

Committee on Ways and Means

Subcommittee on Social Security

Floor Statement of E. Clay Shaw, Jr. (R-FL)

**Introduction of the *Social Security Number Privacy and Identity Theft Prevention Act of 2003*
July 25, 2003**

Mr. Speaker, use of Social Security numbers is rampant. When Social Security numbers were created in 1936, their only purpose was to track a worker's earnings so that Social Security benefits could be calculated. But today, we literally have a culture of dependence on Social Security numbers.

Businesses and governments use the number as the primary way of identifying individuals. All of us know how difficult it is to conduct even the most mundane transactions without having to provide our Social Security number first. It's no wonder identity theft has become the fastest growing white collar crime.

Worse yet, terrorists, including those responsible for the September 11th attacks, misuse SSNs in order to assimilate into our society.

Barely a day goes by without hearing more examples of the truly devastating effects of identity theft. Just this month, at a Ways and Means Subcommittee on Social Security hearing, we learned about a widow whose husband died in the September 11th attacks on the World Trade Center—an illegal immigrant used her deceased husband's Social Security number to get a driver's license and to work. We also heard about individuals whose credit was ruined, who were arrested for crimes they did not commit, and who spent years and hundreds or even thousands of dollars out of their own pockets trying to clear their names because of identity theft often facilitated by obtaining the individual's Social Security number.

Concerns about identity theft are increasing dramatically. According to the Federal Trade Commission, identity theft is the number one consumer complaint – amounting to 43 percent of complaints received in 2002. In fact, my state, Florida, is sixth in the nation in the number of identity theft victims per 100,000 people.

Clearly, there is need for a comprehensive law to better protect the privacy of Social Security numbers and protect the American public from being victimized. Today, I re-introduce the "Social Security Number Privacy and Identity Theft Prevention Act of 2003," which is similar to bipartisan legislation introduced during the last Congress. In the public and private sector, the bill would restrict the sale and public display of Social Security numbers, limit dissemination of Social Security numbers by credit reporting agencies, make it more difficult for businesses to deny services if a customer refuses to provide his or her Social Security number and establish civil and criminal penalties for violations.

Based on the thoughtful comments we have received, this new legislation reflects a small number of fair and appropriate modifications, including the following:

- In response to concerns about potentially preventing necessary disclosures of the SSN and the impact on businesses, customers, and the economy, the U.S. Attorney General will be able to authorize the sale, purchase and display of SSNs only when necessary and with restrictions to assure the Social Security number would not be used to commit fraud or crime and to prevent risk of individual harm.
- Based on feedback from employee benefit plan administrators, the legislation makes clear that sale and purchase of Social Security numbers does not include its submission for administering employee benefits.
- In response to concerns regarding vulnerabilities in the Social Security Administration's process of issuing Social Security numbers, the bill tightens controls by requiring a photo ID; raising the standards for issuing Social Security numbers to babies; and restricting reissuance of Social Security number cards.
- In response to concerns about the need for stronger, clearer penalties for SSN misuse, the legislation provides enhanced criminal penalties for repeat offenders and for misuse associated with drug trafficking, crimes of violence, and terrorism. The legislation provides criminal penalties for Social Security employees who sell Social Security numbers or cards, as well as for individuals who sell their own Social Security number to another.

Congress must act to protect the very number it requires each of us to obtain and use throughout our lifetime. Providing for uses of Social Security numbers that benefit the public while protecting these numbers from being used by criminals, or even terrorists, is a complex balancing act. This bill achieves that balance by ensuring Social Security numbers are assigned accurately, exchanged only when necessary, and protected from indiscriminant disclosure. I urge Members to co-sponsor this important legislation.