

GAO

Report to the Chairman, Committee on
the Judiciary, House of Representatives

March 2006

SOCIAL SECURITY ADMINISTRATION

Improved Agency Coordination Needed for Social Security Card Enhancement Efforts





Highlights of [GAO-06-303](#), a report to the Chairman, Committee on the Judiciary, House of Representatives

Why GAO Did This Study

The Social Security Administration (SSA) has issued more than 430 million Social Security numbers (SSN) and cards since the Social Security program began in 1935, of which an estimated 300 million belong to living number holders. SSNs have a key role in verifying individuals' authorization to work in the United States, but SSN cards are also vulnerable to theft and counterfeiting. The Intelligence Reform and Terrorism Prevention Act of 2004 requires that SSA consult with the Department of Homeland Security (DHS), form a task force, establish standards for safeguarding the SSN and card, and provide for implementation by June 2006. Concerns about unauthorized workers and the use of counterfeit documents led the Chairman of the House Judiciary Committee to ask that GAO (1) review SSA's progress to safeguard the SSN and enhance the card as required under the Intelligence Act, (2) identify key issues to be considered before enhancing the card, and (3) outline the range of options available to SSA for enhancing the card.

What GAO Recommends

As the SSA-led task force works to protect the Social Security card, GAO recommends that DHS and SSA work together to resolve the card's weaknesses in proving employment eligibility. DHS agreed but SSA agreed in part, stating that aspects of the recommendation are beyond the Intelligence Act scope.

www.gao.gov/cgi-bin/getrpt?GAO-06-303.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barbara D. Bovbjerg at (202) 512-7215 or bovbjergb@gao.gov.

SOCIAL SECURITY ADMINISTRATION

Improved Agency Coordination Needed for Social Security Card Enhancement Efforts

What GAO Found

SSA has implemented several provisions of the Intelligence Act intended to help safeguard the SSN and card, but slow action to form the interagency task force may limit card enhancement efforts. SSA has implemented measures to limit the number of replacement cards, verify birth certificates for applicants under age 1, and improve the Enumeration at Birth process. SSA has taken action to include death indicators and initiated work on fraud indicators for Social Security accounts in its database. SSA set specific tasks and timelines to address card enhancement options and made a preliminary decision to improve the current paper card and issue the improved cards only to new card applicants. Although the card plays a significant role in verifying individuals' authorization to work, SSA did not consult DHS about these initial tasks or the formation of the interagency task force until November 2005 and did not convene the task force until late January 2006. This allows less than 6 months for the task force to consider critical issues that affect card enhancements before establishing new safeguards.

The difficulty of counterfeit-proofing the card, the role the card has in determining employment eligibility, and ongoing enhancements to state drivers' licenses and identification cards are critical issues to consider before enhancing the Social Security card. Counterfeit protections were first added in 1983 but older versions of the card remain valid. Millions of older cards never established employment eligibility because SSA did not require that everyone present evidence of age, identity, or citizenship status until 1978. Prior GAO work shows that the employment verification process is jeopardized by document and identity fraud, the wide array of documents that can be used, weak worksite enforcement, and flaws in the voluntary electronic verification system. DHS is currently considering reducing the number of acceptable documents used to verify employment eligibility. Changes to drivers' licenses and identification cards under the Real ID Act will improve verification of identity in the employment process, since states must verify the SSN and legal presence upon application. However, states are not required to check or note employment eligibility.

Once these critical issues are considered, a variety of options exist for enhancing the Social Security card, ranging from enhancing the paper card, to adding machine-readable or biometric features such as photographs and fingerprints, to eliminating the card entirely. Additionally, the costs of implementing each option will vary. Each option provides different alternatives for improving the ability to verify employment eligibility. The type of card and distribution method chosen will have a significant effect on costs and the agency's workload. For example, if cards require a fingerprint or photograph, additional infrastructure will be required to obtain these features; reissuing new cards to the estimated 300 million living cardholders or staggering issuance to certain groups, such as those who change jobs, would require a different investment of resources. However, decisions about the card's role will be crucial in determining costs.

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Abbreviations

DHS	Department of Homeland Security
OIG	Office of the Inspector General
SSA	Social Security Administration
SSN	Social Security number

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United States Government Accountability Office
Washington, DC 20548

March 29, 2006

The Honorable F. James Sensenbrenner, Jr.
Chairman
Committee on the Judiciary
House of Representatives

Dear Mr. Chairman:

The Social Security Administration (SSA) has issued more than 430 million Social Security numbers (SSN) and cards since the Social Security program began in 1935. SSA uses the number to track workers' earnings and eligibility for Social Security benefits, while the card serves as an individual's record of the number. Over the years, the SSN is increasingly used as a unique personal identifier by government agencies and businesses to maintain records and by individuals to file tax returns, open bank accounts, apply for credit, and conduct consumer transactions. Since passage of the Immigration Reform and Control Act of 1986, Social Security cards, drivers' licenses, birth certificates, and other documents are also used to verify individuals' eligibility to work in the United States as well as apply for government benefits. However, these documents can and have been altered, counterfeited, or stolen to gain access to legitimate documents, create false identities, obtain employment, or commit financial crimes. The National Commission on Terrorist Attacks upon the United States (the 9/11 Commission) reported that all but one of the hijackers had acquired U.S. identification documents, some by fraud. The 9/11 Commission recommended that the federal government strengthen the issuance standards for birth certificates and drivers' licenses, and subsequent legislation also included Social Security cards.

The Intelligence Reform and Terrorism Prevention Act of 2004 requires that SSA consult with the Department of Homeland Security (DHS) and form an interagency task force to establish standards to better protect the SSN and card from counterfeiting, tampering, alteration, and theft, and provide for the implementation of security requirements including standards for safeguarding Social Security cards from counterfeiting and theft by June 2006. Although SSA is responsible for issuing the card, DHS monitors employers who are responsible for certifying the authenticity of documents, such as the card, when presented as proof of eligibility to work. Congressional concerns about identification documents and questions about unauthorized workers prompted your request for us to

review SSA's efforts under the Intelligence Act.¹ In response to the request, we (1) reviewed the progress of SSA's efforts to safeguard the SSN and enhance the card as required under the act, (2) identified key issues to be considered before enhancing the card, and (3) outlined the range of options available to SSA for enhancing the card.

In conducting our review, we met with officials from the Social Security Administration and the Department of Homeland Security. We also met with officials from the Government Printing Office who administer the contract for printing Social Security cards. We documented key issues SSA should consider as it proceeds with changing the Social Security card by interviewing officials from SSA, DHS, the American Association of Motor Vehicle Administrators, and state motor vehicle administrators in Illinois, West Virginia, and Wyoming. We selected these three states because they used various security features in their drivers' licensing or identification processes such as fingerprinting, advanced optical printing and inks, or holograms and other features, which already met stated or anticipated federal legislative requirements for improving drivers' licenses and identification cards. We reviewed identification initiatives using biometrics at the United States Visitor and Immigrant Status Indicator Technology program and the Transportation Security Administration's Registered Traveler program.² Finally, we met with employer association groups identified by the U.S. Chamber of Commerce. To examine the range of options available to SSA for enhancing the card, we researched and analyzed technical literature; identified card technologies; interviewed biometrics technology experts, vendors, and industry associations; and consulted the National Institute of Standards and Technology. We also met with Banknote Corporation of America, the contractor that prints Social Security cards, to discuss advances in security printing techniques. We performed our work between April 2005 and January 2006 in accordance with generally accepted government auditing standards. Appendix I discusses our scope and methodology in greater detail.

¹As used in this report, the Intelligence Act refers to the Intelligence Reform and Terrorism Prevention Act of 2004, Pub. L. No. 108-458 (2004).

²Biometrics is a technology that uses automated methods of recognizing a person based on analyzing physiological or behavioral characteristics such as fingerprints or facial features among others.

Results in Brief

The Social Security Administration has implemented several Intelligence Act provisions intended to help safeguard the SSN and the card, and made a preliminary decision to add improved security features to the card before convening the interagency task force that was required to develop safeguards for the card. SSA has implemented measures to limit the number of replacement cards, verify birth certificates for applicants under age 1, and improve the application process of the Enumeration at Birth Program.³ SSA has also taken action to include death indicators and initiated action to include fraud indicators in its database. Additionally, SSA set eight specific tasks and timelines to develop safeguards for enhancing the card before reaching the statutory implementation date of June 17, 2006. Three tasks were expected to be completed before convening the interagency task force and thereby involving DHS—researching the range of available security features, coming to an internal agreement on new security features for the paper card, and developing a publicity campaign for the new card. SSA officials told us that a preliminary decision had been made to develop an improved version of the current paper card and issue the improved cards only to new card applicants. Although the card plays a significant role in verifying individuals' authorization to work, SSA did not consult with DHS as it worked for nearly a year on these three tasks. Further, SSA did not convene the task force until late January 2006, allowing the task force less than 6 months to consider critical issues that affect card enhancement options before new safeguards are to be established in June 2006. SSA is required to provide for the implementation of security requirements by the same date. These officials told us that the agency is unlikely to take action beyond enhancing features of the paper card without specific legislative direction to do so.

The difficulty of counterfeit-proofing the card, the role the card has in determining employment eligibility, and ongoing enhancements to state drivers' licenses and identification cards are critical issues to consider before enhancing the Social Security card. Counterfeit protections were first put on the card in 1983, but older versions of the card remain in circulation, and all cards, including those issued before counterfeit protections were put in place, are still valid. Use of these older versions of the card would adversely affect the intended benefits of a newly enhanced

³Since 1989, SSA has used the voluntary Enumeration at Birth Program to allow parents the option of requesting SSNs for their newly born children at the birth facilities rather than having to visit an SSA field office.

card. Additionally, when SSA began issuing Social Security cards in 1936, individuals applying for a card were not required to provide information useful for determining employment eligibility, such as evidence of age, identity, or citizenship status—not until 1978 were all persons required to provide this information. Since older cards never established employment eligibility, employers cannot be certain if individuals with older Social Security cards are eligible to work. However, the Social Security card is a key document for verifying an individual’s authorization to work. Prior GAO work shows that the employment verification process is jeopardized by document and identity fraud, the wide array of documents that applicants can present, weak worksite enforcement, and flaws in the voluntary electronic verification system.⁴ To improve the employment verification process, DHS is currently considering reducing the number of acceptable documents permitted to verify employment eligibility. Further, recent legislation will require states to verify the Social Security numbers and legal presence of individuals applying for state drivers’ licenses and identification cards—linking the estimated 250 million licenses and identification cards to the Social Security number and immigration documents. These improved licenses and identification cards could improve the employment verification process. However, they are not meant to prove employment eligibility, since states are not required to determine and note worker status when verifying the Social Security number with SSA and immigration documents with DHS.

Once these critical issues are considered, a variety of options exist for enhancing the card, ranging from enhancing the paper card to adding machine-readable or biometric features such as photographs and fingerprints, to eliminating the card entirely. Additionally, the costs of implementing each option will vary. First, the paper card could be made more counterfeit-resistant with features such as the use of paper with a fiber content that reacts to certain chemicals or security threads similar to those used in U.S. paper currency. Second, the card could be plastic and include some machine-readable features such as a magnetic strip or secure bar code; employers would use automated equipment to determine an individual’s employment eligibility status. Third, the card could include some form of biometrics that links the card to the cardholder, such as a fingerprint or a photograph. Finally, SSA could eliminate the card and

⁴GAO, *Immigration Enforcement: Weaknesses Hinder Employment Verification and Worksite Enforcement Efforts*, [GAO-05-813](#) (Washington, D.C.: Aug. 31, 2005), and GAO, *Social Security: Better Coordination among Federal Agencies Could Reduce Unidentified Earnings Report*, [GAO-05-154](#) (Washington, D.C.: Feb. 4, 2005).

instead issue a letter with an individual's Social Security number; in the absence of the card, employers could use a system such as Basic Pilot, or some similar system, to verify employment eligibility through SSA and DHS using the Social Security number or Alien number provided by the worker in combination with an identification document such as a driver's license. Each option provides different alternatives for improving the ability to verify employment eligibility. Choosing the type of card and the method for issuing new cards will have a significant effect on costs and the agency's workload. For example, if cards are machine-readable or require a fingerprint or photograph, additional infrastructure will be needed to obtain and read these features. Reissuing new cards to all 300 million current cardholders could improve the cards' counterfeit resistance and strengthen the card as a worker authorization document, but would be costly. Staggering issuance of an enhanced card to certain groups, such as those who change jobs, would require a lower initial investment of resources. Decisions about the card's role for SSA as well as in employment eligibility authorization will be crucial to determining the most cost-effective strategy for enhancing the card.

As the SSA-led task force develops ways to protect the Social Security card, we are making a recommendation to the Secretary of Homeland Security and the Commissioner of Social Security to work together to resolve the weaknesses of the Social Security card in proving employment eligibility.

In response to our draft report, DHS agreed that much could be done on an interagency basis to improve the integrity of Social Security cards and numbers as required under the Intelligence Act. DHS stated that determining what to do to make the card more secure or eliminating the card altogether appears to be appropriate, and DHS will continue to work with SSA through the interagency task force. SSA said that it agreed in part with our recommendation; although SSA stated that some aspects of the recommendation were outside the scope of what Congress provided in the Intelligence Act, SSA said it would continue to work with DHS on issues related to employment eligibility and verification. SSA also expressed concern that current law requires that the Social Security card be made of banknote paper, and thus limits the task force's consideration of improvements. SSA also suggests that requirements under the Real ID Act could be modified so that drivers' licenses could be made to reflect work authorization. DHS and SSA's comments are reproduced in appendixes III and IV.

Background

The Social Security Act of 1935 authorized a record-keeping system to help manage the Social Security program and resulted in the creation of the SSN. SSNs are now issued to most U.S. citizens at birth. They are also available to noncitizens lawfully admitted to the United States with permission to work. Lawfully admitted noncitizens may also qualify for an SSN for nonwork purposes when a federal, state, or local law requires that they have an SSN to obtain a particular public benefit or service. SSA is responsible for paying retirement, survivors', and disability benefits to eligible insured persons based on their lifetime earnings in covered employment. SSA maintains a historical record of each worker's annual earnings, which are identified by the worker's name and SSN.

Social Security Cards and Noncitizen Employment Eligibility

Since the Social Security program began, SSA has issued over 430 million Social Security numbers and cards, of which an estimated 300 million represent living number holders.⁵ As shown in table 1, in fiscal year 2005, SSA issued a total of 17.5 million SSN cards to U.S. citizens and to noncitizens, of which about 12.1 million were replacement cards. SSA issues replacement cards when individuals' cards are lost, stolen, or require corrections to the original card. In fiscal year 2005, SSA issued about 4.3 million original SSNs to U.S. citizens, of which 3.9 million SSNs were issued to newborns through the voluntary Enumeration at Birth Program. Under this program, parents can request SSNs and cards for newborns at hospitals and other facilities at birth. The Enumeration at Birth Program eases SSA's work demands in its approximately 1,300 field offices because parents using the Enumeration at Birth Program generally do not need to visit SSA field offices.

⁵SSNs are assigned for the life of the number holder and remain valid indefinitely even after a number holder's death for the purposes of administering survivor benefits.

Table 1: Original SSNs and Replacement Social Security Cards Issued in Fiscal Year 2005

Numbers in millions			
	U.S. citizens	Noncitizens	Overall Total
Original SSNs and cards issued	4.28	1.12	5.40
Replacement Social Security cards	11.27	0.81	12.08
Total	15.55^a	1.94^a	17.48^a

Source: SSA.

^aTotals by category may not equal overall total because of rounding.

The card has also become a document used in controlling unauthorized work. In 1986, Congress enacted the Immigration Reform and Control Act to help reduce the attraction of employment to illegal aliens coming to this country.⁶ The act made it illegal for individuals and entities to knowingly hire, continue to employ, or recruit unauthorized workers. The act required employers to review documents that established newly hired workers' identity and eligibility to work in the United States and to sign statements certifying that the documents they review, such as a Social Security card, appear genuine and refer to the prospective worker. DHS has responsibility for implementing and enforcing the act and has authorized a combination of 27 documents that employees can choose from and provide to prove identity and eligibility to work. See appendix II for DHS's Form I-9, which contains a list of the documents used to verify employment eligibility.

Efforts to Enhance the Card and Drivers' Licenses

As uses for the SSN have grown, misuses of the number and counterfeiting of the card have increased. Since the SSN's creation, SSA has used the same basic wallet-sized card but included additional information on the card to meet the evolving role of the SSN. At present, there are 50 valid versions of the card—many of which have little or no counterfeit protection. On several occasions, Congress considered directing SSA to issue cards that were more resistant to tampering and counterfeiting. In 1983, the Social Security Act was amended to require that the card be made of banknote paper and to the maximum extent practicable be a card that cannot be counterfeited. Later that year, SSA introduced a card with security features including tinted patterns that show when information is

⁶Pub. L. No. 99-603, (1986), 8 U.S.C. § 1324a *et seq.*

erased, small multicolored discs randomly placed on the paper, and special raised ink. Some members of Congress subsequently expressed disappointment that these security features did not make the card significantly more difficult to counterfeit and that employers could not easily determine the card's authenticity for employment authorization purposes. In 1996, Congress asked SSA to study and report on different methods for improving the Social Security card and develop a prototype of a counterfeit-resistant Social Security card. In the report, SSA provided several options for enhancing the card, along with estimated costs, but did not recommend options for implementation. In 1998, we reviewed SSA's estimates and agreed that a mass issuance of a more secure card would cost billions of dollars but concluded that alternative approaches to issuing new cards may provide a more cost-effective approach to verifying individuals' authorization to work.

Since the terrorist attacks of September 11, 2001, Congress has focused attention on verifying identity and protecting American forms of identification. In December 2004, Congress enacted the Intelligence Act, which required improvements to birth certificates, drivers' licenses, and Social Security cards. Under the act, minimum standards for birth certificates are to be established, such as certifications by state or local governments that they issued the document, the use of safety paper or an alternative, the use of a seal representing the issuing government entity and other features designed to prevent fraud. For the Social Security card, the act required improvements to the process for issuing the card and required that the Social Security Commissioner consult with the Secretary of Homeland Security to form a task force for the purpose of safeguarding Social Security cards and numbers. Within an 18-month time frame following the December 2004 enactment of the act, the task force is to establish

- standards for safeguarding Social Security cards from counterfeiting, tampering, alteration, and theft;
- requirements for verifying documents submitted for the issuance of replacement cards; and
- actions to increase enforcement against the fraudulent use or issuance of Social Security numbers and cards.

The SSA Commissioner is to provide for the implementation of such security requirements by June 2006.

In 2005, Congress enacted the Real ID Act, which, among other things amended the security requirements of the Intelligence Act for state drivers' licenses.⁷ Under the Real ID Act, the Secretary of Homeland Security must determine whether states meet certain minimum security requirements for drivers' licenses and personal identification cards. The law provides that, in order to be federally recognized, the state-issued card must have certain physical security features designed to prevent tampering, counterfeiting, or duplication, including a digital picture and machine-readable technology. The Real ID Act also requires individuals to provide evidence of their legal status to obtain a driver's license and provide proof of their Social Security numbers so that states can verify the information with SSA. Additionally, the law requires that states verify individuals' immigration status with DHS. Ultimately, Real ID prohibits federal agencies from accepting state-issued drivers' licenses or identification cards as identity documents unless they are determined to meet certain minimum security requirements.

SSA Has Made Progress on Intelligence Act Provisions, but Slow Action to Form the Interagency Task Force May Limit Card Enhancement Efforts

SSA has made progress implementing the Intelligence Act requirements enacted in December 2004. The agency implemented provisions for obtaining replacement cards, verifying birth certificates of applicants under age 1, and improving the application process of the Enumeration at Birth Program. In addition, SSA has taken actions to include death indicators and initiated action to include fraud indicators on Social Security records. In the effort to safeguard the Social Security card and number, SSA did not contact DHS until November 2005 to form an interagency task force, and the task force did not meet until late January 2006. This allows the task force less than 6 months to consider critical issues that affect card enhancement options before the establishment of security standards in June 2006. In addition, SSA is required to provide for the implementation of standards for safeguarding the card and number from counterfeiting, tampering, alteration, and theft by the same date. Before convening the task force, SSA made a preliminary decision to improve the current paper card.

Replacement Cards Limited

The Intelligence Act requires that, generally, SSA limit the number of replacement cards it issues to individuals to 3 annually and 10 over a

⁷Pub. L. No. 109-13, Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, Title II, (2005).

lifetime, and the act increased requirements for verifying the authenticity of documents presented before issuing replacement cards. SSA's policy prior to the Intelligence Act allowed individuals to obtain as many as 52 replacement cards annually, generally, requiring only proof of identity for U.S. citizens to receive the cards. GAO previously reported on the potential for fraud with SSA's replacement card policy. Our investigators were able to obtain 8 replacement cards in less than 6 weeks before SSA placed a fraud alert on the SSN accounts.⁸ In response to the act, SSA reported that the agency had

- modified its computer system to enable monitoring the number of cards issued to individuals;
- published interim final regulations on replacement cards in the *Federal Register* on December 16, 2005;
- issued operating instructions for SSA employees to use in processing claims and conducting the daily business of the agency; and
- provided training to staff on SSA's new policy on replacement cards.

Minimum Standards for Verifying Documents Established

The Intelligence Act requires that SSA establish minimum standards for verifying documents or records that individuals present when applying for original and replacement Social Security cards other than through the Enumeration at Birth process. SSA reported that it had

- published operating instructions that describe the minimum standards for verifying all documents submitted for enumeration;
- created a new fact sheet for applicants explaining the Intelligence Act provisions and revised public information, such as brochures and pamphlets; and
- provided training to SSA personnel on the minimum standards for verifying all documents.

⁸GAO, *Social Security Administration: Actions Needed to Strengthen Processes for Issuing Social Security Numbers to Children*, [GAO-05-115](#) (Washington, D.C.: Jan. 31, 2005).

Birth Certificates for Card Applicants under Age 1 Independently Verified

The act required that SSA independently verify birth certificates that individuals submit to establish eligibility for a Social Security number. Prior to the act, SSA required verification of birth certificates for individuals over age 1, but required only a visual inspection of birth certificates for children under age 1 who were assigned SSNs outside the Enumeration at Birth process. Both GAO and SSA's Office of the Inspector General (OIG) identified the potential for fraud with the verification of birth certificates because SSA personnel could not detect counterfeit birth certificates by visual inspection, and because no verification of documents with the issuers was required for replacement Social Security cards. GAO investigators posing as parents of children under age 1 used counterfeit birth certificates to get two SSNs for fictitious children. In one instance, the investigators supplied the counterfeit documents in person; in the other, they mailed the counterfeit documents. In both cases SSA staff verified the counterfeit documents as valid and SSA issued the SSNs and cards. SSA reported that upon enactment of the Intelligence Act, the agency changed its policy for verifying birth certificates for individuals under age 1. Specifically, SSA

- issued Program Operations Manual System requirements for independently verifying birth certificates, and
- provided training to SSA personnel on specific requirements for verifying birth certificates.

Progress Made on Enumeration at Birth Process

The Intelligence Act requires that SSA undertake to improve the application process for assigning Social Security numbers to newborns. The act requires that SSA improve the

- assignment of Social Security numbers to unnamed children,
- issuance of SSNs to prevent assigning more than one Social Security account to the same child, and
- system to prevent other opportunities for fraudulently obtaining a Social Security account number.

Prior GAO work showed that SSA did not have sufficient internal controls in place to minimize fraudulent activities that could affect the Enumeration at Birth data that SSA uses to issue SSNs and cards. Additionally, the SSA OIG reported various vulnerabilities in the Enumeration at Birth Program and suggested that SSA provide more

systematic oversight and management. As of our review, SSA reported that the agency has made systems changes to improve the Enumeration at Birth Program. For example, a more detailed check of the child's name will be made to prevent assigning SSNs to "Baby Boy" or "Baby Girl," or to issue two different SSNs to the same child by honoring the parents' request at the hospital but then honoring a second request a short time later through a field office with a claim of nonreceipt of the SSN through the hospital or an urgent need for the SSN. SSA submitted a report to Congress detailing these improvements in December 2005.

The act also required that SSA conduct a study to determine the options for ensuring the integrity of the Enumeration at Birth Program. Specifically, the report must include an examination of available methods to reconcile hospital birth records with birth registrations submitted to state agencies that submit data to SSA as part of the Enumeration at Birth process.

SSA reported that it asked the Inspector General to conduct the required study, and the Inspector General plans to deliver the study to Congress by June 2006.

Work on Death Indicators Taken and Fraud Indicators Initiated

The Intelligence Act requires that SSA add death and fraud indicators to the systems for verifying Social Security numbers so employers and state agencies issuing drivers' licenses and identification cards can receive accurate information when verifying the SSN. Death and fraud indicators are "flags," or "alerts," that SSA would place on SSN accounts to warn inquirers that certain SSN accounts belong to a deceased person or were used for fraudulent purposes. SSA is required to add death indicators by June 17, 2006, and fraud indicators by December 17, 2007. SSA reported that the agency currently maintains death information in its records and has added state death information to its verifications as of March 6, 2006. SSA reported that it has begun to discuss what steps are needed but has not yet drafted guidance for handling fraud indicators.

SSA Has Moved Slowly to Convene the Interagency Task Force for Safeguarding the Card

The Intelligence Act requires that SSA consult with DHS and form an interagency task force to safeguard Social Security cards and numbers. Under the act, the task force has 18 months to establish standards for preventing counterfeiting, tampering, alteration, and theft. During the first 12 months since enactment, SSA has conducted research on enhancement options, come to a preliminary internal agreement on the features a newly enhanced card might have, and discussed what type of publicity campaign

is needed to promote an enhanced paper Social Security card. However, SSA did not consult with DHS about the formulation of an interagency task force until November 2005, and the task force did not meet until late January 2006, allowing the task force less than 6 months before security standards are to be established in June 2006. SSA is required to provide for implementation of the new safeguards by the same date. Prior to consulting with DHS on forming the interagency task force, SSA made a preliminary decision to enhance security features for the paper card. According to SSA, the agency wanted to have an approach to present to the task force once it convened. Table 2 shows the timeline SSA has set for implementing tasks related to card enhancement.

Table 2: Social Security Administration Timeline for Implementing Social Security Card Enhancements

Intelligence Reform and Terrorism Prevention Act passed	12/17/04	
Task name	Start	Finish
Research and benchmarking ^a	1/3/05	8/16/05
SSA internal agreement on new security features for SSN cards	8/18/05	12/16/05
Develop publicity campaign ^b	8/18/05	12/16/05
Interagency task force agreement on new security features	12/19/05	3/17/06
Prepare new contract for SSN card	3/20/06	6/16/06
Provide SSA systems support for changes	3/20/06	6/16/06
Finalize SSA publicity campaign	3/20/06	6/16/06
Report to Congress	6/17/06	6/17/06

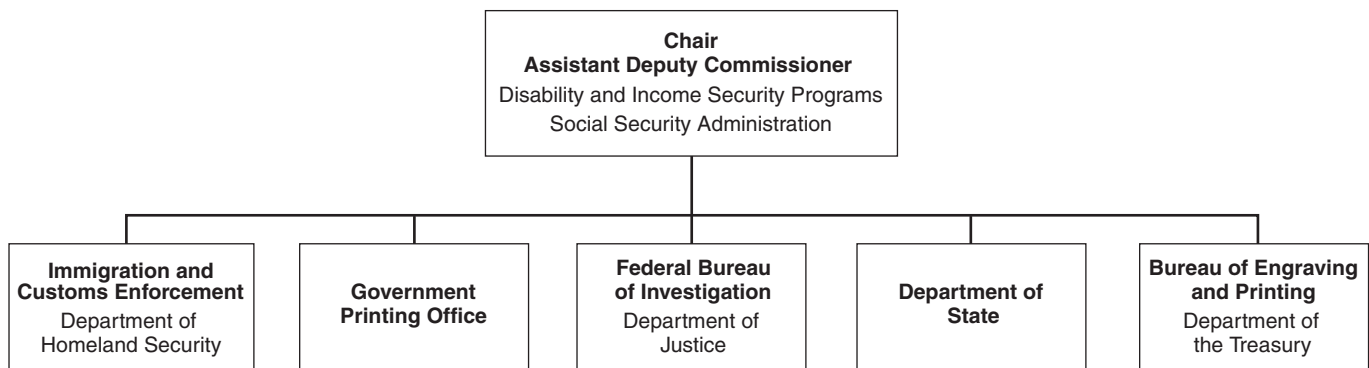
Source: SSA.

^aResearch and benchmarking were not completed as of February 3, 2006 to allow for coordination with the Document Security Alliance regarding card enhancement options.

^bThe publicity campaign has been discussed but is not yet complete. SSA noted that these timelines are internal guidelines with room built in to allow for slippage, but the agency fully expects to meet the legislated completion date of June 17, 2006.

SSA officials told us that they expect the interagency task force to include representation from DHS and several other agencies. According to SSA, the task force's first meeting in January 2006 addressed the Intelligence Act requirement to establish standards for verifying documents submitted to obtain replacement cards. SSA reported that the task force will address other requirements of the Intelligence Act, such as enhancements to the Social Security card in future meetings. While the task force has broad latitude to address issues relative to the Social Security card, information SSA and DHS provided at the time of our review does not indicate that the task force will address the role of the card in verifying employment eligibility. According to SSA, final agreements on the new features to add to the card will be made based partly on results from work being performed by the Document Security Alliance, a group of experts on document security with representatives from industry and government agencies. Figure 1 shows the task force membership and structure as proposed by SSA.

Figure 1: Interagency Task Force Required by the Intelligence Act, November 2005



Source: GAO.

The Difficulty of Counterfeit-proofing the Card, the Role the Card Has in the Employment Verification Process, and Improvements to Drivers' Licenses Are Critical Issues to Consider

The Social Security card is a critical federal government document that is used in daily American life, and understanding what is needed to protect the card is essential to enhancement efforts. Critical issues to consider include the difficulty of developing and maintaining a counterfeit-proof card, the role the card has in the employment verification process, and new requirements of state drivers' licenses and identification cards that provide links to the card and immigration documents and could help improve the employment verification process.

A Counterfeit-proof Social Security Card Is Difficult to Develop and Maintain

In the past 30 years the Social Security number and card have become critical to daily functions in the United States, such as filing tax returns, opening bank accounts, applying for credit, conducting consumer transactions, and obtaining employment. As uses for the number and card have grown, demand for counterfeit cards has risen. In testimony before Congress, SSA's Assistant Deputy Commissioner for Disability and Income Security Programs (Program Policy) stated that when the Social Security program began, no special efforts were needed to prevent the Social Security card from being counterfeited, but as the card's use expanded and technology improved, counterfeiting became a concern. According to the Assistant Deputy Commissioner, SSA has incorporated a number of security features to make the card counterfeit-resistant since 1983, but the expertise of counterfeiters and the wide availability of state-of-the-art technology make it increasingly difficult to develop and maintain a document that cannot be counterfeited.⁹ Table 3 describes four examples of fraudulent Social Security card activity.

⁹Testimony of the 109th Congress, Social Security Testimony before Congress, November 1, 2005, Statement of Frederick G. Streckewald, Assistant Deputy Commissioner, Office of Disability and Income Security Programs (Program Policy), before the House Committee on Ways and Means, Subcommittee on Social Security.

Table 3: Examples of Fraudulent Social Security Card Activity

Document fraud: Law enforcement officials investigating an alleged case of document fraud in the state of Maryland in December 2005 expressed concern that technology has improved so much that it is difficult to identify counterfeit documents. These officials arrested an individual for allegedly selling a fake Social Security card and an immigration document (resident alien card) for about \$250 to a law enforcement official posing as an undocumented immigrant. According to the law enforcement report, two passport-sized photographs were provided so that a resident alien card could be made, along with a Social Security card, both of which were ready in 3 days.

Document fraud: In testimony before the House Committee on Ways and Means in November 2005, the Deputy Inspector General for SSA stated that investigators had apprehended an individual who used counterfeit immigration documents to obtain over 600 valid Social Security numbers to sell to undocumented immigrants at a price of \$1,000 to \$2,000. In addition, this person had multiple Social Security cards and photocopies of cards. Counterfeit Social Security cards and activities have also involved U.S. citizens.

Identity and mail fraud: The SSA Inspector General reported in August 2005 that a university professor was indicted on 33 counts of mail fraud for posing as a parent and using students' personal information to obtain Social Security cards, credit cards, and birth certificates.^a

Identity and document fraud: The Deputy Inspector General testified that in August 2005, one individual was sentenced to 18 months' incarceration for submitting more than 200 applications for Social Security numbers for fictitious children using fraudulent birth certificates and other falsified documents. The individual used two identities, one of which belonged to a person who had been dead for a year.

Source:Montgomery County, Maryland Police Department and SSA Inspector General.

^aOffice of the Inspector General, Social Security Administration, *Universities' Use of Social Security Numbers as Student Identifiers in Region VI*, A-06-05-15100 (August 2005).

Although the card is now used as documentation for government and nongovernment functions, the card was never intended as a personal identification document and does not establish the person presenting the card as the person whose name and SSN appear on the card. According to SSA, while the card has some counterfeit-resistant features, it does not contain information that would allow the card to be used as proof of identity. In its 1997 *Report to Congress on Options for Enhancing the Social Security Card*, SSA reported that

“The only way the Social Security card can, with certainty, assure that the bearer of the card is the assigned number holder is if the number holder’s identifying information, picture, fingerprint, or biometric identifier is on the card itself. Then, someone needing assurance the card bearer is the assigned number holder could perform a visual comparison with the number holder’s picture or identifying information, or an electronic comparison to a biometric identifier stored on the Social Security card.”

SSA reported that linking the number holder to the card would entail collecting and maintaining biometric data, a step the agency reported would be costly for the agency and complicated for the public. Although the technology has advanced since the 1997 SSA report, the agency maintains that the same principles of cost and complexity apply. The ability to tie the card to the cardholder could assist SSA in reducing the number of instances in which wages are not credited to the correct Social Security account and assist DHS in its efforts to confirm the immigration status of nonimmigrants.

The Card Is a Weak Link in the Employment Verification Process

The Social Security card is commonly presented as a document to prove authorization to work. As part of the employment verification process, job applicants can choose from a list of 27 documents that employers then use to verify identity and employment eligibility. Employers are required to certify on DHS’s Form I-9 that they have examined the documents presented, and that the documents appear genuine and relate to the person presenting them. As shown in table 4, documents from three categories may be used to establish identity and employment eligibility. See appendix II for Form I-9.

Table 4: Acceptable Documents in the Employment Verification Process

List A Documents that establish both identity and employment eligibility (only one document from this category needed)	List B Documents that establish identity (a document from this category must be used with one from List C)	List C Documents that establish employment eligibility (a document from this category must be used with one from List B)
(1) U.S. passport	(1) Driver's license or ID card issued by a state or U.S. possession	(1) U.S. Social Security card issued by SSA
(2) Unexpired foreign passport	(2) ID card issued by federal, state, or local governments	(2) Certification of birth abroad issued by the State Department
(3) Permanent Resident card or Alien Registration Receipt card with photograph	(3) School ID card with a photograph	(3) Original or certified copy of a birth certificate issued by a state, county, etc. bearing an official seal
(4) Unexpired Temporary Resident card	(4) Voter's registration card	(4) Native American tribal document
(5) Unexpired Employment Authorization card	(5) U.S. military card or draft record	(5) U.S. citizen ID card
(6) Unexpired reentry permit	(6) Military dependent's ID card	(6) ID card for use of resident citizen in the United States
(7) Unexpired refugee travel document	(7) U.S. Coast Guard Merchant Mariner's card	(7) Unexpired employment authorization document issued by DHS
(8) Unexpired employment authorization document issued by DHS with a picture	(8) Native American tribal document	
	(9) Driver's license issued by a Canadian government authority	
	(10) School record or report card	
	(11) Clinic, doctor or hospital record	
	(12) Day-care or nursery school record	

Source: Department of Homeland Security.

While the employment verification process relies on a variety of documents to establish identity, the role of the Social Security card in proving authority to work has limitations. Millions of existing cardholders have not proven their employment eligibility status to SSA, because SSA did not begin requiring identification documents from all persons until 1978. According to SSA, at the inception of the Social Security program, all SSNs were assigned and cards issued based solely on information provided by the applicant. In 1971, SSA began requiring evidence of identity from individuals age 55 and over who were applying for an original number and Social Security card. From the first issuance of the Social Security number and card until evidence of identity was first required, SSA issued over 194 million SSNs and cards. SSA first required that noncitizens show evidence of age, identity, and status in 1974, by which time SSA had issued another 26 million original SSNs and cards. In

his testimony, the SSA Deputy Commissioner stated that in 1974, the agency began to annotate its records to show the issuance of SSNs to noncitizens for nonwork purposes because the agency was concerned that individuals might use SSNs assigned for purposes other than work to obtain unauthorized employment. Beginning in 1978, SSA required all SSN applicants to provide evidence of age, identity, and United States citizenship or noncitizen status, by which time SSA had issued about 253 million original SSNs and cards. In 1982 SSA began printing the legend, "NOT VALID For Employment," on the cards of noncitizens not authorized to work.

To reduce the instances of fraudulent activity associated with documents used in the employment verification process, both SSA and Homeland Security offer employers voluntary electronic verification of information on the Social Security card and immigration documents. However, in August 2005, GAO reported several weaknesses in the current employment verification process.¹⁰ The wide array of documents permitted leaves the employment verification process vulnerable to fraud. Various studies show that document fraud (use of counterfeit documents) and identity fraud (fraudulent use of valid documents or information belonging to others) have made it difficult for employers to accurately verify individuals' eligibility to work. In its 1997 report to Congress, the U.S. Commission on Immigration Reform noted that the widespread availability of false documents made it easy for unauthorized workers to obtain jobs in the United States. Prior GAO work shows that the problems with document and identity fraud undermine the employment verification process. For example, in 1999 we reported that large numbers of unauthorized workers either fraudulently used valid documents that belong to others or presented counterfeit documents as evidence of employment eligibility.¹¹ In 2004, we reported that unauthorized workers were able to use false documents to illegally gain entry to secure areas of critical infrastructure sites, such as airports, nuclear power plants, and military bases. To improve the employment verification process, DHS reported it is considering reducing the number of acceptable documents permitted to verify employment eligibility.

¹⁰GAO-05-813.

¹¹GAO, *Illegal Aliens: Significant Obstacles to Reducing Unauthorized Alien Employment Exist*, GAO/GGD-99-33 (Washington, D.C.: Apr. 2, 1999).

DHS has made worksite enforcement a relatively low priority, given the other immigration enforcement programs that compete for DHS resources. Since the terrorist attacks of September 11, 2001, DHS has focused its investigative resources on national security, and worksite enforcement has focused on identifying and removing unauthorized workers from critical infrastructure sites such as airports and nuclear power plants. However, fraudulent use of SSNs among immigrants remains a problem. In September 2005, the SSA Inspector General reported that some nonimmigrants may remain in the United States and continue working without DHS authorization,¹² while others leave the country, and in their absence, someone else may use these individuals' SSNs to obtain employment. Using a universe of about 800,000 nonimmigrants that SSA enumerated in fiscal year 2000, the Inspector General estimated that about 32,000 nonimmigrants continued working after their immigration status expired or someone else may have used their SSNs to work after they left the country.¹³

DHS has a voluntary "Basic Pilot" program where employers can choose to verify employment eligibility electronically, but few employers participate, and technological flaws hinder the program's effectiveness. Most of the nation's approximately 5.6 million employer firms rely on visual examination of documents individuals present, while about 5,500 employer firms signed up to participate in Basic Pilot as of March 2006.¹⁴ Basic Pilot enables employers to verify Social Security numbers with SSA and work authorization and immigration status with DHS. Basic Pilot shows promise for detecting document fraud, but if an unauthorized worker presents valid documentation that belongs to another person who is authorized to work, Basic Pilot may verify the individual as work-authorized. If the use of Basic Pilot expands, some unresolved problems, such as delays in data entry and timely verification, will need to be resolved.

¹²A nonimmigrant is a foreign-born individual who is granted temporary admission to the United States for a specific purpose, such as students and temporary workers.

¹³Office of Inspector General, Social Security Administration, *Impact of Nonimmigrants Who Continue Working after Their Immigration Status Expires*, A-08-05-15073 (September 2005).

¹⁴This indicates the number of businesses that have signed memorandums of understanding with DHS and is not indicative of the number of active participants.

Real ID Act May Improve Links to the Card and Employment Eligibility Determinations, but Limitations Exist

Improvements to state drivers' licenses and identification cards, as a result of the Real ID Act, may help the government's ability to identify individuals and establish better links to the Social Security card and employment eligibility determinations. The Real ID Act will require that the estimated 250 million state drivers' licenses and identification cards have a biometric such as a digital photo; physical security features, such as a special hologram, to prevent tampering, counterfeiting, or duplication; and a common machine-readable technology. Before issuing drivers' licenses and identification cards, states will be required to verify the Social Security numbers and legal presence of applicants. While licenses and identification cards are meant to prove identification, under the new law states are not required to establish employment eligibility and will not be checking worker status as they verify the Social Security number with SSA and immigration documents with DHS. Beginning 3 years after the date of enactment, a federal agency may not accept a state's driver's license or identification card for any official purpose, unless the state meets certain requirements. Table 5 shows the key requirements of the Real ID Act.

Table 5: Requirements for State-Issued Drivers' Licenses or ID Cards under the Real ID Act of 2005

Minimum issuance standards	<p>Applicant must present evidence and have verified</p> <ul style="list-style-type: none"> • Photo identification or nonphoto identification with full legal name and date of birth on the document • Date of birth • Proof of valid SSN or verification that the person is not eligible for one • Address of principal residence
Minimum document information standards	<p>The driver's license must contain</p> <ul style="list-style-type: none"> • Full legal name • Date of birth • Gender • Driver's license or identification number • Digital photo of the person • Address of principal residence • Security features meant to prevent counterfeiting, tampering, or duplication • Common machine-readable technology with defined data elements
Evidence of lawful status	<p>A state shall require that a person provide valid documentary evidence that the person</p> <ul style="list-style-type: none"> • Is a citizen or national of the United States • Is an alien lawfully admitted for permanent or temporary residence in the United States • Has conditional permanent resident status in the United States • Has an approved application for asylum in the United States or has entered into the United States in refugee status • Has a pending application for asylum in the United States • Has a pending or approved application for temporary protected status in the United States • Has approved deferred action status • Has a pending application for adjustment of status to that of an alien lawfully admitted for permanent residence in the United States • Has a valid, unexpired nonimmigrant visa or nonimmigrant visa status for entry into the United States
Temporary drivers' licenses and identification cards	<p>Temporary drivers' licenses and identification cards will only be accepted by federal agencies if they</p> <ul style="list-style-type: none"> • Are valid only during the time in which the individual is authorized to reside in the United States or, if there is no definite end to the period of authorized stay, a period of 1 year • Clearly display that the license has been temporarily issued and plainly display the expiration date • With respect to a temporary driver's license or temporary identification card, may only be renewed upon presentation of valid documentary evidence that the status has been extended by the Department of Homeland Security

Source: Real ID Act.

A Range of Enhancement Options Exists, and Costs Would Vary

A range of options exists for enhancing the Social Security card, and these options provide different levels of counterfeit protection and capacity to verify employment eligibility. Options range from adding counterfeit-resistant features to the paper card, adding machine-readable features such as a magnetic stripe or bar code, and adding biometric features such as photographs and fingerprints, to eliminating the card entirely. Currently, the cost of providing a card to a cardholder is approximately \$25, and the cost of some of these options will be higher.¹⁵ The total cost of enhancing the card will be significantly affected by how many people are issued new cards and the time frame for distribution. Options for distribution include providing enhanced cards only to new cardholders, reissuing cards to all of the 300 million estimated cardholders, or staggering issuance by providing cards to new cardholders and to individuals who change jobs. The options that we describe below are not intended to be an all-inclusive listing of options available to enhance the security of the card, but provide a framework of approaches for doing so.

Options for Enhancing Cards

Adding secure features to the paper card

There are a wide range of features that could be added to the current paper card to make it more counterfeit-resistant. According to Government Printing Office officials and other industry experts, these features could include such improvements as printing a hidden image that appears when the card is tilted to the light, changing the paper content of the card to include fiber that reacts to certain chemicals, and incorporating various security features currently used on currency, such as a security thread in the paper. Government Printing Office officials and industry experts report that these are relatively inexpensive changes that would help protect the card by rendering obsolete many of the counterfeit techniques currently used. Adopting these types of changes to the current card would be the least disruptive to SSA operations and to cardholders.

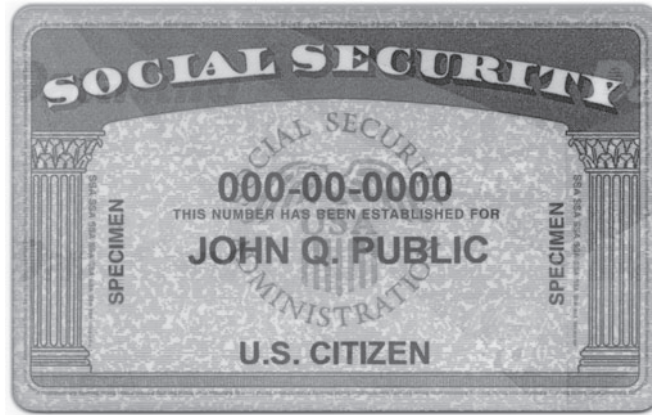
Adding machine-readable features

Adding machine-readable features such as a magnetic stripe or secure bar code feature could offer some measure of security of the card, though some experts question the value of this option. Machine-readable technology varies in the amount and type of information that can be

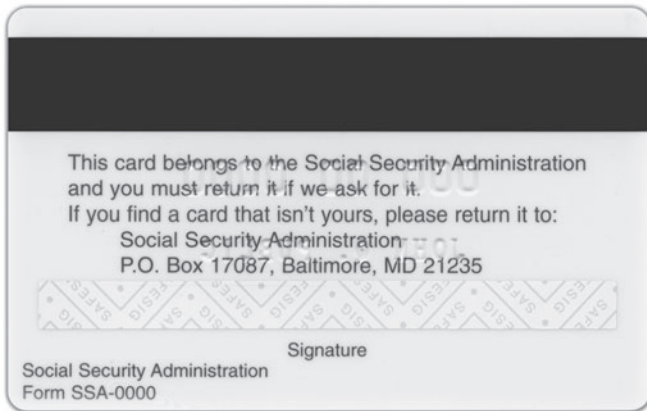
¹⁵Based on fiscal year 2004 data.

included on the card. For example, a card with a magnetic stripe similar to those on credit and debit cards may contain the information currently displayed on the Social Security card plus the individual's work status. A secure bar code can also store identifying information such as a photograph or fingerprint. Much like the process to verify credit cards, machine-readable technology combines the security of counterfeit-resistant features on the card with features that can be read and verified by an external device. Employers and SSA would rely on machines to read the cards, thus adding another step to assess the cards' validity and protect the cards from counterfeiting. See figure 2 for a possible SSN card showing a magnetic stripe and a secure bar code.

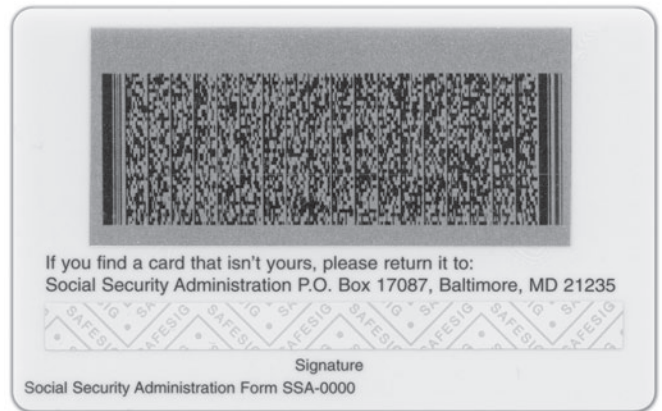
Figure 2: Examples of Possible Social Security Card with Reverse Showing Magnetic Stripe and Secure Bar Code



Possible SSN card



Magnetic stripe



Secure bar code

Source: SSA.

The main change to the card would be the introduction of machine-readable technology. The primary advantage of machine-readable technology is that it combines the security of counterfeit-resistant features with those that can be read by an external device. The use of machine-readable features could be useful as part of DHS's employment eligibility authorization process. Current DHS guidelines state that an employer has to review documents provided by new employees to prove their eligibility to work and make a reasonable determination as to the validity of

documents presented. Use of machine-readable features would take the burden off employers to make a determination that the card that is presented is valid. Due to the large number of documents that can be presented, including the many versions of the Social Security card, employers are often ill equipped to determine if documents are valid. A secure card with machine-readable features could also be used by SSA or other programs in determining the validity of the card and eligibility for benefits.

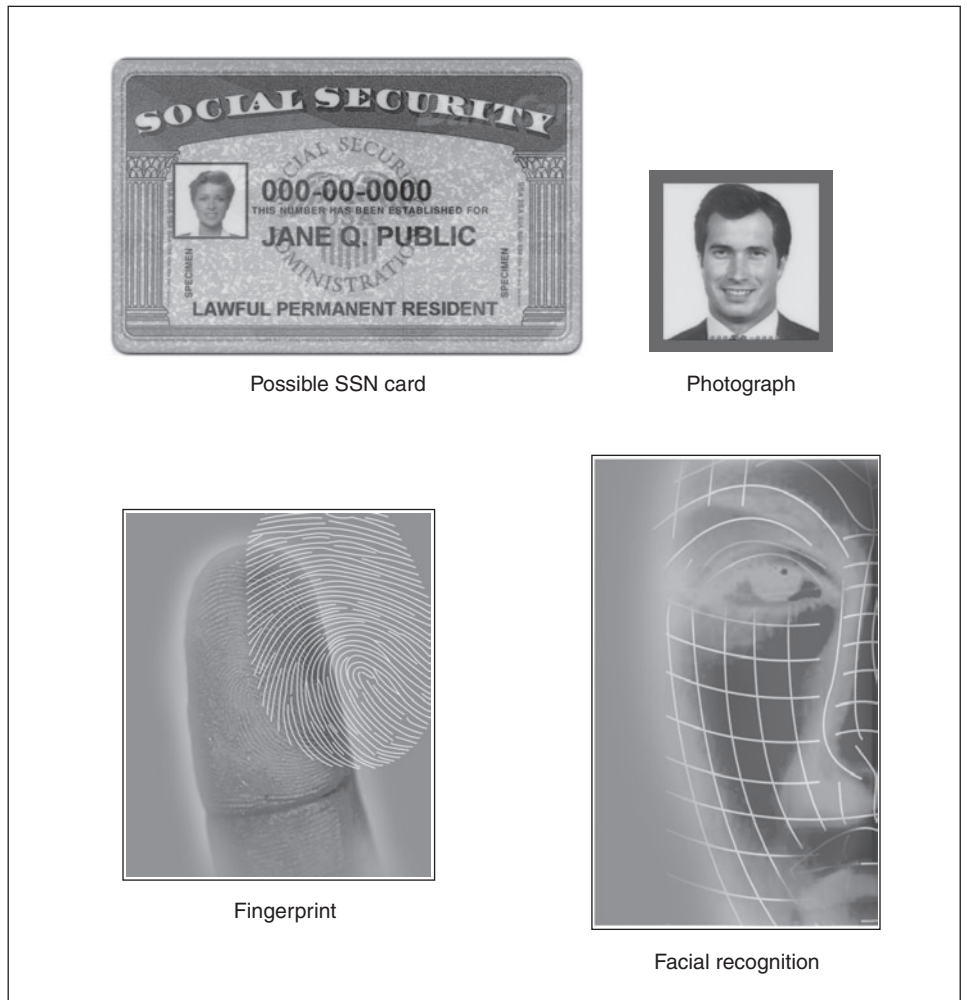
Card technology experts have noted that certain machine-readable technology offers little protection against counterfeiting. For example, magnetic stripe technology is relatively easy to counterfeit with inexpensive equipment that is widely available. Other industry experts stated that even though the data included in a secure bar code may be encrypted, or coded so that the data cannot be read by unauthorized persons, the data may still be copied in its encrypted form and included on a counterfeit card.

Adding biometric features

A highly secure card could incorporate biometric security features to effectively establish an individual's identity and backup systems to authenticate an individual's eligibility for benefits or work status. Biometric features cover a wide range of technologies that can be used to verify a person's identity by measuring or analyzing his or her characteristics. Some widely used and well-known biometric features include fingerprints, which uses distinct ridges of the fingertips to establish an individual's identity, and digital pictures, which are commonly used in drivers' licenses. These digital pictures support facial recognition, which electronically compares facial features in the digital pictures with those of the individual. Biometric cards would be made of plastic or other durable material and could incorporate smart card technologies.¹⁶ See figure 3 for examples of biometrics that might be used on a Social Security card's front or reverse sides depending on the card's design.

¹⁶Smart cards are plastic devices about the size of a credit card that use integrated circuit chips to store and process data.

Figure 3: Examples of Biometrics—Fingerprint, Facial Recognition, and Photograph



Source: GAO and SSA.

Biometrics-enhanced cards could be supported by a central SSA database to store the biometric information to verify the identity of an individual. Storing identifying information on a central system would provide additional protection if some of the physical security features used on the card are able to be counterfeited. For example, many motor vehicle administrations maintain central databases to compare stored photos with those of individual renewing a driver's license. The ability to make similar verifications to a centralized database could also establish if individuals are eligible to work in the United States. The biometric feature could also be stored only on the card, but some industry experts indicate that data stored only on the card are far more vulnerable to fraud than data in a centrally located database of identifying information.¹⁷ However, experts also caution that a centralized database has its own set of security concerns, which will require a risk assessment to determine the most cost-effective solution for storing biometric data. For example, techniques would need to be developed to ensure that biometric information provided to the centralized database actually represents the individual, and a method would need to be implemented to handle the inevitable situations where the information in the central database did not agree with information provided. Prior GAO work on biometrics outlines the strengths and concerns raised with the use of biometric technology.¹⁸

An additional consideration in using biometrics on the Social Security card is determining when a biometric can first be captured from a cardholder, as in the case of fingerprints or a picture or the need to update the biometric in the case of a photograph. This may require SSA to issue a temporary card through the Enumeration at Birth process and then issue a card with a biometric at some other time, such as when the individual reaches adulthood or enters the workforce. Depending on the biometric selected, such as a digital picture, SSA would also need to reissue the card at intervals to update these data.

A biometric Social Security card could raise general privacy concerns about the card becoming a national identification card. A new Social Security card with a biometric identifier issued to all number holders

¹⁷American Association of Motor Vehicle Administrators officials have pointed out that the combination of a number of security features raises the overall level of security of a card or document.

¹⁸GAO, *Information Security: Challenges in Using Biometrics*, [GAO-03-1137T](#) (Washington, D.C.: Sept. 9, 2003).

could create a central database capable of identifying 300 million individuals. A system that stores biometrics related to individuals' identity may raise concerns about how the government would use and protect the data. The Privacy Act of 1974 limits federal agencies' collection, use, and disclosure of personal information, such as fingerprints and photographs. While the act includes exemptions for law enforcement and national security purposes, representatives of civil liberties groups and privacy experts have expressed concerns regarding the adequacy of protections for security, data sharing, identity theft, and other identified uses of biometric data and the potential intrusiveness of such an approach. Additional concerns focus on the ease of using biometrics and their effect on the ability of the agency to complete its mission.

Eliminating the card

Finally, another approach would be to eliminate Social Security cards entirely and use other, more secure documents to prove employment eligibility. Under a no Social Security card option, each person who is assigned an SSN would receive a letter, not a card, with an SSN on it. Like the current card, the letter would record the number assigned and provide individuals with a written record of their number. Eliminating the Social Security card would mean that the card itself would not be used as documentation for obtaining government benefits, and the burden of finding a means to secure the card would be removed. Changing from a card to a letter would not require that SSA deviate from its current issuance process,¹⁹ which would save SSA the time, inconvenience, and many of the costs associated with issuing an enhanced card. Documentation of an individual's identity could be tied to other documents such as a driver's license and require some link between the SSN and drivers' licenses, which are currently undergoing improvements, or other identity documents.

Factors Affecting the Cost of Card Options

The current cost of issuing an original or replacement Social Security card is approximately \$25. This includes approximately 4 cents for the banknote paper card, and as table 6 shows, to enumerate an applicant, SSA needs to interview applicants, verify documents such as birth

¹⁹SSA currently has numerous means of establishing an individual's identity. These include verifying the individual's identity by asking open-ended questions and confirming this information with information previously provided in SSA's records. If there are questions about the individual's identity, SSA staff may request identification documents, check telephone directories, or contact persons or organizations who may know the individual. They are not constrained by any single document or question.

certificates with the agencies that issued them, and determine work eligibility status. Including additional features on the card would increase the cost of the card. For example, in 1997, SSA reported that the cost of the current Social Security card document was 5 cents; a plastic card with security features was 12 cents; a plastic card with a picture was 14 cents; and a plastic card with a magnetic stripe was 22 cents. According to SSA, these costs have likely decreased somewhat since its 1997 estimate. But this estimate also showed that processing costs accounted for the bulk of issuance costs for most options it considered. SSA's processing costs would increase if additional features were included on the card. In 2004, SSA estimated that the cost of obtaining a number holder's picture and biometric identifier would add 5 minutes, or \$3.50, to the cost of issuing a card. Adding machine-readable or biometric features to the card would also require additional equipment in SSA's approximately 1,300 field offices, and employers and other users would also need equipment if they were expected to read features on the card. Further, biometric features would likely require cardholders to have their biometric information updated at periodic intervals—greatly affecting the number of cards cardholders would receive in their lifetime and long-term card issuance costs.

Table 6: Factors that Affect Costs of Enhanced Card Options

Card options	Determine employment eligibility ^a	New equipment at SSA field offices	New equipment at job sites	Periodic updates needed from cardholder at SSA field offices
Unchanged paper card	X			
Machine-Readable (paper or plastic)	X	X	X	
Biometric	X	X	X	X
No card—letter to notify assigned SSN	X			

Source: GAO.

^aThis includes interviewing applicants and verifying documents

Issuance Options Affect Cost

Specific costs for each card option are not yet available. However, issuing 300 million enhanced cards at the current cost of approximately \$25 each is costly, but maintaining the current method of issuing cards and permitting older versions of cards to remain valid would do little to stem counterfeiting or help employers determine whether applicants are eligible to work. Permitting older versions is cost-effective for SSA, since new cards have to be issued only to new applicants and people needing

replacement cards. About 17 million new and replacement cards are issued annually. Table 7 shows three card issuance options, including the number of cardholders requiring new cards.

Table 7: Card Issuance Options

Issuance options	Cards issued in the initial 12 months	Document used to prove employment eligibility	
		Old cards valid	Only new cards valid
Current issuance process	18 million ^a	X	
Mass issuance	300 million		X
Staggered issuance	45 million ^b		X

Source: GAO analysis of SSA data.

^aTotal rounded to next million.

^bThis figure represents the approximately 34 million people who SSA estimates change jobs annually, 5.4 million original Social Security cards issued annually, and SSA's estimate of 6 million individuals who would request replacement cards under this option.

Mass issuance

While mass reissuance of Social Security cards to all 300 million Social Security number holders would ensure a more effective tool for establishing employment eligibility, mass issuance could cost billions of dollars. Number holders would need to be notified through costly mass mailings that they would need to come to an SSA field office with appropriate documentation to obtain their new card, and field offices would need to be staffed and equipped to verify the identity of the number holders and issue the cards. To help ease the strain on SSA field offices and resources, costs for a mass issuance could be phased in over several years.

Staggered issuance

Staggering issuance of an enhanced Social Security card to new hires or individuals who change jobs could help increase the likelihood that the card is a valid document in the worker verification process and help reduce the cost of a mass issuance. Under this issuance option, only an enhanced card would be permitted for determining employment eligibility. As a result, the 34 million workers who change jobs each year would need to obtain an enhanced card. In addition, SSA issues approximately 5 million cards to new cardholders annually. Further, SSA has estimated that this option would include about half, or 6 million, of the replacement cards issued annually. Therefore, staggering issuance to job changers and new cardholders would result in a total of about 45 million enhanced cards issued during the first year of an enhanced card issuance.

Conclusions

Congress has long recognized that the Social Security card is vulnerable to misuse and has considered various approaches to minimizing this vulnerability and securing the card against counterfeiting. However, with 50 valid versions, many of which lack any counterfeit protections, the card is difficult to counterfeit-proof completely, making it an element in identity theft and benefit program fraud, as well as an ineffective tool in verifying employment authorization. We recognize that the Intelligence Reform and Terrorism Prevention Act does not, specifically, require SSA to establish safeguards for the card for the purposes of employment eligibility, but the act intends for SSA to establish standards for safeguarding the card from fraudulent use. In doing so, SSA is thus far considering card protection solely within the context of the Social Security program; the agency is not currently planning to address card protection as part of the broader question of the card's role in employment verification or the potential impact of other identification advances such as the new state driver's license requirements on the use of the card.

While DHS is represented on the SSA-led task force to address card protection, the task force has been convened late in SSA's card enhancement process, only a few months before SSA must provide for implementing new card safeguards. This approach allows little time to involve DHS in addressing the scope of critical issues affecting the role of the card. Yet DHS's ongoing reevaluation of which documentation represents acceptable proof of employment authorization is clearly relevant to the card's role and the types of security elements that might be warranted. It is important that the card's role in the employment eligibility documentation process not be overlooked in SSA's work on enhancements. Although consideration of this issue may not be specified in law, broader thinking about the card's use and security could mitigate the need to revisit card enhancement issues in the future.

Recommendation for Executive Action

As the SSA-led task force develops ways to protect the Social Security card, it is important that the card meets the needs of DHS in the employment verification process; therefore, we recommend that

- the Secretary of Homeland Security and the Commissioner of Social Security work together to resolve the weaknesses of the Social Security card in proving employment eligibility. Specifically, they should consider the millions of cards that do not prove employment eligibility, the inability to tie the card to the cardholder, flaws in the voluntary employment verification system, improvements to identification cards by the Real ID Act, and the current ease of counterfeiting the card.

Agency Comments

The Department of Homeland Security and the Social Security Administration provided comments on a draft of this report.

In its response, DHS agreed that much could be done on an interagency basis to improve the integrity of Social Security cards and numbers, as required by the Intelligence Reform and Terrorism Prevention Act of 2004. In addition, DHS agreed with SSA's decision to link the role of the card with verifying employment eligibility later in the task force's deliberative process. DHS stated that determining what to do to make the card more secure, or eliminating the card altogether, appears to be the appropriate task at this stage and DHS will continue to work with SSA through the interagency task force. DHS's comments are reprinted in appendix III. We also received technical comments, which we incorporated where appropriate.

In SSA's response to our recommendation, SSA agreed in part, although it stated that some aspects of the recommendation are outside the scope of what Congress provided in the Intelligence Act. But otherwise SSA is continuing to work with DHS on issues related to employment eligibility and verification through the Basic Pilot program. While we assessed SSA's implementation of the Intelligence Act provisions, we also studied the role of the Social Security card and number in the context of employment verification. We recognize that the Intelligence Act does not specifically state that the task force is to establish safeguards for the card for the purposes of employment eligibility. However, the act was broadly written and provides sufficient authority to address such issues, given the act's requirement to consult with DHS to form an interagency task force. Our work showed major flaws with the Social Security card's role in the employment verification process, which raises concern when SSA did not involve DHS early enough in the process to fully consider its input to card enhancement decisions. That is why we recommended that SSA and DHS work together more closely to resolve the weaknesses of the Social Security card in proving employment eligibility.

SSA states that the Intelligence Act requires SSA to have a plan for implementation by June 2006 and that the agency is on target to develop a plan for implementation by June 2006. While developing a plan for implementation is certainly consistent with the Intelligence Act's mandate, we do not view the Commissioner's responsibilities under the law to be limited solely to developing a plan. Specifically, the Intelligence Act requires that "Not later than 18 months after the date of enactment of this Act, the task force shall establish, and the Commissioner shall provide for the implementation of, security requirements, including—standards for

safeguarding social security cards from counterfeiting, tampering, alteration, and theft.”

SSA further notes that our report has various references to SSA moving slowly and is not convening the task force until a time so late in the process that successful implementation would be nearly impossible. We believe our report accurately characterizes SSA’s actions to date. The Intelligence Act requires that SSA consult with DHS and form an interagency task force to establish standards to better protect the SSN and card. Instead of having the task force direct efforts to establish safeguards for the SSN and card, SSA studied card enhancement options for nearly 1 year and made a preliminary decision without task force input. By the time SSA convened the task force, the group had less than 6 months to study and establish standards for safeguarding the card.

SSA stated that current law requires that the card be made of banknote paper, and as a result, the task force was technically limited to improvements to the paper card. We believe that SSA and the task force, as stewards of the Social Security card, have a responsibility to ensure that the most appropriate enhancements to the card are considered. Although the law requires that the card be made of banknote paper, the Intelligence Act does not prohibit SSA or the task force from recommending legislative changes to better prevent tampering, alteration, and counterfeiting.

SSA characterized the report as having an overarching theme that suggests the use of an enhanced card would address weaknesses in employment eligibility and enforcement, which SSA cites as beyond the scope of its mission and more in line with DHS’s primary missions. SSA states that attempting to make the card meet a purpose for which it was not crafted would deflect valuable resources from the Social Security program. According to SSA, the report should make the point that a new, more secure card tailored to proving employment eligibility would do little good if not accompanied by other significant changes in the workplace enforcement arena. SSA stated that to expend considerable resources to develop a card to confirm employment eligibility that is used by a few employers would seem an injudicious use of government resources. We agree that these are critical issues to consider.

SSA also noted that because the Real ID Act requires states to use a DHS verification system for noncitizens, it would be an easy next step to reflect work authorization on drivers’ licenses if Congress wanted to do so. We believe that SSA’s suggestion for modifications to the Real ID Act requirements for drivers’ licenses and identification cards is important to the broader discussion on safeguards and represents yet another example

of a critical issue that DHS and SSA should consider in the deliberation on card enhancements. SSA states that our claim that SSA is not planning to address card protection as part of employment verification or the potential impact of changes required by the Real ID Act to drivers' licenses is not true. SSA stated that it is working with DHS and the American Association of Motor Vehicle Administrators on matters of joint interest. We are encouraged by SSA's comments that the agency is working with DHS and the American Association of Motor Vehicle Administrators. However, we have asked SSA and DHS to provide information on the task force initiative but they have not provided the information we requested.

SSA indicated that it found our report title misleading, stating that the majority of the report focuses on one purpose of enhancement—employment eligibility verification. We disagree; our report title accurately reflects the need for SSA to coordinate with DHS in its card enhancement efforts and our recommendation that the agencies do so. Besides employment eligibility, our report describes SSA's efforts to implement the Intelligence Act and outlines options for enhancing the Social Security card.

Finally, because our report is concerned with counterfeiting, SSA stated that it would be prudent to protect its content by limiting distribution. We disagree. While our report describes examples involving counterfeit cards, the information in our report is readily available publicly in prior reports published by SSA and, most recently, in a November 2005 testimony by an SSA official before the House Committee on Ways and Means, Subcommittee on Social Security. However, we have made changes to some language in the report to address SSA's concerns. SSA's comments are reprinted in appendix IV. SSA also provided technical comments, which we incorporated where appropriate.

We are sending copies of this report to the Secretary of Homeland Security and the Commissioner of the Social Security Administration and other interested parties. Copies will also be made available to others upon request. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>

Please contact me at (202) 512-7215 or bovbjergb@gao.gov if you or your staff have any questions about this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff that made major contributions to this report are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "Barbara D. Bovbjerg". The signature is written in a cursive style with a large, stylized initial 'B'.

Barbara D. Bovbjerg
Director, Education, Workforce,
and Income Security Issues

Appendix I: Scope and Methodology

The Chairman of the of the House Committee on the Judiciary asked us to review the Social Security Administration's (SSA) efforts to implement provisions of the Intelligence Reform and Terrorism Prevention Act of 2004 for safeguarding the Social Security number (SSN) and enhancing the Social Security card. The Chairman also asked that we identify key issues to be considered before enhancing the Social Security card and that we outline the range of options available to SSA for enhancing Social Security cards.

To address the Chairman's request, we met with officials from SSA headquarters in Baltimore, Maryland, to review the agency's progress in implementing provisions of the Intelligence Act. We reviewed key initiatives planned and undertaken to strengthen SSA's enumeration processes and SSA's plans for enhancing the Social Security card. We also reviewed SSA's schedule for implementing the card enhancement provision of the act and documented SSA's progress in meeting other provisions contained in the legislation. In order to gain an understanding of the policies, procedures, and issues related to the current employment verification process, we met with officials from the Department of Homeland Security (DHS) in Washington, D.C. We discussed the current Form I-9 procedures and the role of employers in reviewing employment eligibility documents, as well as DHS's Basic Pilot system used to determine the employment eligibility of certain prospective employees.

To identify key issues to be considered before enhancing the Social Security card, we consulted the GAO body of work on the integrity of the SSN, our work on immigration enforcement and problems reported in the employment verification process, and work the SSA Office of the Inspector General and selected law enforcement agencies had performed in these areas. We contacted law enforcement officials involved in an alleged document fraud case in Montgomery County, Maryland. We examined concerns raised regarding the integrity of the SSN and card with respect to counterfeiting, and reported document and identity fraud with the requirements of the employment verification process. We also reviewed SSA documents including agency testimonies before Congress and the 1997 SSA report entitled *Social Security Administration: Report To Congress On Options for Enhancing the Social Security Card* to document flaws in the card and its ability to serve as proof of employment eligibility. We studied the new federal legislative requirements for states' drivers' licenses and identification cards included in the Real ID Act. We contacted DHS, the American Association of Motor Vehicle Administrators in Arlington, Virginia, and state motor vehicle administrations in Chicago, Illinois; Charleston, West Virginia; and Cheyenne, Wyoming, to discuss

security features used in drivers' licenses and the implication of changes to drivers' licenses as a result of the Real ID Act. We selected these three states because they used various security features in their driver's licensing or identification processes such as fingerprinting, advanced optical printing and inks, or holograms and other features, which already meet stated or anticipated requirements of the Real ID Act.

To identify the range of options available to SSA for enhancing the card, we researched and analyzed technical literature and identified various technology experts and industry associations. We held discussions with technology experts in the metropolitan Washington, D.C., area at the National Institute of Standards and Technology, International Biometrics Industry Association, AC Technology, Mitretek Systems, and the Smart Card Alliance to discuss the range of card options and available security features, their feasibility for use on the Social Security card, and privacy and other concerns. Through these discussions we developed a framework of options available to enhance the security of the card.

Because the current legislation governing the Social Security card requires that the card be made of banknote paper, we also obtained information on card improvements suitable to a paper format. We met with officials from the Government Printing Office, in Washington, D.C., who administer the contract for printing Social Security cards and Banknote Corporation of America in Browns Summit, North Carolina, the contractor that prints Social Security cards, to discuss advances in security printing techniques.

We reviewed identification initiatives using biometrics at the United States Visitor and Immigrant Status Indicator Technology program and the Transportation Security Administration Registered Traveler program in DHS in Washington, D.C. Finally, we met with employer association groups identified by the U.S. Chamber of Commerce in Washington, D.C., to discuss the impact of potential changes to the Social Security card on the business community.

We performed our work between April 2005 and January 2006 in accordance with generally accepted government auditing standards.

Appendix II: Department of Homeland Security Form I-9

Department of Homeland Security
U.S. Citizenship and Immigration Services

OMB No. 1615-0047; Expires 03/31/07

Employment Eligibility Verification

INSTRUCTIONS

PLEASE READ ALL INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM.

Anti-Discrimination Notice. It is illegal to discriminate against any individual (other than an alien not authorized to work in the U.S.) in hiring, discharging, or recruiting or referring for a fee because of that individual's national origin or citizenship status. It is illegal to discriminate against work eligible individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.

Section 1 - Employee. All employees, citizens and noncitizens, hired after November 6, 1986, must complete Section 1 of this form at the time of hire, which is the actual beginning of employment. **The employer is responsible for ensuring that Section 1 is timely and properly completed.**

Preparer/Translator Certification. The Preparer/Translator Certification must be completed if Section 1 is prepared by a person other than the employee. A preparer/translator may be used only when the employee is unable to complete Section 1 on his/her own. However, the employee must still sign Section 1 personally.

Section 2 - Employer. For the purpose of completing this form, the term "employer" includes those recruiters and referrers for a fee who are agricultural associations, agricultural employers or farm labor contractors.

Employers must complete Section 2 by examining evidence of identity and employment eligibility within three (3) business days of the date employment begins. If employees are authorized to work, but are unable to present the required document(s) within three business days, they must present a receipt for the application of the document(s) within three business days and the actual document(s) within ninety (90) days. However, if employers hire individuals for a duration of less than three business days, Section 2 must be completed at the time employment begins. **Employers must record:** 1) document title; 2) issuing authority; 3) document number, 4) expiration date, if any; and 5) the date employment begins. Employers must sign and date the certification. Employees must present original documents. Employers may, but are not required to, photocopy the document(s) presented. These photocopies may only be used for the verification process and must be retained with the I-9. **However, employers are still responsible for completing the I-9.**

Section 3 - Updating and Reverification. Employers must complete Section 3 when updating and/or reverifying the I-9. Employers must reverify employment eligibility of their employees on or before the expiration date recorded in Section 1. Employers **CANNOT** specify which document(s) they will accept from an employee.

- If an employee's name has changed at the time this form is being updated/reverified, complete Block A.
- If an employee is rehired within three (3) years of the date this form was originally completed and the employee is still eligible to be employed on the same basis as previously indicated on this form (updating), complete Block B and the signature block.
- If an employee is rehired within three (3) years of the date this form was originally completed and the employee's work authorization has expired or if a current employee's work authorization is about to expire (reverification), complete Block B and:

- examine any document that reflects that the employee is authorized to work in the U.S. (see List A or C),
- record the document title, document number and expiration date (if any) in Block C, and
- complete the signature block.

Photocopying and Retaining Form I-9. A blank I-9 may be reproduced, provided both sides are copied. The Instructions must be available to all employees completing this form. Employers must retain completed I-9s for three (3) years after the date of hire or one (1) year after the date employment ends, whichever is later.

For more detailed information, you may refer to the Department of Homeland Security (DHS) Handbook for Employers, (Form M-274). You may obtain the handbook at your local U.S. Citizenship and Immigration Services (USCIS) office.

Privacy Act Notice. The authority for collecting this information is the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 USC 1324a).

This information is for employers to verify the eligibility of individuals for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of aliens who are not authorized to work in the United States.

This information will be used by employers as a record of their basis for determining eligibility of an employee to work in the United States. The form will be kept by the employer and made available for inspection by officials of the U.S. Immigration and Customs Enforcement, Department of Labor and Office of Special Counsel for Immigration Related Unfair Employment Practices.

Submission of the information required in this form is voluntary. However, an individual may not begin employment unless this form is completed, since employers are subject to civil or criminal penalties if they do not comply with the Immigration Reform and Control Act of 1986.

Reporting Burden. We try to create forms and instructions that are accurate, can be easily understood and which impose the least possible burden on you to provide us with information. Often this is difficult because some immigration laws are very complex. Accordingly, the reporting burden for this collection of information is computed as follows: 1) learning about this form, 5 minutes; 2) completing the form, 5 minutes; and 3) assembling and filing (recordkeeping) the form, 5 minutes, for an average of 15 minutes per response. If you have comments regarding the accuracy of this burden estimate, or suggestions for making this form simpler, you can write to U.S. Citizenship and Immigration Services, Regulatory Management Division, 111 Massachusetts Avenue, N.W., Washington, DC 20529. OMB No. 1615-0047.

NOTE: This is the 1991 edition of the Form I-9 that has been rebranded with a current printing date to reflect the recent transition from the INS to DHS and its components.

**EMPLOYERS MUST RETAIN COMPLETED FORM I-9
PLEASE DO NOT MAIL COMPLETED FORM I-9 TO ICE OR USCIS**

Form I-9 (Rev. 05/31/05)Y

Appendix II: Department of Homeland Security Form I-9

OMB No. 1615-0047; Expires 03/31/07

Department of Homeland Security
U.S. Citizenship and Immigration Services

Employment Eligibility Verification

Please read instructions carefully before completing this form. The instructions must be available during completion of this form. ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work eligible individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification. To be completed and signed by employee at the time employment begins.

Print Name: Last	First	Middle Initial	Maiden Name
Address (Street Name and Number)		Apt. #	Date of Birth (month/day/year)
City	State	Zip Code	Social Security #

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- A citizen or national of the United States
- A Lawful Permanent Resident (Alien #) A _____
- An alien authorized to work until _____
(Alien # or Admission #)

Employee's Signature	Date (month/day/year)
----------------------	-----------------------

Preparer and/or Translator Certification. (To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Preparer's/Translator's Signature	Print Name
Address (Street Name and Number, City, State, Zip Code)	
Date (month/day/year)	

Section 2. Employer Review and Verification. To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number and expiration date, if any, of the document(s).

List A	OR	List B	AND	List C
Document title: _____		_____		_____
Issuing authority: _____		_____		_____
Document #: _____		_____		_____
Expiration Date (if any): _____		_____		_____
Document #: _____		_____		_____
Expiration Date (if any): _____		_____		_____

CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) _____ and that to the best of my knowledge the employee is eligible to work in the United States. (State employment agencies may omit the date the employee began employment.)

Signature of Employer or Authorized Representative	Print Name	Title
Business or Organization Name	Address (Street Name and Number, City, State, Zip Code)	
		Date (month/day/year)

Section 3. Updating and Reverification. To be completed and signed by employer.

A. New Name (if applicable)	B. Date of Rehire (month/day/year) (if applicable)
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C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment eligibility. Document Title: _____ Document #: _____ Expiration Date (if any): _____

I attest, under penalty of perjury, that to the best of my knowledge, this employee is eligible to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative	Date (month/day/year)
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NOTE: This is the 1991 edition of the Form I-9 that has been rebranded with a current printing date to reflect the recent transition from the INS to DHS and its components.

Form I-9 (Rev. 05/31/05)Y Page 2

**Appendix II: Department of Homeland
Security Form I-9**

LISTS OF ACCEPTABLE DOCUMENTS

LIST A	OR	LIST B	AND	LIST C
Documents that Establish Both Identity and Employment Eligibility		Documents that Establish Identity		Documents that Establish Employment Eligibility
1. U.S. Passport (unexpired or expired)		1. Driver's license or ID card issued by a state or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address		1. U.S. social security card issued by the Social Security Administration (<i>other than a card stating it is not valid for employment</i>)
2. Certificate of U.S. Citizenship (<i>Form N-560 or N-561</i>)		2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address		2. Certification of Birth Abroad issued by the Department of State (<i>Form FS-545 or Form DS-1350</i>)
3. Certificate of Naturalization (<i>Form N-550 or N-570</i>)		3. School ID card with a photograph		3. Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal
4. Unexpired foreign passport, with <i>I-551</i> stamp or attached <i>Form I-94</i> indicating unexpired employment authorization		4. Voter's registration card		
5. Permanent Resident Card or Alien Registration Receipt Card with photograph (<i>Form I-151 or I-551</i>)		5. U.S. Military card or draft record		
6. Unexpired Temporary Resident Card (<i>Form I-688</i>)		6. Military dependent's ID card		4. Native American tribal document
7. Unexpired Employment Authorization Card (<i>Form I-688A</i>)		7. U.S. Coast Guard Merchant Mariner Card		5. U.S. Citizen ID Card (<i>Form I-197</i>)
8. Unexpired Reentry Permit (<i>Form I-327</i>)		8. Native American tribal document		6. ID Card for use of Resident Citizen in the United States (<i>Form I-179</i>)
9. Unexpired Refugee Travel Document (<i>Form I-571</i>)		9. Driver's license issued by a Canadian government authority		7. Unexpired employment authorization document issued by DHS (<i>other than those listed under List A</i>)
10. Unexpired Employment Authorization Document issued by DHS that contains a photograph (<i>Form I-688B</i>)		For persons under age 18 who are unable to present a document listed above:		
		10. School record or report card		
		11. Clinic, doctor or hospital record		
		12. Day-care or nursery school record		

Illustrations of many of these documents appear in Part 8 of the Handbook for Employers (M-274)

Form I-9 (Rev. 05/31/05)Y Page 3

Note: While DHS has removed the Certificate of United States Citizenship and Certification of Naturalization as acceptable List A documents that establish both identity and employment eligibility, it has not updated the Form I-9.

Appendix III: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

March 14, 2006

Ms. Barbara D. Bovbjerg
Director
Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Bovbjerg:

We appreciate the opportunity to comment on the Government Accountability Office's (GAO) draft report, *Social Security Administration: Improved Agency Coordination Needed for Social Security Card Enhancement Efforts* GAO-06-303. The report provides in-depth information on the history and background of the Social Security card to include past and present efforts in making the card more secure.

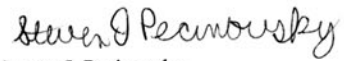
The report frequently links the Department of Homeland Security's employer verification requirements as a rationale for enhancing the Social Security card; however, the GAO reported the Social Security Administration is thus far considering card protection solely within the context of the Social Security program. The GAO further concluded the Social Security Administration is not currently planning to address card protection as part of the broader question of the card's role in employment verification. The GAO recommended the Secretary of Homeland Security and the Commissioner of Social Security work together to resolve the weaknesses of the Social Security card in proving worker eligibility. Specifically, the GAO recommended both organizations consider the millions of cards that do not prove worker eligibility, the inability to tie the card to the cardholder, flaws in the voluntary worker verification system, improvements to identification cards by the Real ID Act, and the current ease of counterfeiting the card.

We concur that much can be done on an interagency basis to improve the integrity of Social Security cards and numbers, as is required by the Intelligence Reform and Terrorism Prevention Act of 2004. We further agree with the Social Security Administration's decision to link the role of the Social Security card with verifying worker eligibility later in their deliberative process. Determining what to do to make the card more secure, or eliminating the card altogether, appears to be the appropriate task at this stage. We will continue to work with the Social Security Administration through the interagency task force.

www.dhs.gov

We thank you again for the opportunity to provide comments on this draft report and look forward to working with you on future homeland security issues.

Sincerely,



Steven J. Pecinovsky
Director
Departmental GAO/OIG Liaison Office

Appendix IV: Comments from the Social Security Administration



SOCIAL SECURITY

The Commissioner
March 16, 2006

Ms. Barbara D. Bovbjerg
Director, Education, Workforce,
and Income Security Issues
Room 5968
U.S. Government Accountability Office
Washington, D.C. 20548

Dear Ms. Bovbjerg:

Thank you for the opportunity to review and comment on the draft report "Social Security Administration Improved Agency Coordination Needed for Social Security Card Enhancement Efforts" (GAO-06-303). Our comments on the draft report content and recommendations are enclosed.

If you have any questions, please contact Candace Skurnik, Director, Audit Management and Liaison Staff at (410) 965-4636.

Sincerely,

Jo Anne B. Barnhart

Enclosure

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

**COMMENTS ON THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO)
DRAFT REPORT "SOCIAL SECURITY ADMINISTRATION (SSA):
IMPROVED AGENCY COORDINATION NEEDED FOR SOCIAL SECURITY
CARD ENHANCEMENT EFFORTS" (AUDIT NUMBER GAO-06-303)**

Thank you for the opportunity to review and comment on the draft report. We are committed to ensuring that the Agency complies with all legislative requirements with respect to the Social Security number (SSN) card, as such we believe there are a number of points in the report that need to be clarified or discussed in more detail to put an accurate perspective on this issue.

Our comments below are structured in four segments: 1) general observations and suggestions regarding the context of the report; 2) our response to the recommendation; 3) specific technical comments to further enhance the accuracy of the report; and 4) an other matters section which addresses the Real ID Act and its relationship to the Social Security (SS) card. Finally, because of the report's content concerning SS card counterfeiting, we believe that it would be prudent to protect the contents of the report and therefore request limited distribution.

General Comments

Report Title

We believe the report's title is misleading. As stated, one would expect the report's body to focus primarily on enhancements to the SS card, but the majority of the report focuses on one purpose of the enhancements -- employment eligibility verification.

Background

In the letter to the Chairman, GAO states that the 9/11 Commission's Report stated that all but one of the hijackers had acquired United States (U.S.) identification documents, some by fraud, and further states that the Commission's Report recommended that the Federal Government strengthen issuance standards for SS cards, driver's licenses and birth certificates. While the report did recommend that the Federal Government set standards for the issuance of sources of identification (page 390 of the Commission's Report), we found no recommendation in the report that the Federal Government strengthen the issuance of SS cards. We would emphasize that the SS card was never intended to be a form of identification. As correctly noted in the GAO draft report, the purpose of the SSN has been, and continues to be, a mechanism to track an individual worker's earnings and eligibility for Social Security benefits. The card serves merely as a record of the number assigned to an individual worker.

Requirements of the Intelligence Reform and Terrorism Prevention Act P.L. 108-458, (IRTPA)

IRTPA (Intelligence Act) required the Commissioner of Social Security, in consultation with the Secretary of Homeland Security, to form an interagency taskforce. The taskforce is specifically charged with establishing security requirements, including: 1) standards for safeguarding SS cards from counterfeiting, tampering, alteration, and theft; 2) requirements for verifying documents submitted for the issuance of replacement cards; and 3) actions to increase enforcement against the fraudulent use or issuance of SSNs and cards.

Current law requires that the card be made of banknote paper (see, 42, U.S.C. 405(c)), and, as a result, the taskforce was technically limited to consideration of improvements to a card made of banknote paper. The taskforce has considered a wide range of security features that would strengthen the card, and while we acknowledge that pending legislation may require changes to the card, such as magnetic strips or bar coded cards or many of the other proposals suggested by GAO, the task force is clearly limited in scope by the legislative authority granted it by Congress. The preliminary Agency decisions to continue with a card based on bank note paper and to only issue the card prospectively are reflective of what is within the Commissioner's authority to implement.

In addition, we do not agree with GAO's interpretation of the date by which SSA must implement improvements to the card as required in the Intelligence Act. Throughout the report, there are references to SSA moving slowly and not convening the task force until a time so late in the process that successful implementation would be nearly impossible (*"not convening the task force until late January 2006, allowing the task force less than 6 months to consider critical issues that affect card enhancement options before SSA is required to implement new safeguards in June 2006"*). This same language regarding implementing new safeguards by June 2006 is found throughout the report, including pages 9 and 12. The report needs to be clear that the legislation does not require SSA to "implement new safeguards in June 2006." Rather, it requires the Agency to develop a plan to implement the security requirements established by the task force.

Furthermore, we believe the report's overarching theme that suggests the use of an enhanced card will address weaknesses in employment eligibility and enforcement is beyond the scope of our mission. GAO's assessment on page 18 is accurate when it states that the role of the SS card in proving authorization to work has limitations. Under existing protocols, SSA is entirely dependent upon the number holder to report changes in work authorization status on a timely basis, and once reported, SSA confirms the change of status with the Department of Homeland Security (DHS) before issuing a replacement SS card. If current, accurate work authorization information is to be contained on an SS card, then the number holder must request a status change from DHS, and DHS must share that status change data with SSA on a timely basis. SSA would then need to reissue a replacement SS card to the number holder, and at the same time make void the prior card. Establishing such a process would involve many challenges, such as timely updating of the information and determining how to contact the number

holder to provide an updated card, not to mention the costs. These process implications go well beyond the mandated purpose of the SS card. Finally, any change to the SS card to resolve weaknesses in the area of employment eligibility would be of very limited value if not accompanied by legislative requirements imposed on employers requiring the use of whatever employment eligibility features were designed into a new card.

In summary, the determination and tracking of current employment eligibility remains one of DHS' primary missions. Attempting to make the SS card meet a purpose for which it was not crafted would deflect valuable resources from the Social Security programs on which the public relies. We acknowledge that current pending legislation could require changes to the card, and we are committed to working with Congress; however, SSA is limited in its ability to establish safeguards to the current card as required by the law. Given that the Intelligence Act required SSA to have a plan for implementation by June 2006, we believe the overriding conclusion of the report should reflect that SSA is on target to develop a plan for implementation by June 2006, and that ample opportunity for Agency cooperation has been established.

Options for Enhancing Cards

We believe the report should make the point that a new, more secure card tailored to proving employment eligibility would do little good if not accompanied by other significant changes in the workplace enforcement arena. For example, there is considerable discussion in the report about making a "machine readable" card, or a card with biometric data which, when compared to the information in a central database housing the biometric data of all cardholders, could be used to verify current work authorization for employers and others. The efficacy of such a card in workplace enforcement would depend on employers' willingness to buy and use the equipment needed to read the card and do the verifications. However, the experience of both SSA and DHS with employer verification services (e.g., the Basic Pilot and SSA's SSN Verification Service) is that only a small percentage of employers are interested in using such services on a voluntary basis. To expend considerable resources to develop and offer a machine readable card to confirm employment eligibility that would probably not be used by most employers would seem to be an injudicious use of government resources.

Recommendation

The Secretary of Homeland Security and the Commissioner of Social Security should work together to resolve the weaknesses of the Social Security card in proving worker eligibility. Specifically, they should consider the millions of cards that do not prove worker eligibility, the inability to tie the card to the cardholder, flaws in the voluntary worker verification system, improvements to identification cards by the Real ID Act, and the current ease of counterfeiting the card.

SSA Response

We agree in part. Some aspects of the recommendation are outside the scope of what Congress provided in the Intelligence Act. As required by IRPTA, the Commissioner of Social Security, in consultation with the Secretary of Homeland Security, has formed an interagency taskforce specifically charged with establishing security requirements, including: 1) standards for safeguarding SS cards from counterfeiting, tampering, alteration, and theft; 2) requirements for verifying documents submitted for the issuance of replacement cards; and 3) actions to increase enforcement against the fraudulent use or issuance of SSN's and cards. In addition, SSA is continuing to work with the Department of Homeland Security on issues related to employment eligibility and the Basic Pilot verification program.

Other Matters

Real ID Act Implications

On page 20, the point is made that the Real ID Act does not require States to check employment eligibility in issuing driver's licenses, implying that the new driver's license required under the Real ID Act would have limited value in workplace enforcement. However, the Real ID Act does require States to use the DHS Systematic Alien Verification of Entitlement queries for any non-citizen, and that query shows work authorization. It would be an easy next step to reflect this on driver's licenses if Congress wanted to do so. In addition, the Real ID Act requirement that time limited driver's licenses be issued to non-citizens who are in the U.S. on time limited visas would also seem to be a good fit with the time limits on many work authorization categories. We think the point should be made that the driver's license could be made to reflect work authorization with relative ease, given these other requirements of the Real ID Act.

Page 31 states that SSA "is not currently planning to address card protection as part of the broader question...or the potential impact of other identification advances such as the new state driver's license requirements..." This is not true; SSA has taken into account the action of Congress in passing the Real ID Act to make the State issued driver's license and ID card excellent identity documents that will be available to all U.S. citizens and non-citizens. SSA is working with the Association of American Motor Vehicle Administrators and DHS on matters of joint interest regarding the Real ID Act and SSN's/cards. Our expectation is that these documents will serve the nation's needs to prove identity.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Blake Ainsworth, Assistant Director; Daniel Bertoni, Assistant Director; Jacqueline Harpp; Jeff Bernstein; Jeremie Greer; Roger Thomas; and Tovah Rom made key contributions to this report.

Related GAO Products

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