

U.S. Congressman Kenny Marchant
Committee on Ways and Means Opening Statement
September 1, 2011

I would like to thank Chairman Johnson for hosting this hearing on Social Security numbers and child identity theft. Thank you, also, to Mayor Dyer and the Plano City Council for graciously allowing us to hold this hearing in your chambers. Thank you to the scouts, too, for their wonderful presentation of the colors.

The figures on Social Security numbers and identity theft are alarming. According to the U.S. Department of Justice, between 2006 and 2008 approximately 11.7 million Americans were victims of identity theft. This takes a huge toll on the economy. The Federal Trade Commission reports that identity theft costs American consumers around \$50 billion annually. Many of these stolen identities come from Social Security numbers. Some of the most vulnerable to identity theft are children. The FTC points to 19,000 cases of child identity theft reported in 2009, an almost 200 percent increase since 2003. A recent Carnegie Mellon University study says that child identity theft during 2009 and 2010 took place at a rate 51 times higher than the rate calculated for adults.

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The question today, then, is whether we move in the direction of protecting Social Security numbers and combating rampant identity theft – particularly of children – or in the direction that simply looks the other way. I think the direction we should take, to shield individual security and fight child identity theft, will depend in part upon the knowledge and action gained from hearings like this.

We discuss today an issue that hits close to home. Not long ago, a constituent from my district had her then six-month-old son's Social Security card stolen by a convicted felon. The child's Social Security card was removed from the family's mailbox without their knowledge. Later, a local police department recovered the child's stolen Social Security card among a pile of other private information from the perpetrator. The police department notified the child's mother of the theft, and that the thief had a long history of forgery, credit card abuse and identity theft. In other words, the six-month-old child's identity had been compromised before the family had even received the Social Security number.

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The police department's diligence should be applauded, but the larger point remains that identity theft of Social Security numbers impacts all Americans, of all ages, of all backgrounds, and in all parts of the country. This week's *Wall Street Journal* tells the story of a Dallas woman who was almost denied state medical benefits for her children when she learned that her one-year old daughter had apparently been earning income – and that the one-year old had amassed \$39,000 worth of debt. Thieves cover and exploit Social Security numbers – especially, as in this case, an innocent child. Therefore, it the duty of this subcommittee to ask: Are we doing as much as we can do to protect Social Security numbers? If a child, or any American, has their Social Security number seriously compromised, what steps is the Social Security Administration taking to protect the individual's identity? What more can be done?

If a child has their identity number compromised, there should be practical steps to flag the old number and get a new, secure number. That is why when Congress returns to Washington, I plan to introduce legislation that proposes to do just that. But that is just a start. We must do a better job at protecting all Social Security identities, of the young, old, and in-between. That is the obligation upon this committee, and one that I am pleased the chairman and those here today take seriously.