database to determine the validity of the information provided and whether the Social Security number shows the individual is authorized to work.

In this regard, the Administration supports H.R. 1929, the Immigration Enforcement Improvements Act of 1995, which was introduced by Representative Berman on June 27. One of the reasons that we support H.R. 1929 is that it authorizes pilot projects to test ways to verify that job applicants are eligible to work in the United States, thereby denying jobs to illegal immigrants. The pilot projects may include allowing a sample of employers to verify employment eligibility by an expanded telephone system as well as improvements and additions to the electronic records of the INS and SSA for employment eligibility verification purposes. Testing various pilot projects for verifying employment eligibility, as provided by H.R. 1929, is essential to allow us to determine which method is most effective, whether the piloted system guards against discrimination and protects privacy, and what impact it has on employers, before we implement a system on a nationwide basis.

Under H.R. 1915, Social Security would also be required to report to Congress on the number of SSNs issued for individuals not authorized to work for whom earnings are reported. While SSA can fulfill this requirement, you need to be aware of the limitations of such information. SSA knows the citizenship and work authorization status at the time a new SSN is issued, but has no mechanism for updating its records when the status changes. Thus the data reported would include both people who are not now authorized to work and people who have received work authorization after their SSN was issued.

We note also that your bill contains provisions for deeming the income and resources of sponsors to be included in the income and resources of the noncitizens they sponsor. The provision in your bill appears to be more restrictive than that which the Administration proposed in its welfare reform package of last year. However, the Administration has strong reservations about applying new deeming and eligibility provisions to the disabled who are exempt under current law. We are also deeply concerned about applying deeming provisions to the Medicaid and Foster Care programs. H.R. 1915 also contains some features that are new to this debate, in particular the idea that the provisions might differ according to the relationship between the sponsor and the noncitizen. We would be willing to explore further these alternative approaches if they could be incorporated in an approach that, overall, is in keeping with our welfare reform proposal of last year. The Administration is opposed to applying the provisions to children who have become full citizens of the United States.

Conclusion

In conclusion, Mr. Chairman, we fully understand and share the subcommittee's concerns about improving the integrity of the employment eligibility verification system. We look forward to working with you to improve the employment verification process.

September 15, 1997

Note for Leanne Shimabukuro, DPC 456-7028

From: Greg Jones, DOJ, Leg. Aff. 514 2113

Re: SSA report on Soc. Sec. cards

John Trasvina asked me to send along any comments received on the draft SSA report. The two attached are from our Civil Rights DIvision and INS. I thought you'd rather get them quickly, rather than await a more consolidated document.

Jack Smalligan F 53081
Brian F 358 6076

This is in response to your request for our views regarding the SSA report to Congress on options for enhancing the social security card. In general, the references to IRCA are brief and accurate. The report concerns the options for new improved social security cards. It does not recommend a particular card, but merely sets forth alternatives that are possible to adopt with various combinations of security features and functionality concerning a variety of card options.

Our only observation concerns the SSA's views (on page 82) that expanding the use of a driver's licence is an alternative to a new improved social security card. The report notes that "[t]he States would have to be willing to participate with SSA in verifying SSNs and coding the drivers license of a noncitizen who is not authorized to work."

We question the wisdom of coding drivers' licenses by citizenship or immigration status. The report should probably include the downside of such a system; as currently written it only speaks in positive terms about the alternative.

In that regard, we note that there are a number of disadvantages of placing citizenship status information on drivers' licenses. First, it adds an extra layer of bureaucracy to immigrants whose immigration status is fluid. For example, each time an immigrant's status changes, he or she must then work in a time-consuming manner with three bureaucracies (the SSA, INS, and the State department of motor vehicles (DMV)) in order to update his or her license. In most instances, updating such records are statutorily required under state law. Placing such a burden on individuals whose employment needs may not provide for time to do such errands, e.g., migrant workers, domestics, etc., may not be fair. Second, it may not be fair to include the immigration status of an individual on a document such as a driver's license that is required to be presented in so many different circumstances, e.g., police stops, supermarket purchases, etc. The use of immigration status on the driver's license could lead to less favorable treatment for many people based upon their immigration status in a much greater range of activities than is currently the case.

Further, in the event that the DMV employees are required to determine whether an individual is authorized to work in this country, it seems that there is much less chance for error if the SSA performed such a task because then only one agency need train its workers rather than each state.

Insert A:

Placing additional data on drivers licenses also has a variety of disadvantages. Placing citizenship status information on drivers' licenses could require some applicants to coordinate with three agencies (the SSA, INS, and the State department of motor vehicles). This could be the case, for example, for an immigrant whose immigration status is fluid. In addition, a Federal requirement on states to change drivers license requirements could be viewed as an unfunded Federal mandate.

OPTIONAL FORM 99 (7-90)

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To Leane Shimabukuro	From Jack Sundberg
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NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

Leane,

above is an insert that would end the Drivers License Section plus further edits attached

A. INTRODUCTION

The study suggests that issuing a new, enhanced card would be costly to implement. There may be other less costly approaches to achieve the same results as issuing an enhanced Social Security card. Under any proposal that requires a Social Security card to serve as proof of identity and citizenship or lawful noncitizen status for work eligibility, every current card holder (277 million) would have to provide such evidence before a new card could be issued and that would be a burden on the public.

If an enhanced card does not have to serve as proof of work eligibility, there are possible issuance process alternatives that may be less costly and burdensome.

B. DRIVERS LICENSE

Many people in the U.S. believe the drivers license, or identification card issued by a State motor vehicle agency, is a de facto identity card. By using these documents to accomplish specific objectives, expanding Social Security card uses may proceed at a slower pace than might be needed to justify a new nationally issued card. The licenses and identity cards are not subject to the issuance restrictions that apply to the Social Security card. In addition, licenses and identification cards in many States are being enhanced to include some of the data storage and other enhancements discussed earlier in this report.

In addition to a photograph of the driver, State drivers licenses show a wide variety of other identifying information, such as weight, height, age, color of eyes, hair, etc. Currently all States include a picture, and 41 States capture the photograph digitally. Digital photographs may be transmitted electronically for verification. Moreover, drivers licenses generally must be renewed every 4 years, so the photograph and identifying information are updated periodically. Each State also furnishes photo-identification cards for nondrivers who need an official form of identification. As noted in this report, the need for an identity document and for a means of validating the SSN in order to access and use data has encouraged development of a single document that can meet both needs.

Use of the SSN in State drivers license systems is already authorized by Federal law, and 29 States currently use the SSN as the drivers license number or show it on the license. The 1996 immigration reform provision on improved identification-related documents requires the SSN to be included on State drivers licenses by the year 2000. Thus, the drivers license and Social Security card can both be used to verify the SSN.

It would also be possible for SSA to validate SSNs for new State drivers licenses on a completely automated basis. Drivers licensing officials in the States currently query about 75,000 times daily, via computer terminals, the National Drivers Register data base of people whose licenses have been revoked, suspended, or denied to identify problem applicants for licenses. A similar query system to validate SSNs would be possible.

There are several advantages of placing verified SSNs on drivers licenses. Most people already have a license and those who do not drive can obtain a photo-identification card. Both documents contain the types of identification features that would be needed on a new Social Security card if it were to be used as an identity or work eligibility document. Also, drivers licensing is paid for by an existing system for collecting user fees; there would be no new large cost either for users or taxpayers. Equally important, there would be no additional burden of reissuance or sense of Government intrusion for the public. Extending the SSN verification document to State drivers licenses would assure that each State may decide on services needed while allowing a national objective to be achieved. The States would have to be willing to participate with SSA in verifying SSNs and coding the drivers license of a noncitizen who is not authorized to work.

Insert A

Using a drivers license as a Federal government services card could serve the program and identity needs of several agencies and allow the public to transact business with the government using one document. A card capable of supporting multiple applications would help reduce proliferation of cards.

attached

C. NO CARD

Another alternative to using the Social Security card for a work eligibility card is a "no card" option. Under this option, each person is assigned an SSN and receives a document which has no value other than to record the number assigned. Today, the Social Security card is used infrequently for Social Security business; there is no mandate that the card be carried nor is it required to be presented when taking a new job. Adopting a "no card" option would continue current practices and avoid the cost and inconvenience of issuing new Social Security cards.

Since the key identifier is the SSN, rather than the Social Security card, matching the number to other authentication means could virtually eliminate counterfeit Social Security card issues. Several concepts of matching who you are (biometric), or what you know (PIN), or what you have (encryption software and keys) to a specific identifier are emerging. While an analysis of these options is beyond the scope of this report, such options present a wide range of possible applications that could meet future requirements and offer solutions that span some limitations of card uses.