



Highlights of [GAO-06-458T](#), a report to the Chairmen, Subcommittees on Social Security and on Oversight, Committee on Ways and Means, House of Representatives

## Why GAO Did This Study

To lawfully work in the United States, individuals must have a valid Social Security number (SSN) and, if they are not citizens, authorization to work from the Department of Homeland Security (DHS). Noncitizens seeking work must provide both an SSN and evidence of work authorization to their employer. Yet individuals without these required authorizations have gained employment with false information. How these instances of unauthorized work can be identified or prevented challenges the federal agencies involved.

The subcommittees asked GAO to discuss how federal agencies can better share reported earnings data to identify unauthorized work. Specifically, this testimony addresses two issues: (1) the Social Security data that could help identify unauthorized employment and (2) coordination among certain federal agencies to improve the accuracy and usefulness of such data.

[www.gao.gov/cgi-bin/getrpt?-GAO-06-458T](http://www.gao.gov/cgi-bin/getrpt?-GAO-06-458T). To view the full product, including the scope and methodology, click on the link above. For more information, contact Barbara Bovbjerg at (202) 512-7215 or [bovbjerg@gao.gov](mailto:bovbjerg@gao.gov).

# SOCIAL SECURITY NUMBERS

## Coordinated Approach to SSN Data Could Help Reduce Unauthorized Work

### What GAO Found

The Social Security Administration (SSA) has two types of data that could be useful to reducing unauthorized work—individual Social Security records and earnings reports. Individual Social Security records, which include name, date of birth, and SSN, are used by SSA to provide verification services to employers wishing to assure themselves that the names and SSNs of their workers match SSA's records. SSA also uses Social Security records in a work authorization verification system developed by DHS called the Basic Pilot that offers electronic verification of worker status. These services are voluntary, and none are widely used by employers. SSA's earnings records provide additional information, which could be used as an enforcement tool to identify unauthorized work. Currently, SSA uses such records to produce two relevant files based on earnings records, which are the Nonwork Alien File and the Earnings Suspense File (ESF). The Nonwork Alien File contains earnings information posted to SSNs issued for nonwork purposes, suggesting that these individuals are working without authorization. The ESF contains earnings reports for which SSA is unable to match the name and SSN of the worker, suggesting employer error, SSN misuse, or unauthorized work activity. In addition, we have reported that the ESF, which contained roughly 250 million records as of December 2004, appears to include an increasing number of records associated with probable unauthorized work, but because of statutory constraints, the ESF is not available to DHS as an enforcement tool.

Improving the usefulness of SSA data could help identify unauthorized work and ensure that limited enforcement resources are targeted effectively. Ensuring that the most useful data are available requires close coordination among the three federal agencies involved in collecting and using the data—SSA, the Internal Revenue Service (IRS), and DHS. We have previously recommended that IRS work with DHS and SSA as it considers strengthening its employer wage reporting regulations, as such action could improve the accuracy of reported wage data, and that DHS, with SSA, determine how best to use such wage data to identify potential illegal work activity. Efforts to improve data will only make a difference, however, if agencies work together to improve employer reporting and ensure they can conduct effective worksite enforcement programs.