

108TH CONGRESS } <i>2d Session</i>	HOUSE OF REPRESENTATIVES	{ REPORT 108-
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SOCIAL SECURITY NUMBER PRIVACY AND IDENTITY THEFT
PREVENTION ACT OF 2004

JULY , 2004.—Ordered to be printed

Mr. THOMAS, from the Committee on Ways and Means,
submitted the following

R E P O R T

[To accompany H.R. 2971]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 2971) to amend the Social Security Act to enhance Social Security account number privacy protections, to prevent fraudulent misuse of the Social Security account number, and to otherwise enhance protection against identity theft, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Social Security Number Privacy and Identity Theft Prevention Act of 2004”.

(b) **TABLE OF CONTENTS.**—The table of contents is as follows:

Sec. 1. Short title and table of contents.

**TITLE I—PROVISIONS RELATING TO THE SOCIAL SECURITY ACCOUNT NUMBER IN THE PUBLIC
AND PRIVATE SECTORS**

- Sec. 101. Restrictions on the sale or display to the general public of social security account numbers by governmental agencies.
- Sec. 102. Regulatory authority.
- Sec. 103. Prohibition of display of social security account numbers on checks issued for payment by governmental agencies.
- Sec. 104. Prohibition of the display of social security account numbers on driver's licenses or motor vehicle registrations.
- Sec. 105. Prohibition of the display of personal identification numbers on government employee identification cards or tags.
- Sec. 106. Prohibition of inmate access to social security account numbers.
- Sec. 107. Measures to preclude unauthorized disclosure of social security account numbers and protect the confidentiality of such numbers.

- Sec. 108. Prohibition of sale, purchase, and display to the general public of the social security account number in the private sector.
 Sec. 109. Confidential treatment of credit header information.
 Sec. 110. Refusal to do business without receipt of social security account number considered unfair or deceptive Act or practice.

TITLE II—MEASURES TO ENSURE THE INTEGRITY OF APPLICATIONS FOR SOCIAL SECURITY ACCOUNT NUMBERS AND REPLACEMENT SOCIAL SECURITY CARDS

- Sec. 201. Independent verification of birth records provided in support of applications for social security account numbers.
 Sec. 202. Enumeration at birth.
 Sec. 203. Study relating to use of photographic identification in connection with applications for benefits, social security account numbers, and social security cards.
 Sec. 204. Restrictions on issuance of multiple replacement social security cards.
 Sec. 205. Study relating to modification of the social security account numbering system to show work authorization status.

TITLE III—ENFORCEMENT

- Sec. 301. New criminal penalties for misuse of social security account numbers.
 Sec. 302. Extension of civil monetary penalty authority.
 Sec. 303. Criminal penalties for employees of the Social Security Administration who knowingly and fraudulently issue social security cards or social security account numbers.
 Sec. 304. Enhanced penalties in cases of terrorism, drug trafficking, crimes of violence, or prior offenses.

TITLE I—PROVISIONS RELATING TO THE SOCIAL SECURITY ACCOUNT NUMBER IN THE PUBLIC AND PRIVATE SECTORS

SEC. 101. RESTRICTIONS ON THE SALE OR DISPLAY TO THE GENERAL PUBLIC OF SOCIAL SECURITY ACCOUNT NUMBERS BY GOVERNMENTAL AGENCIES.

(a) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended by adding at the end the following new clause:

“(x)(I) An executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or a political subdivision thereof or a trustee appointed in a case under title 11, United States Code (or person acting as an agent of such an agency or instrumentality or trustee) may not sell or display to the general public any social security account number if such number has been disclosed to such agency, instrumentality, trustee, or agent pursuant to the assertion by such an agency, instrumentality, trustee, or agent to any person that disclosure of such number is mandatory. Notwithstanding the preceding sentence, such number may be sold or displayed to the general public in accordance with the exceptions specified in subparagraphs (II), (III), (IV), (V), (VI), (VII), and (VIII) (and for no other purpose).

“(II) Notwithstanding subparagraph (I), a social security account number may be sold by an agency, instrumentality, trustee, or agent referred to in subparagraph (I) to the extent that such sale is specifically authorized by this Act.

“(III) Notwithstanding subparagraph (I), a social security account number may be sold by an agency, instrumentality, trustee, or agent referred to in subparagraph (I) to the extent that is necessary or appropriate for law enforcement or national security purposes, as determined under regulations which shall be issued as provided in subparagraph (I) of this paragraph.

“(IV) Notwithstanding subparagraph (I), a social security account number may be sold by an agency, instrumentality, trustee, or agent referred to in subparagraph (I) to the extent that such sale is required to comply with a tax law of the United States or of any State (or political subdivision thereof).

“(V) Notwithstanding subparagraph (I), a social security account number may be sold by a State department of motor vehicles as authorized under subsection (b) of section 2721 of title 18, United States Code, if such number is to be used pursuant to such sale solely for purposes permitted under paragraph (1), (6), or (9) of such subsection.

“(VI) Notwithstanding subparagraph (I), a social security account number may be sold or otherwise made available by an agency, instrumentality, trustee, or agent referred to in subparagraph (I) to a consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))) for use or disclosure solely for permissible purposes described in section 604(a) of such Act (15 U.S.C. 1681b(a)).

“(VII) Notwithstanding subparagraph (I), a social security account number may be sold by an agency, instrumentality, trustee, or agent referred to in subparagraph (I) to the extent necessary for research (other than market research) conducted by any agency or instrumentality referred to in subparagraph (I) (or an agent of such an agency or instrumentality) for the purpose of advancing the public good, on the condition

that the researcher provides adequate assurances that the social security account numbers will not be used to harass, target, or publicly reveal information concerning any identifiable individuals, that information about identifiable individuals obtained from the research will not be used to make decisions that directly affect the rights, benefits, or privileges of specific individuals, and that the researcher has in place appropriate safeguards to protect the privacy and confidentiality of any information about identifiable individuals, including procedures to ensure that the social security account numbers will be encrypted or otherwise appropriately secured from unauthorized disclosure. In the case of social security account numbers which constitute personally identifiable medical information, the Commissioner of Social Security, with respect to medical research referred to in the preceding sentence, and the Attorney General of the United States, with respect to any medical research not referred to in the preceding sentence but which is treated in regulations of the Attorney General issued pursuant to subclause (VIII), shall maintain ongoing consultation with the Office for Civil Rights of the Department of Health and Human Services to ensure that the sale or purchase of such social security account numbers is permitted only in compliance with existing Federal rules and regulations prescribed by the Secretary of Health and Human Services pursuant to section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (110 Stat. 2033).

“(VIII) Notwithstanding subclause (I), a social security account number may be sold or displayed to the general public by an agency, instrumentality, trustee, or agent referred to in subclause (I) under such other circumstances as may be specified in regulations issued as provided in subparagraph (I) of this paragraph.

“(IX) This clause does not apply with respect to a social security account number of a deceased individual.

“(X) For purposes of this clause, the term ‘sell’ means, in connection with a social security account number, to accept an item of material value in exchange for such number.

“(XI) For purposes of this clause, the term ‘display to the general public’ shall have the meaning provided such term in section 208A(a)(3)(A). In any case in which an agency, instrumentality, trustee, or agent referred to in subclause (I) requires transmittal to such agency, instrumentality, trustee, or agent of an individual’s social security account number by means of the Internet without reasonable provisions to ensure that such number is encrypted or otherwise appropriately secured from disclosure, any such transmittal of such number as so required shall be treated, for purposes of this clause, as a ‘display to the general public’ of such number by such agency, instrumentality, trustee, or agent for purposes of this clause.

“(XII) For purposes of this clause, the term social security account number includes any derivative of such number. Notwithstanding the preceding sentence, any expression, contained in or on any item sold or displayed to the general public, shall not be treated as a social security account number solely because such expression sets forth not more than the last 4 digits of such number if the remainder of such number cannot be determined based solely on such expression or any other matter presented in such material.

“(XIII) Nothing in this clause shall be construed to supersede, alter, or affect any restriction or limitation on the sale or display to the general public of social security account numbers, provided in any Federal statute, regulation, order, or interpretation, if the restriction or limitation is greater than that provided under this clause, as determined under applicable regulations issued by the Commissioner of Social Security or by the Attorney General of the United States or another agency or instrumentality of the United States as provided in subparagraph (I) of this paragraph.”

(b) EFFECTIVE DATE AND RELATED RULES.—

(1) IN GENERAL.—Initial final regulations prescribed to carry out the provisions of section 205(c)(2)(C)(x) of the Social Security Act (added by this section) shall be issued not later than the last date of the 18th calendar month following the date of the enactment of this Act. Such provisions shall take effect, with respect to matters governed by such regulations issued by the Commissioner of Social Security, or (pursuant to section 205(c)(2)(I) of such Act (added by section 102)) by the Attorney General of the United States or any other agency or instrumentality of the United States, 1 year after the date of the issuance of such regulations by the Commissioner, the Attorney General, or such other agency or instrumentality, respectively. Such amendment shall apply in the case of displays to the general public, as defined in section 208A(a)(3) of such Act (added by section 108), to such displays originally occurring after such 1-year period. Such provisions shall not apply with respect to any display of a record (containing a social security account number (or any derivative thereof)) generated prior to the close of such 1-year period.

(2) SUNSET OF EXCEPTION.—The last sentence of subclause (XII) of section 205(c)(2)(C)(x) of the Social Security Act (added by this section) shall cease to be effective with respect to sales, purchases, or displays to the general public occurring after 6 years after the 18th calendar month referred to in paragraph (1).

SEC. 102. REGULATORY AUTHORITY.

Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended by adding at the end the following new subparagraph:

“(I)(i) The Attorney General of the United States shall prescribe regulations to carry out the provisions of subclauses (III) and (VIII) of subparagraph (C)(x) of this paragraph, subparagraphs (A) and (B) of section 208A(b)(2), section 208A(b)(3)(B), and section 208A(c)(2). In issuing such regulations, the Attorney General shall consult with the Commissioner of Social Security, the Secretary of Health and Human Services, the Secretary of Homeland Security, the Secretary of the Treasury, the Federal Trade Commission, the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, the Securities and Exchange Commission, State attorneys general, and such representatives of the State insurance commissioners as may be designated by the National Association of Insurance Commissioners. Any agency or instrumentality of the United States may exercise the authority of the Attorney General under this subparagraph, with respect to matters otherwise subject to regulation by such agency or instrumentality, to the extent determined appropriate in regulations of the Attorney General.

“(ii) In issuing the regulations described in clause (i) pursuant to the provisions of subparagraph (C)(x)(III), paragraph (A) or (B) of section 208A(b)(2), or section 208A(c)(2) (relating to law enforcement and national security), the Attorney General may authorize the sale or purchase of Social Security account numbers only if the Attorney General determines that—

“(I) such sale or purchase would serve a compelling public interest that cannot reasonably be served through alternative measures, and

“(II) such sale or purchase will not pose an unreasonable risk of identity theft, or bodily, emotional, or financial harm to an individual (taking into account any restrictions and conditions that the Attorney General imposes on the sale, purchase, or disclosure).

“(iii) In issuing the regulations described in clause (i) pursuant to the provisions of subparagraph (C)(x)(VIII) of this paragraph or section 208A(b)(3)(B), the Attorney General may authorize the sale, purchase, or display to the general public of social security account numbers only after considering, among other relevant factors—

“(I) the associated cost or burden to the general public, businesses, commercial enterprises, non-profit organizations, and Federal, State, and local governments; and

“(II) the associated benefit to the general public, businesses, commercial enterprises, non-profit associations, and Federal, State, and local governments.

“(iv) If, after considering the factors in clause (iii), the Attorney General authorizes, in regulations referred to in clause (iii), the sale, purchase, or display to the general public of social security account numbers, the Attorney General shall impose restrictions and conditions on the sale, purchase, or display to the general public to the extent necessary—

“(I) to provide reasonable assurances that social security account numbers will not be used to commit or facilitate fraud, deceptions, or crime, and

“(II) to prevent an unreasonable risk of identity theft or bodily, emotional, or financial harm to any individual, considering the nature, likelihood, and severity of the anticipated harm that could result from the sale, purchase, or display to the general public of social security account numbers, together with the nature, likelihood, and extent of any benefits that could be realized.

“(v) In the issuance of regulations pursuant to this subparagraph, notice shall be provided as described in paragraphs (1), (2), and (3) of section 553(b) of title 5, United States Code, and opportunity to participate in the rule making shall be provided in accordance with section 553(c) of such title.

“(vi) Each agency and instrumentality exercising authority to issue regulations under this subparagraph shall consult and coordinate with the other such agencies and instrumentalities for the purposes of assuring, to the extent possible, that the regulations prescribed by each such agency or instrumentality are consistent and comparable, as appropriate, with the regulations prescribed by the other such agencies and instrumentalities. The Attorney General shall undertake to facilitate such consultation and coordination.

“(vii) For purposes of this subparagraph, the terms ‘sell’, ‘purchase’, and ‘display to the general public’ shall have the meanings provided such terms under subparagraph (C)(x) of this paragraph or under section 208A(a), as applicable.

“(viii) For purposes of this subparagraph, subparagraph (C)(x)(XI) shall apply.”.

SEC. 103. PROHIBITION OF DISPLAY OF SOCIAL SECURITY ACCOUNT NUMBERS ON CHECKS ISSUED FOR PAYMENT BY GOVERNMENTAL AGENCIES.

(a) **IN GENERAL.**—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by section 101) is amended further by adding at the end the following new clause:

“(xi) No executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or a political subdivision thereof or trustee appointed in a case under title 11, United States Code (or person acting as an agent of such an agency or instrumentality or trustee) may include the social security account number of any individual (or any derivative of such number) on any check issued for any payment by the Federal Government, any State or political subdivision thereof, or any agency or instrumentality thereof, or such trustee or on any document attached to or accompanying such a check.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply with respect to checks (and documents attached to or accompanying such checks) issued after 1 year after the date of the enactment of this Act.

SEC. 104. PROHIBITION OF THE DISPLAY OF SOCIAL SECURITY ACCOUNT NUMBERS ON DRIVER'S LICENSES OR MOTOR VEHICLE REGISTRATIONS.

(a) **IN GENERAL.**—Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)) is amended—

(1) by inserting “(I)” after “(vi)”; and

(2) by adding at the end the following new subclause:

“(II) Any State or political subdivision thereof (and any person acting as an agent of such an agency or instrumentality), in the administration of any driver's license or motor vehicle registration law within its jurisdiction, may not display a social security account number issued by the Commissioner of Social Security (or any derivative of such number) on any driver's license or motor vehicle registration or any other document issued by such State or political subdivision to an individual for purposes of identification of such individual or include on any such licence, registration, or other document a magnetic strip, bar code, or other means of communication which conveys such number (or derivative thereof).”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to licenses, registrations, and other documents issued or reissued after 1 year after the date of the enactment of this Act.

SEC. 105. PROHIBITION OF THE DISPLAY OF PERSONAL IDENTIFICATION NUMBERS ON GOVERNMENT EMPLOYEE IDENTIFICATION CARDS OR TAGS.

(a) **IN GENERAL.**—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by the preceding provisions of this title) is amended further by adding at the end the following new clause:

“(xii) No executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof, and no other person offering benefits in connection with an employee benefit plan maintained by such agency or instrumentality or acting as an agent of such agency or instrumentality, may display a social security account number (or any derivative thereof) on any card or tag that is commonly provided to employees of such agency or instrumentality (or to their family members) for purposes of identification or include on such card or tag a magnetic strip, bar code, or other means of communication which conveys such number.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply with respect to cards or tags issued after 1 year after the date of the enactment of this Act.

SEC. 106. PROHIBITION OF INMATE ACCESS TO SOCIAL SECURITY ACCOUNT NUMBERS.

(a) **IN GENERAL.**—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by the preceding provisions of this title) is amended further by adding at the end the following new clause:

“(xiii) No executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof (or person acting as an agent of such an agency or instrumentality) may employ, or enter into a contract for the use or employment of, prisoners in any capacity that would allow such prisoners access to the social security account numbers of other individuals. For purposes of this clause, the term ‘prisoner’ means an individual confined in a jail, prison, or other penal institution or correctional facility.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply with respect to employment of prisoners, or entry into contract for the use or employment of prisoners, on or after the date of the enactment of this Act.

(2) TREATMENT OF CURRENT ARRANGEMENTS.—In the case of—

(A) prisoners employed as described in clause (xiii) of section 205(c)(2)(C) of the Social Security Act (as added by this section) on the date of the enactment of this Act, and

(B) contracts described in such clause in effect on such date, the amendment made by this section shall take effect 90 days after the date of the enactment of this Act.

SEC. 107. MEASURES TO PRECLUDE UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY ACCOUNT NUMBERS AND PROTECT THE CONFIDENTIALITY OF SUCH NUMBERS.

(a) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by the preceding provisions of this title) is amended further by adding at the end the following new clause:

“(xiv) Except as otherwise provided in this paragraph, in the case of any executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof and any trustee appointed in a case under title 11, United States Code (and any agent of such agency, instrumentality, or trustee) having in its possession an individual’s social security account number—

“(I) no officer or employee thereof shall have access to such number for any purpose other than the effective administration of the statutory provisions governing its functions,

“(II) such agency, instrumentality, trustee, or agent shall restrict, to the satisfaction of the Commissioner of Social Security, access to social security account numbers obtained thereby to officers and employees thereof whose duties or responsibilities require access for the administration or enforcement of such provisions, and

“(III) such agency, instrumentality, trustee, or agent shall provide such other safeguards as the Commissioner of Social Security determines to be necessary or appropriate to preclude unauthorized access to the social security account number and to otherwise protect the confidentiality of such number.

For purposes of this clause the term social security account number includes any derivative thereof.”

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 1 year after the date of the enactment of this Act.

SEC. 108. PROHIBITION OF THE SALE, PURCHASE, AND DISPLAY TO THE GENERAL PUBLIC OF THE SOCIAL SECURITY ACCOUNT NUMBER IN THE PRIVATE SECTOR.

(a) IN GENERAL.—Title II of the Social Security Act is amended by inserting after section 208 (42 U.S.C. 408) the following new section:

“PROHIBITION OF THE SALE, PURCHASE, AND DISPLAY TO THE GENERAL PUBLIC OF THE SOCIAL SECURITY ACCOUNT NUMBER IN THE PRIVATE SECTOR**“Definitions**

“SEC. 208A. (a) For purposes of this section:

“(1) PERSON.—

“(A) IN GENERAL.—Subject to subparagraph (B), the term ‘person’ means any individual, partnership, corporation, trust, estate, cooperative, association, or any other entity.

“(B) GOVERNMENTAL ENTITIES.—Such term does not include a governmental entity. Nothing in this subparagraph shall be construed to authorize, in connection with a governmental entity, an act or practice otherwise prohibited under this section or section 205(c)(2)(C).

“(2) SELLING AND PURCHASING.—

“(A) IN GENERAL.—Subject to subparagraph (B)—

“(i) SELL.—The term ‘sell’ in connection with a social security account number means to obtain, directly or indirectly, anything of value in exchange for such number.

“(ii) PURCHASE.—The term ‘purchase’ in connection with a social security account number means to provide, directly or indirectly, anything of value in exchange for such number.

“(B) EXCEPTIONS.—The terms ‘sell’ and ‘purchase’ in connection with a social security account number do not include the submission of such number as part of—

“(i) the process for applying for any type of Government benefits or programs (such as grants or loans or welfare or other public assistance programs),

“(ii) the administration of, or provision of benefits under, an employee benefit plan, or

“(iii) the sale, lease, merger, transfer, or exchange of a trade or business.

“(3) DISPLAY TO THE GENERAL PUBLIC.—

“(A) IN GENERAL.—The term ‘display to the general public’ means, in connection with a social security account number, to intentionally place such number in a viewable manner on an Internet site that is available to the general public or to make such number available in any other manner intended to provide access to such number by the general public.

“(B) INTERNET TRANSMISSIONS.—In any case in which a person requires, as a condition of doing business with such person, transmittal to such person of an individual’s social security account number by means of the Internet without reasonable provisions to ensure that such number is encrypted or otherwise secured from disclosure, any such transmittal of such number as so required shall be treated as a ‘display to the general public’ of such number by such person.

“(4) SOCIAL SECURITY ACCOUNT NUMBER.—The term ‘social security account number’ has the meaning given such term in section 208(c), except that such term includes any derivative of such number. Notwithstanding the preceding sentence, any expression, contained in or on any item sold or displayed to the general public, shall not be treated as a social security account number solely because such expression sets forth not more than the last 4 digits of such number, if the remainder of such number cannot be determined based solely on such expression or any other matter presented in or on such item.

“Prohibition of Sale, Purchase, and Display to the General Public

“(b)(1) Except as provided in paragraph (2), it shall be unlawful for any person to—

“(A) sell or purchase a social security account number or display to the general public a social security account number, or

“(B) obtain or use any individual’s social security account number for the purpose of locating or identifying such individual with the intent to physically injure or harm such individual or using the identity of such individual for any illegal purpose.

“(2) Notwithstanding paragraph (1), and subject to paragraph (3), a social security account number may be sold or purchased by any person to the extent provided in this subsection (and for no other purpose) as follows:

“(A) to the extent necessary for law enforcement, including (but not limited to) the enforcement of a child support obligation, as determined under regulations issued as provided in section 205(c)(2)(I);

“(B) to the extent necessary for national security purposes, as determined under regulations issued as provided in section 205(c)(2)(I);

“(C) to the extent necessary for public health purposes;

“(D) to the extent necessary in emergency situations to protect the health or safety of 1 or more individuals;

“(E) to the extent that the sale or purchase is required to comply with a tax law of the United States or of any State (or political subdivision thereof);

“(F) to the extent that the sale or purchase is to or by a consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))) for use or disclosure solely for permissible purposes described in section 604(a) of such Act (15 U.S.C. 1681b(a)); and

“(G) to the extent necessary for research (other than market research) conducted by an agency or instrumentality of the United States or of a State or political subdivision thereof (or an agent of such an agency or instrumentality) for the purpose of advancing the public good, on the condition that the researcher provides adequate assurances that—

“(i) the social security account numbers will not be used to harass, target, or publicly reveal information concerning any identifiable individuals;

“(ii) information about identifiable individuals obtained from the research will not be used to make decisions that directly affect the rights, benefits, or privileges of specific individuals; and

“(iii) the researcher has in place appropriate safeguards to protect the privacy and confidentiality of any information about identifiable individuals, including procedures to ensure that the social security account numbers will be encrypted or otherwise appropriately secured from unauthorized disclosure.

“(3) Notwithstanding paragraph (1), a social security account number assigned to an individual may be sold, purchased, or displayed to the general public by any person—

“(A) to the extent consistent with such individual’s voluntary and affirmative written consent to the sale, purchase, or display of the social security account number, but only if—

“(i) the terms of the consent and the right to refuse consent are presented to the individual in a clear, conspicuous, and understandable manner,

“(ii) the individual is placed under no obligation to provide consent to any such sale, purchase, or display, and

“(iii) the terms of the consent authorize the individual to limit the sale, purchase, or display to purposes directly associated with the transaction with respect to which the consent is sought, and

“(B) under such circumstances as may be deemed appropriate in regulations issued as provided under section 205(c)(2)(I).

“(4) In the case of social security account numbers which constitute personally identifiable medical information—

“(A) the Commissioner of Social Security, with respect to medical research referred to in paragraph (3)(A), and

“(B) the Attorney General of the United States, with respect to any medical research not referred to in paragraph (3)(A) but which is treated in regulations of the Attorney General issued pursuant to paragraph (3)(B),

shall maintain ongoing consultation with the Office for Civil Rights of the Department of Health and Human Services to ensure that the sale or purchase of such social security account numbers is permitted only in compliance with existing Federal rules and regulations prescribed by the Secretary of Health and Human Services pursuant to section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (110 Stat. 2033).

“Prohibition of Unauthorized Disclosure to Government Agencies or Instrumentalities

“(c)(1) It shall be unlawful for any person to communicate by any means to any agency or instrumentality of the United States or of any State or political subdivision thereof the social security account number of any individual other than such person without the written permission of such individual, unless the number was requested by the agency or instrumentality. In the case of an individual who is legally incompetent, permission provided by the individual’s legal representatives shall be deemed to be permission provided by such individual.

“(2) Paragraph (1) shall not apply to the extent necessary—

“(A) for law enforcement, including (but not limited to) the enforcement of a child support obligation, or

“(B) for national security purposes,
as determined under regulations issued as provided under section 205(c)(2)(I).

“Prohibition of the Displays on Cards or Tags Required for Access to Goods, Services, or Benefits

“(d) No person may display a social security account number on any card or tag issued to any other person for the purpose of providing such other person access to any goods, services, or benefits or include on such card or tag a magnetic strip, bar code, or other means of communication which conveys such number.

“Prohibition of the Displays on Employee Identification Cards or Tags

“(e) No person that is an employer, and no other person offering benefits in connection with an employee benefit plan maintained by such employer or acting as an agent of such employer, may display a social security account number on any card or tag that is commonly provided to employees of such employer (or to their family

members) for purposes of identification or include on such card or tag a magnetic strip, bar code, or other means of communication which conveys such number.

“Measures to Preclude Unauthorized Disclosure of Social Security Account Numbers and Protect the Confidentiality of Such Numbers

“(f) Subject to the preceding provisions of this section, any person having in such person’s records the social security account number of any individual other than such person shall, to the extent that such records are maintained for the conduct of such person’s trade or business—

“(1) ensure that no officer or employee thereof has access to such number for any purpose other than as necessary for the conduct of such person’s trade or business,

“(2) restrict, in accordance with regulations of the Commissioner, access to social security account numbers obtained thereby to officers and employees thereof whose duties or responsibilities require access for the conduct of such person’s trade or business, and

“(3) provide such safeguards as may be specified, in regulations of the Commissioner, to be necessary or appropriate to preclude unauthorized access to the social security account number and to otherwise protect the confidentiality of such number.

“Deceased Individuals

“(g) This section does not apply with respect to the social security account number of a deceased individual.

“Criminal Penalty

“(h) Any person who violates this section shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than 5 years, or both.

“Applicability of Other Protections

“(i) Nothing in this section shall be construed to supersede, alter, or affect any restriction or limitation on the sale, purchase, display to the general public, or other disclosure of social security account numbers, provided in any Federal statute, regulation, order, or interpretation, if the restriction or limitation is greater than that provided under this section, as determined under applicable regulations issued by the Commissioner of Social Security or by the Attorney General of the United States or another agency or instrumentality of the United States as provided in section 205(c)(2)(I).”

(b) EFFECTIVE DATE AND RELATED RULES.—

(1) IN GENERAL.—Initial final regulations prescribed to carry out the provisions of section 208A of the Social Security Act (added by this section) shall be issued not later than the last date of the 18th calendar month following the date of the enactment of this Act. Such provisions shall take effect, with respect to matters governed by such regulations issued by the Commissioner of Social Security, or (pursuant to section 205(c)(2)(I) of such Act (added by section 102)) by the Attorney General of the United States or any other agency or instrumentality of the United States, 1 year after the date of the issuance of such regulations by the Commissioner, the Attorney General, or such other agency or instrumentality, respectively. Section 208A(b) of such Act shall apply in the case of displays to the general public (as defined in section 208A(a)(3) of such Act) to such displays to the general public originally occurring after such 1-year period. Such provisions shall not apply with respect to any such display to the general public of a record (containing a social security account number (or any derivative thereof)) generated prior to the close of such 1-year period.

(2) SUNSET OF EXCEPTION.—The last sentence of section 208A(a)(4) of the Social Security Act (added by this section) shall cease to be effective with respect to sales, purchases, or displays to the general public occurring after 6 years after the 18th calendar month referred to in paragraph (1).

SEC. 109. CONFIDENTIAL TREATMENT OF CREDIT HEADER INFORMATION.

(a) IN GENERAL.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following new subsection:

“(q) CONFIDENTIAL TREATMENT OF CREDIT HEADER INFORMATION.—Information regarding the social security account number of the consumer, or any derivative thereof, may not be furnished to any person by a consumer reporting agency other

than in a full consumer report furnished in accordance with section 604 and other requirements of this title.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 90 days after the date of the enactment of this Act.

SEC. 110. REFUSAL TO DO BUSINESS WITHOUT RECEIPT OF SOCIAL SECURITY ACCOUNT NUMBER CONSIDERED UNFAIR OR DECEPTIVE ACT OR PRACTICE.

(a) IN GENERAL.—Any person who refuses to do business with an individual because the individual will not consent to the receipt by such person of the social security account number of such individual shall be considered to have committed an unfair or deceptive act or practice in violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45). Action may be taken under such section 5 against such a person.

(b) EXCEPTION.—Subsection (a) shall not apply to any person in any case in which such person is expressly required under Federal law, in connection with doing business with an individual, to submit to the Federal Government such individual's social security account number.

(c) EFFECTIVE DATE.—The preceding provisions of this section shall apply with respect to acts or practices committed after 180 days after the date of the enactment of this Act.

TITLE II—MEASURES TO ENSURE THE INTEGRITY OF APPLICATIONS FOR SOCIAL SECURITY ACCOUNT NUMBERS AND REPLACEMENT SOCIAL SECURITY CARDS

SEC. 201. INDEPENDENT VERIFICATION OF BIRTH RECORDS PROVIDED IN SUPPORT OF APPLICATIONS FOR SOCIAL SECURITY ACCOUNT NUMBERS.

(a) APPLICATIONS FOR SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(B)(ii) of the Social Security Act (42 U.S.C. 405(c)(2)(B)(ii)) is amended—

(1) by inserting “(I)” after “(ii)”; and

(2) by adding at the end the following new subclause:

“(II) With respect to an application for a social security account number for an individual, other than for purposes of enumeration at birth, the Commissioner shall require independent verification of any birth record provided by the applicant in support of the application. The Commissioner may provide by regulation for reasonable exceptions from the requirement for independent verification under this subclause in any case in which the Commissioner determines there is minimal opportunity for fraud.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to applications filed after 270 days after the date of the enactment of this Act.

(c) STUDY REGARDING APPLICATIONS FOR REPLACEMENT SOCIAL SECURITY CARDS.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security shall undertake a study to test the feasibility and cost effectiveness of verifying all identification documents submitted by an applicant for a replacement social security card. As part of such study, the Commissioner shall determine the feasibility of, and the costs associated with, the development of appropriate electronic processes for third party verification of any such identification documents which are issued by agencies and instrumentalities of the Federal Government and of the States (and political subdivisions thereof).

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Commissioner shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the results of the study undertaken under paragraph (1). Such report shall contain such recommendations for legislative changes as the Commissioner considers necessary to implement needed improvements in the process for verifying identification documents submitted by applicants for replacement social security cards.

SEC. 202. ENUMERATION AT BIRTH.

(a) IMPROVEMENT OF APPLICATION PROCESS.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security shall undertake to make improve-

ments to the enumeration at birth program for the issuance of social security account numbers to newborns. Such improvements shall be designed to prevent—

- (A) the assignment of social security account numbers to unnamed children;
- (B) the issuance of more than 1 social security account number to the same child; and
- (C) other opportunities for fraudulently obtaining a social security account number.

(2) REPORT TO THE CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner shall transmit to each House of the Congress a report specifying in detail the extent to which the improvements required under paragraph (1) have been made.

(b) STUDY REGARDING PROCESS FOR ENUMERATION AT BIRTH.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security shall undertake a study to determine the most efficient options for ensuring the integrity of the process for enumeration at birth. Such study shall include an examination of available methods for reconciling hospital birth records with birth registrations submitted to agencies of States and political subdivisions thereof and with information provided to the Commissioner as part of the process for enumeration at birth.

(2) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Commissioner shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the results of the study undertaken under paragraph (1). Such report shall contain such recommendations for legislative changes as the Commissioner considers necessary to implement needed improvements in the process for enumeration at birth.

SEC. 203. STUDY RELATING TO USE OF PHOTOGRAPHIC IDENTIFICATION IN CONNECTION WITH APPLICATIONS FOR BENEFITS, SOCIAL SECURITY ACCOUNT NUMBERS, AND SOCIAL SECURITY CARDS.

(a) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security shall undertake a study to—

(1) determine the best method of requiring and obtaining photographic identification of applicants for old-age, survivors, and disability insurance benefits under title II of the Social Security Act, for a social security account number, or for a replacement social security card, and of providing for reasonable exceptions to any requirement for photographic identification of such applicants that may be necessary to promote efficient and effective administration of this title, and

(2) evaluate the benefits and costs of instituting such a requirement for photographic identification, including the degree to which the security and integrity of the old-age, survivors, and disability insurance program would be enhanced.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Commissioner shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the results of the study undertaken under paragraph (1). Such report shall contain such recommendations for legislative changes as the Commissioner considers necessary relating to requirements for photographic identification of applicants described in subsection (a).

SEC. 204. RESTRICTIONS ON ISSUANCE OF MULTIPLE REPLACEMENT SOCIAL SECURITY CARDS.

(a) IN GENERAL.—Section 205(c)(2)(G) of the Social Security Act (42 U.S.C. 405(c)(2)(G)) is amended by adding at the end the following new sentence: “The Commissioner shall restrict the issuance of multiple replacement social security cards to any individual to 3 per year and to 10 for the life of the individual, except in any case in which the Commissioner determines there is minimal opportunity for fraud.”

(b) REGULATIONS AND EFFECTIVE DATE.—The Commissioner of Social Security shall issue regulations under the amendment made by subsection (a) not later than 1 year after the date of the enactment of this Act. Systems controls developed by the Commissioner pursuant to such amendment shall take effect upon the earlier of the issuance of such regulations or the end of such 1-year period.

SEC. 205. STUDY RELATING TO MODIFICATION OF THE SOCIAL SECURITY ACCOUNT NUMBERING SYSTEM TO SHOW WORK AUTHORIZATION STATUS.

(a) **IN GENERAL.**—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security, in consultation with the Secretary of Homeland Security, shall undertake a study to examine the best method of modifying the social security account number assigned to individuals who—

- (1) are not citizens of the United States,
- (2) have not been admitted for permanent residence, and
- (3) are not authorized by the Secretary of Homeland Security to work in

the United States, or are so authorized subject to one or more restrictions, so as to include an indication of such lack of authorization to work or such restrictions on such an authorization.

(b) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Commissioner shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the results of the study undertaken under this section. Such report shall include the Commissioner's recommendations of feasible options for modifying the social security account number in the manner described in subsection (a).

TITLE III—ENFORCEMENT**SEC. 301. NEW CRIMINAL PENALTIES FOR MISUSE OF SOCIAL SECURITY ACCOUNT NUMBERS.**

(a) **IN GENERAL.**—Section 208(a) of the Social Security Act (42 U.S.C. 408(a)) is amended—

(1) in paragraph (7), by adding after subparagraph (C) the following new subparagraph:

“(D) with intent to deceive, discloses, sells, or transfers his own social security account number, assigned to him by the Commissioner of Social Security (in the exercise of the Commissioner's authority under section 205(c)(2) to establish and maintain records), to any person; or”;

(2) in paragraph (8), by adding “or” at the end; and

(3) by inserting after paragraph (8) the following new paragraphs:

“(9) without lawful authority, offers, for a fee, to acquire for any individual, or to assist in acquiring for any individual, an additional social security account number or a number that purports to be a social security account number; or

“(10) being an officer or employee of any executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof (or a person acting as an agent of such an agency or instrumentality), willfully acts or fails to act so as to cause a violation of section 205(c)(2)(C)(xi); or

“(11) being an officer or employee of any executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof (or a person acting as an agent of such an agency or instrumentality) in possession of any individual's social security account number (or an officer or employee thereof or a person acting as an agent thereof), willfully acts or fails to act so as to cause a violation of clause (vi)(II), (x), (xi), (xii), (xiii), or (xiv) of section 205(c)(2)(C); or

“(12) being a trustee appointed in a case under title 11, United States Code (or an officer or employee thereof or a person acting as an agent thereof), willfully acts or fails to act so as to cause a violation of clause (x), (xi), or (xiv) of section 205(c)(2)(C);”.

(b) **EFFECTIVE DATES.**—Paragraphs (7)(D) and (9) of section 208(a) of the Social Security Act (added by subsection (a)(2)) shall apply with respect to each violation occurring after the date of the enactment of this Act. Paragraphs (10), (11), and (12) of section 208(a) of such Act (added by subsection (a)(2)) shall apply with respect to each violation occurring on or after the effective date applicable with respect to such violation under title I.

SEC. 302. EXTENSION OF CIVIL MONETARY PENALTY AUTHORITY.

(a) **APPLICATION OF CIVIL MONEY PENALTIES TO ELEMENTS OF CRIMINAL VIOLATIONS.**—Section 1129(a) of the Social Security Act (42 U.S.C. 1320a–8(a)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by designating the last sentence of paragraph (1) as a new paragraph (2), appearing after and below paragraph (1); and

(3) by inserting after paragraph (2) (as designated under paragraph (2) of this subsection) the following:

“(3) Any person (including an organization, agency, or other entity) who—

“(A) uses a social security account number that such person knows or should know has been assigned by the Commissioner of Social Security (in an exercise of authority under section 205(c)(2) to establish and maintain records) on the basis of false information furnished to the Commissioner by any person;

“(B) falsely represents a number to be the social security account number assigned by the Commissioner of Social Security to any individual, when such person knows or should know that such number is not the social security account number assigned by the Commissioner to such individual;

“(C) knowingly alters a social security card issued by the Commissioner of Social Security, or possesses such a card with intent to alter it;

“(D) knowingly buys or sells a card that is, or purports to be, a card issued by the Commissioner of Social Security, or possesses such a card with intent to buy or sell it;

“(E) counterfeits a social security card, or possesses a counterfeit social security card with intent to buy or sell it;

“(F) discloses, uses, compels the disclosure of, or knowingly sells or purchases the social security account number of any person in violation of the laws of the United States;

“(G) with intent to deceive the Commissioner of Social Security as to such person’s true identity (or the true identity of any other person), furnishes or causes to be furnished false information to the Commissioner with respect to any information required by the Commissioner in connection with the establishment and maintenance of the records provided for in section 205(c)(2);

“(H) without lawful authority, offers, for a fee, to acquire for any individual, or to assist in acquiring for any individual, an additional social security account number or a number which purports to be a social security account number;

“(I) with intent to deceive, discloses, sells, or transfers his own social security account number, assigned to him by the Commissioner of Social Security under section 205(c)(2)(B), to any person;

“(J) being an officer or employee of any executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof (or a person acting as an agent of such an agency or instrumentality), in possession of any individual’s social security account number, willfully acts or fails to act so as to cause a violation of clause (vi)(II), (x), (xi), (xii), (xiii), or (xiv) of section 205(c)(2)(C);

“(K) being a trustee appointed in a case under title 11, United States Code (or an officer or employee thereof or a person acting as an agent thereof), willfully acts or fails to act so as to cause a violation of clause (x), (xi), or (xiv) of section 205(c)(2)(C);

“(L) violates section 208A (relating to prohibition of the sale, purchase, or display of the social security account number in the private sector); or

“(M) violates section 208B (relating to fraud by social security administration employees);

shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than \$5,000 for each violation. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States resulting from such violation, of not more than twice the amount of any benefits or payments paid as a result of such violation.”

(b) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to violations committed after the date of the enactment of this Act, except that subparagraphs (J), (K), (L), and (M) of section 1129(a)(3) of the Social Security Act (added by subsection (a)) shall apply with respect to violations occurring on or after the effective date provided in connection with such violations under title I.

SEC. 303. CRIMINAL PENALTIES FOR EMPLOYEES OF THE SOCIAL SECURITY ADMINISTRATION WHO KNOWINGLY AND FRAUDULENTLY ISSUE SOCIAL SECURITY CARDS OR SOCIAL SECURITY ACCOUNT NUMBERS.

(a) IN GENERAL.—Title II of the Social Security Act (as amended by the preceding provisions of this Act) is amended further by inserting after section 208A the following new section:

“FRAUD BY SOCIAL SECURITY ADMINISTRATION EMPLOYEES

“SEC. 208B. (a) Whoever is an employee of the Social Security Administration and knowingly and fraudulently sells or transfers one or more social security account numbers or social security cards shall be guilty of a felony and upon conviction

tion thereof shall be fined under title 18, United States Code, imprisoned as provided in subsection (b), or both.

“(b) Imprisonment for a violation described in subsection (a) shall be for—

“(1) not less than 1 year and up to 5 years, in the case of an employee of the Social Security Administration who has fraudulently sold or transferred not more than 50 social security account numbers or social security cards,

“(2) not less than 5 years and up to 10 years, in the case of an employee of the Social Security Administration who has fraudulently sold or transferred more than 50, but not more than 100, social security account numbers or social security cards, or

“(3) not less than 10 years and up to 20 years, in the case of an employee of the Social Security Administration who has fraudulently sold or transferred more than 100 social security account numbers or social security cards.

“(c) For purposes of this section—

“(1) The term ‘social security employee’ means any State employee of a State disability determination service, any officer, employee, or contractor of the Social Security Administration, any employee of such a contractor, or any volunteer providing services or assistance in any facility of the Social Security Administration.

“(2) The term ‘social security account number’ means a social security account number assigned by the Commissioner of Social Security under section 205(c)(2)(B) or another number that has not been so assigned but is purported to have been so assigned.

“(3) The term ‘social security card’ means a card issued by the Commissioner of Social Security under section 205(c)(2)(G), another card which has not been so issued but is purported to have been so issued, and banknote paper of the type described in section 205(c)(2)(G) prepared for the entry of social security account numbers, whether fully completed or not.

“(d) Any employee of the Social Security Administration who attempts or conspires to commit any violation of this section shall be subject to the same penalties as those prescribed for the violation the commission of which was the object of the attempt or conspiracy.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of the enactment of this Act.

SEC. 304. ENHANCED PENALTIES IN CASES OF TERRORISM, DRUG TRAFFICKING, CRIMES OF VIOLENCE, OR PRIOR OFFENSES.

(a) AMENDMENTS TO TITLE II.—Section 208 of the Social Security Act (42 U.S.C. 408) is amended—

(1) in subsection (a), by striking “shall be fined” and all that follows and inserting the following: “shall be fined, imprisoned, or both, as provided in subsection (b).”;

(2) by striking subsection (c);

(3) by redesignating subsection (b) as subsection (c); and

(4) by inserting after subsection (a) the following new subsection:

“(b) A person convicted of a violation described in subsection (a) shall be—

“(1) fined under title 18, United States Code, or imprisoned for not more than 5 years, or both, in the case of an initial violation, subject to paragraphs (3) and (4),

“(2) fined under title 18, United States Code, or imprisoned for not more than 10 years, or both, in the case of a violation which occurs after a prior conviction for another offense under subsection (a) becomes final, subject to paragraphs (3) and (4),

“(3) fined under title 18, United States Code, or imprisoned for not more than 20 years, in the case of a violation which is committed to facilitate a drug trafficking crime (as defined in section 929(a)(2) of title 18, United States Code) or in connection with a crime of violence (as defined in section 924(c)(3) of title 18, United States Code), subject to paragraph (4), and

“(4) fined under title 18, United States Code, or imprisoned for not more than 25 years, in the case of a violation which is committed to facilitate an act of international or domestic terrorism (as defined in paragraphs (1) and (5), respectively, of section 2331 of title 18, United States Code).”.

(b) AMENDMENTS TO TITLE VIII.—Section 811 of such Act (42 U.S.C. 1011) is amended—

(1) in subsection (a), by striking “shall be fined” and all that follows and inserting “shall be fined, imprisoned, or both, as provided in subsection (b).”;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following new subsection:

“(b) PUNISHMENT.—A person convicted of a violation described in subsection (a) shall be—

“(1) fined under title 18, United States Code, or imprisoned for not more than 5 years, or both, in the case of an initial violation, subject to paragraphs (3) and (4),

“(2) fined under title 18, United States Code, or imprisoned for not more than 10 years, or both, in the case of a violation which occurs after a prior conviction for another offense under subsection (a) becomes final, subject to paragraphs (3) and (4),

“(3) fined under title 18, United States Code, or imprisoned for not more than 20 years, in the case of a violation which is committed to facilitate a drug trafficking crime (as defined in section 929(a)(2) of title 18, United States Code) or in connection with a crime of violence (as defined in section 924(c)(3) of title 18, United States Code), subject to paragraph (4), and

“(4) fined under title 18, United States Code, or imprisoned for not more than 25 years, in the case of a violation which is committed to facilitate an act of international or domestic terrorism (as defined in paragraphs (1) and (5), respectively, of section 2331 of title 18, United States Code).”.

(c) AMENDMENTS TO TITLE XVI.—Section 1632 of such Act (42 U.S.C. 1383a) is amended—

(1) in subsection (a), by striking “shall be fined” and all that follows and inserting “shall be fined, imprisoned, or both, as provided in subsection (b).”;

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(3) by inserting after subsection (a) the following new subsection:

“(b) A person convicted of a violation described in subsection (a) shall be—

“(1) fined under title 18, United States Code, or imprisoned for not more than 5 years, or both, in the case of an initial violation, subject to paragraphs (3) and (4),

“(2) fined under title 18, United States Code, or imprisoned for not more than 10 years, or both, in the case of a violation which occurs after a prior conviction for another offense under subsection (a) becomes final, subject to paragraphs (3) and (4),

“(3) fined under title 18, United States Code, or imprisoned for not more than 20 years, in the case of a violation which is committed to facilitate a drug trafficking crime (as defined in section 929(a)(2) of title 18, United States Code) or in connection with a crime of violence (as defined in section 924(c)(3) of title 18, United States Code), subject to paragraph (4), and

“(4) fined under title 18, United States Code, or imprisoned for not more than 25 years, in the case of a violation which is committed to facilitate an act of international or domestic terrorism (as defined in paragraphs (1) and (5), respectively, of section 2331 of title 18, United States Code).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.