



Committee On Finance

Max Baucus, Ranking Member

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STATEMENT OF SENATOR MAX BAUCUS DRIVER'S LICENSE FRAUD OVERSIGHT HEARING

Thank you Mr. Chairman for convening this important hearing as our country nears the second anniversary of the September 11th terrorist attacks.

In January, President Bush spoke to the nation and reminded us how high the stakes ride in our nation's efforts to fight the war on terror. In reference to the war on terrorism, he said "as we fight this war, we will remember where it began: in our own country." He said, "we've intensified security at the border and ports of entry." After the President's speech, this Committee held a hearing to assess the security of our borders. In that hearing, serious questions were raised about whether the government was doing enough.

Today's hearing focuses on another critical aspect of how we protect our homeland -- the adequacy of systems used to issue identifications to people in our country. Specifically, we will focus on the apparent ease with which an authentic driver's license can be obtained by using fictitious documents.

This Committee exercises jurisdiction of identity fraud through its oversight of the use of Social Security numbers. Social Security numbers play a vital role in verifying identity. And, while the Social Security Administration has taken some steps to prevent the misuse of Social Security numbers, problems still persist. Today, we will hear about two recently-discovered gaps in the protection of these numbers. I also want to hear what SSA is doing to close these gaps.

But, why is the issue of identification fraud important? It is worth remembering that seven out of the 19 September 11th hijackers fraudulently obtained authentic driver's licenses through the Virginia Department of Motor Vehicles. They used these authentic driver's licenses to board the planes on that tragic day.

Even today, there are press reports that Virginia DMV workers were part of a lucrative scam that trafficked in bogus Virginia driver's licenses -- and netted more than \$1 million. Last month, a man from Guinea was charged with using a false Social Security number to cash counterfeit checks as part of another conspiracy that obtained over \$1.2 million. The suspect admitted having three Virginia driver's licenses. For one, he told DMV workers he changed his name for religious reasons. For the second license, he used an international driver's license. And for the third license, the DMV allowed a friend to vouch for his residency. It remains clear that a weak link in our national security chain still exists.

A driver's license is a commonly acceptable form of identification. It also plays an integral role in helping to protect our national security. Not only are licenses used to board airplanes, they make it possible to re-enter the United States, obtain access to government buildings, open bank accounts, cash checks and buy weapons. What is most important about a driver's license is the apparent legitimacy it establishes.

Driver's licenses -- like all government-issued IDs -- carry a presumption of authenticity. When we see these forms of ID, we presume the persons possessing them are who they say they are. We lessen our suspicions and drop our guard. We assume the government has done its job in checking out the person's credentials and has validated the person's true identity. Unfortunately, as we will hear today, this is not always the case.

GAO will tell us today that -- two years after 9/11 -- many DMVs remain susceptible to fraud and abuse. The GAO will testify that DMVs are not alert to the possibility of identity fraud. Some workers at the DMV failed to follow security procedures and report attempts to create false identities. In other cases, DMV workers told the GAO investigators what they needed to do to fix their fraudulent documents.

We will also learn that DMV offices do not have access to the appropriate information systems to fully carry out the background checks they need to perform. In a time of heightened national security, state DMVs play an integral role in protecting us. A driver's license is more than a license to drive. It is the primary document we use to identify ourselves. Accordingly, DMVs have a responsibility to look beyond driving safety and detect counterfeit documents used to establish identity. Frankly, the DMV vulnerabilities are inexcusable.

So, what are we going to do about the problem? Today, I would like to offer some solutions to these problems. First, we need better standards for issuing identity documents. This will increase detection of fictitious or fraudulent documents used to establish identity. Next, we need to ensure that DMV workers are better trained to identify counterfeit documents. Third, we need more sophisticated technology at the DMVs. The Department of Homeland Security was created to facilitate communication among agencies. We also need to ensure that DMVs can communicate with each other and with law enforcement officials. And last of all, DMV workers need to become more vigilant to prevent bad actors from obtaining valid driver's licenses.

Mr. Chairman, today's hearing is very timely -- and disturbing. I look forward to hearing from the witnesses. I am particularly interested in learning what specific steps the Administration is taking to address the security weaknesses identified by our witnesses. Talk is cheap. The American people deserve and expect action. Thank you, Mr. Chairman.