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Report to the Chairman, Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

October 2003

SOCIAL SECURITY ADMINISTRATION

Actions Taken to Strengthen Procedures for Issuing Social Security Numbers to Noncitizens, but Some Weaknesses Remain

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GAO-04-12

October 2003

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Highlights

Highlights of GAO-04-12, a report to the Chairman, Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

In 2002, the Social Security Administration (SSA) issued nearly 6 million new Social Security numbers (SSNs), of which 1.3 million were issued to noncitizens. Despite its narrowly intended purpose, the SSN has in practice become the national identifier. SSNs are key pieces of information in creating false identities, underscoring the importance of issuing SSNs only to those eligible for them and of protecting those already assigned to individuals. The flow of noncitizens into the United States and the accompanying number of SSNs issued to them over the last several years add to the importance of having sound practices to avoid issuing SSNs to those who do not qualify for them.

The Subcommittee Chairman asked GAO to describe and assess SSA's key initiatives to ensure the appropriate issuance of SSNs to noncitizens and identify vulnerabilities to error or fraud SSA has not yet addressed.

What GAO Recommends

GAO recommends that SSA strengthen the integrity of its enumeration policies and procedures by taking actions such as reviewing field compliance with verification requirements for enumerating noncitizens. In its response to GAO's draft report, SSA agreed with GAO's recommendations and provided information on planned and current actions to address them.

www.gao.gov/cgi-bin/getrpt?GAO-04-12.

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 bovbjergb@gao.gov.

What GAO Found

SSA Has Increased Noncitizen Verifications and Begun New Initiatives

SSA has taken steps to prevent the inappropriate assignment of SSNs to noncitizens. SSA now requires field staff to verify noncitizens' identity documents with the Department of Homeland Security (DHS), in addition to continuing to require visual inspection of these documents, prior to issuing an SSN. However, many field staff GAO interviewed are relying heavily on DHS's verification while neglecting SSA's standard inspection practices, even though both approaches are necessary. SSA has also undertaken new initiatives to shift the burden of processing noncitizen SSN applications and verifying documents from its field offices. In 2002, SSA started implementation of a process called "Enumeration at Entry" (EAE), which relies on State Department and DHS expertise to authenticate information provided by SSN applicants. SSA is in the early stages of planning to evaluate EAE with the State Department and DHS. Also, SSA recently piloted a specialized center in Brooklyn, New York, which focuses on enumeration and uses the expertise of DHS staff and SSA's Office of the Inspector General investigators.

Some Areas Affecting Issuance of SSNs Not Yet Addressed

While SSA has embarked on these new initiatives, it has not tightened controls in two key areas of its enumeration process that could be exploited by individuals—citizens and noncitizens alike—seeking fraudulent SSNs: the assignment of SSNs to children under age 1 and replacement Social Security cards. SSA changed its policy to require independent verification of birth records for U.S.-born children age 1 and over but still only relies on visual inspection of birth documents of children under age 1. This lack of independent verification remains an area vulnerable to fraud. In fact, by posing as parents of newborns, GAO investigators obtained two SSNs using counterfeit documents. SSA's policy for replacing Social Security cards, which allows individuals to obtain up to 52 replacement cards per year, and its documentation requirements for U.S. citizens to obtain such cards also increase the potential for misuse of SSNs. Of the 18 million cards issued by SSA in 2002, 12.4 million, or 69 percent, were replacements. While SSA requires noncitizens applying for replacement cards to provide the same identity and immigration information as if they were applying for a new SSN, its evidence requirements for citizens are much less stringent. The ability to obtain many replacement cards with relatively weak documentation may allow individuals to impersonate others by using counterfeit documents to obtain SSNs for a range of illicit uses, including selling them to noncitizens.

Original SSNs and Replacement Social Security Cards SSA Issued in Fiscal Year 2002

Numbers in millions

Key areas	U.S. citizens	Noncitizens	Total
Original SSNs issued	4.23	1.34	**5.57**
Replacement Social Security Cards issued	11.45	1.00	**12.45**
Total	**15.68**	**2.34**	**18.02**

Source: SSA.

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Abbreviations

ACM	Administrative Confidential Memorandum
BSSCC	Brooklyn Social Security Card Center
DHS	Department of Homeland Security
EAB	Enumeration at Birth
EAE	Enumeration at Entry
OIG	Office of the Inspector General
MES	Modernized Enumeration System
MOU	Memorandum of Understanding
POMS	Program Operations Manual System
SAVE	Systematic Alien Verification for Entitlements
SEVIS	Student and Exchange Visitor Information System
SSA	Social Security Administration
SSN	Social Security number

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Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

October 15, 2003

The Honorable E. Clay Shaw, Jr.
Chairman
Subcommittee on Social Security
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In fiscal year 2002, the Social Security Administration (SSA) issued nearly 6 million new Social Security numbers (SSNs), of which 1.3 million, or 22 percent, were issued to noncitizens, a proportion that has increased in recent years. Despite its narrowly intended purpose, the SSN has in practice become the national identifier and is central to a range of transactions and services associated with American life, including obtaining a driver license, opening a bank account, and receiving health care. For this reason, SSNs are key pieces of information in creating false identities. The events of September 11th underscore the importance both of issuing SSNs only to those eligible for them and protecting those already assigned to individuals. The flow of noncitizens into the United States and the accompanying number of SSNs issued to this group over the last several years add to the importance of having sound practices to avoid issuing SSNs to those who do not qualify for them and to ensure the identity of those who receive them. Because of your interest in this issue, you asked us to (1) describe and assess SSA's key initiatives to ensure the appropriate issuance of SSNs to noncitizens and (2) identify any vulnerabilities to error or fraud that SSA has not yet addressed in its procedures for issuing SSNs.

To answer your questions, we examined SSA's policies and procedures for issuing SSNs, a process known as enumeration, and we obtained information on key initiatives planned and undertaken to strengthen and ensure its integrity. We collected and analyzed information on SSA's enumeration initiatives, the results of prior internal reviews, and studies performed by SSA's Office of the Inspector General (OIG) and Office of Quality Assurance. In addition, we reviewed studies and data provided by

the Department of Homeland Security[1] (DHS) and the Department of State on their specific agency processes that support SSA's noncitizen enumeration initiatives. We also analyzed audits performed by the inspectors general at the Departments of State and Justice. We conducted our review at SSA headquarters in Baltimore, Maryland, and in 4 of its 10 regional offices—Atlanta, Georgia; Chicago, Illinois; New York, New York; and San Francisco, California—and at 16 field offices in those regions. We selected the regional and field offices based on the following criteria: (1) enumeration workload—the locations represented about 70 percent of noncitizen enumerations in fiscal year 2001; (2) geographic distribution—the various regions across the nation representing border and inland locations; and (3) best practices—locations trying innovative approaches to enumeration, such as the Brooklyn, New York, Social Security Card Center (BSSCC). We also collected and analyzed data and documents on SSA's enumeration initiatives and workloads. From our in-depth interviews with more than 100 management and line staff, we documented officials' perspectives on SSA's enumeration initiatives and identified areas where vulnerabilities and gaps exist in SSA's implementation of these policies. Also, our investigators tested SSA's enumeration practices by posing as parents of newborns and used counterfeit documents to obtain SSNs from an SSA field office and through the mail. We performed our work from September 2002 through July 2003 in accordance with generally accepted government auditing standards.

Results in Brief

SSA has increased document verifications and developed new initiatives to prevent the inappropriate assignment of SSNs to noncitizens. Though in their early stages, these increased verifications and initiatives have the potential to strengthen the integrity of SSA's enumeration process. SSA now requires field staff to verify noncitizens' identity documents with the DHS, in addition to continuing to require visual inspection of these documents, prior to issuing an SSN. However, many field staff we interviewed are relying heavily on DHS's verification while neglecting SSA's standard inspection practices, even though both approaches are necessary. We also found that SSA's automated system for assigning SSNs is not designed to prevent the issuance of an SSN if field staff bypass

[1]On March 1, 2003, those functions performed by the Immigration and Naturalization Service related to monitoring individuals entering the United States were transferred to the Bureau of Citizenship and Immigration Services in the DHS.

required verification steps. SSA has also undertaken new initiatives to shift the burden of processing noncitizen SSN applications and verifying documents away from its field offices. In late 2002, SSA began a phased implementation of a long-term process of redesigning how it issues SSNs to noncitizens, called "Enumeration at Entry" (EAE). EAE relies on State Department and DHS expertise to authenticate information provided by applicants before they enter the country; this information is transmitted to SSA, which then issues the SSN. Currently, EAE is limited to immigrants age 18 and older who have the option of applying for an SSN at 1 of the 127 State Department posts worldwide that issue immigrant visas. SSA is in the early stages of planning an evaluation of the first phase of EAE in conjunction with the State Department and DHS. Also, SSA plans to continue expanding the program over time to include other noncitizen groups, such as students and exchange visitors. In addition, SSA recently piloted a specialized center in Brooklyn, New York, which focuses exclusively on enumeration and utilizes the expertise of DHS immigration status verifiers and SSA's OIG investigators.

While SSA has embarked on these new initiatives, it has not tightened controls in two key areas of its enumeration process that could be exploited by individuals—citizens and noncitizens alike—seeking fraudulent SSNs: the assignment of SSNs to children under age 1 and the replacement of Social Security cards. SSA changed its policy in 2002 to require that field staff obtain independent, third-party verification of the birth records for U.S.-born children age 1 and over, but it left in place its prior policy for children under age 1, which calls only for a visual inspection of birth documents. In our field work, we found that this lack of independent verification remains an area vulnerable to fraud. Working in an undercover capacity by posing as parents of newborns, our investigators were able to obtain two SSNs using counterfeit documents. SSA's policy for replacing Social Security cards also increases the potential for misuse of SSNs. The policy allows individuals to obtain up to 52 replacement cards per year. Of the 18 million cards issued by SSA in fiscal year 2002, 12.4 million, or 69 percent, were replacement cards, and 1 million of these cards were issued to noncitizens. While SSA requires noncitizens applying for a replacement card to provide the same identity and immigration information as if they were applying for an original SSN, SSA's evidence requirements for citizens are much less stringent. The ability to obtain numerous replacement SSN cards with relatively weak documentation may allow individuals to impersonate others using counterfeit documents to obtain SSNs for a wide range of illicit uses, including selling them to noncitizens.

The operational and policy issues that we identified in SSA's enumeration functions could weaken the integrity of its enumeration system. Accordingly, we are making several recommendations intended to strengthen SSA's policies and procedures for issuing SSNs to noncitizens and citizens and to enhance SSA's coordination and deployment of new initiatives in this area. In its response to our draft report, SSA agreed with our recommendations and provided information on planned and current actions that they believe address them. (SSA's comments are reproduced in appendix II.) In particular, SSA discussed its efforts to assess field office staff compliance with its verification requirements as part of its ongoing enumeration quality reviews, to assess the accuracy of the EAE process, and to develop options to improve the integrity of its policies for issuing replacement Social Security cards.

Background

The Social Security Act of 1935 authorized the SSA to establish a record-keeping system to help manage the Social Security program and resulted in the creation of the SSN. SSA uses the SSN as a means to track workers' earnings and eligibility for Social Security benefits. Through a process known as "enumeration," each person receives a unique number, which is used for the work and retirement benefit record for the Social Security program. Today, SSNs are issued to most U.S. citizens, and they are also available to noncitizens[2] 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 welfare benefit or service. SSA must obtain documentary evidence from such applicants regarding their age, identity, U.S. citizenship, immigration status, and if they were previously assigned an SSN. SSA's 1,333 field offices' primary enumeration responsibilities include interviewing such applicants for both original and replacement Social Security cards, reviewing identity and immigration documents, verifying immigration and work status with the DHS and State, and keying information into the agency's automated enumeration system.

In fiscal year 2002, SSA issued approximately 5.6 million original SSNs and 12.4 million replacement cards. As shown in table 1, most of the agency's enumeration workload involves U.S. citizens who generally receive SSNs

[2]For our review, we classified noncitizens as (1) immigrants (individuals who come to the United States to reside permanently, e.g., the alien spouse of a U.S. citizen) and (2) nonimmigrants (individuals who come to the U.S. temporarily, e.g., students and visitors).

at birth via states' and certain jurisdictions' birth registration process facilitated by hospitals.[3] However, the bulk of original SSNs issued by SSA's field offices are for noncitizens. These offices also process requests for replacement cards—for both citizens and noncitizens.

Table 1: Original SSNs and Replacement Social Security Cards SSA Issued in Fiscal Year 2002

Numbers in millions			
Key areas	**U.S. citizens**	**Noncitizens**	**Total**
Original SSNs issued	4.23[a]	1.34	5.57
Replacement Social Security cards issued	11.45	1.00	12.45
Total	**15.68**	**2.34**	**18.02**

Source: SSA.

[a]Of the 4.23 million SSNs issued to U.S. citizens in fiscal year 2002, 3.8 million (about 89 percent) were issued under SSA's Enumeration at Birth (EAB) process, which is not part of the field office workload.

Following the events of September 11, 2001, SSA began taking steps to place a greater emphasis on improving the integrity of the enumeration process. For example, to launch these efforts, the Commissioner established an in-house response team to identify ways to prevent fraud and formed a task force with the State Department and DHS to formalize and expedite collaboration on various initiatives designed to improve the verification of information furnished by noncitizen SSN applicants.

SSA Has Increased Verifications and Launched Other Key Initiatives, but Additional Actions Are Needed

SSA has increased document verifications and begun other new initiatives to prevent the inappropriate assignment of SSNs to noncitizens, but additional actions are needed to strengthen the integrity of the process. SSA now requires third-party verification of all noncitizen documents with DHS and State prior to issuing an SSN. This verification is required in addition to existing requirements to inspect documents in-house. However, many field staff we interviewed are relying heavily on the third-party verification, while neglecting SSA's in-house practices for verifying identity documents. SSA has also undertaken new initiatives to shift the

[3]Under a process called Enumeration at Birth hospitals send birth registration data to a state or local bureau of vital statistics, where it is put into a database. SSA accepts the data captured during the birth registration process as evidence of age, identity, and citizenship and assigns the child an SSN without further parental involvement.

burden of processing noncitizen applications away from its field offices. In October 2002, SSA began implementing the first phase of a long-term process to redesign how it issues SSNs to noncitizens, called "Enumeration at Entry" (EAE). Under this initiative, State and DHS experts screen SSN applicants before they enter the United States. SSA is in the early stages of developing a timetable to evaluate the effectiveness of EAE as well as to assess the potential for future expansion to other noncitizen groups. SSA also recently piloted a specialized center in Brooklyn, New York, to focus exclusively on enumeration and to bring on board expertise from DHS as well as to utilize SSA's own Inspector General.

SSA Has Stepped Up Document Verification, but Some Weaknesses Exist

SSA has increased document verifications by requiring independent third-party verification of documents for all noncitizens with the issuing agency—namely DHS and State—prior to issuing an SSN. This process—called "collateral verification"[4]—involves field office staff performing an on-line query to DHS's Systematic Alien Verification for Entitlements (SAVE)[5] database to verify the immigration and work status of noncitizens. If the information is not available in SAVE, field staff must mail a request to DHS seeking verification. In conjunction with this verification, SSA field staff are required to visually inspect the immigration and identity documents presented by applicants. SSA has issued several directives and produced a training video for field offices to reinforce the policy of making visual inspections of applicant documents with a variety of forensic tools. These include using an ultraviolet light, called a "black light," to verify the presence of embedded security features and comparing documents against sample DHS documents and security guidelines contained in a binder maintained in each field office.

SSA has also stepped up its verification of documents for foreign students seeking SSNs, by requiring them to show proof of their full-time enrollment. However, SSA still does not require its field staff to verify this information or letters from the school stating that the student is authorized to work—with the school.[6] SSA also does not require that students actually have a job to qualify for an SSN, only that they have been authorized by their school to work on campus.[7]

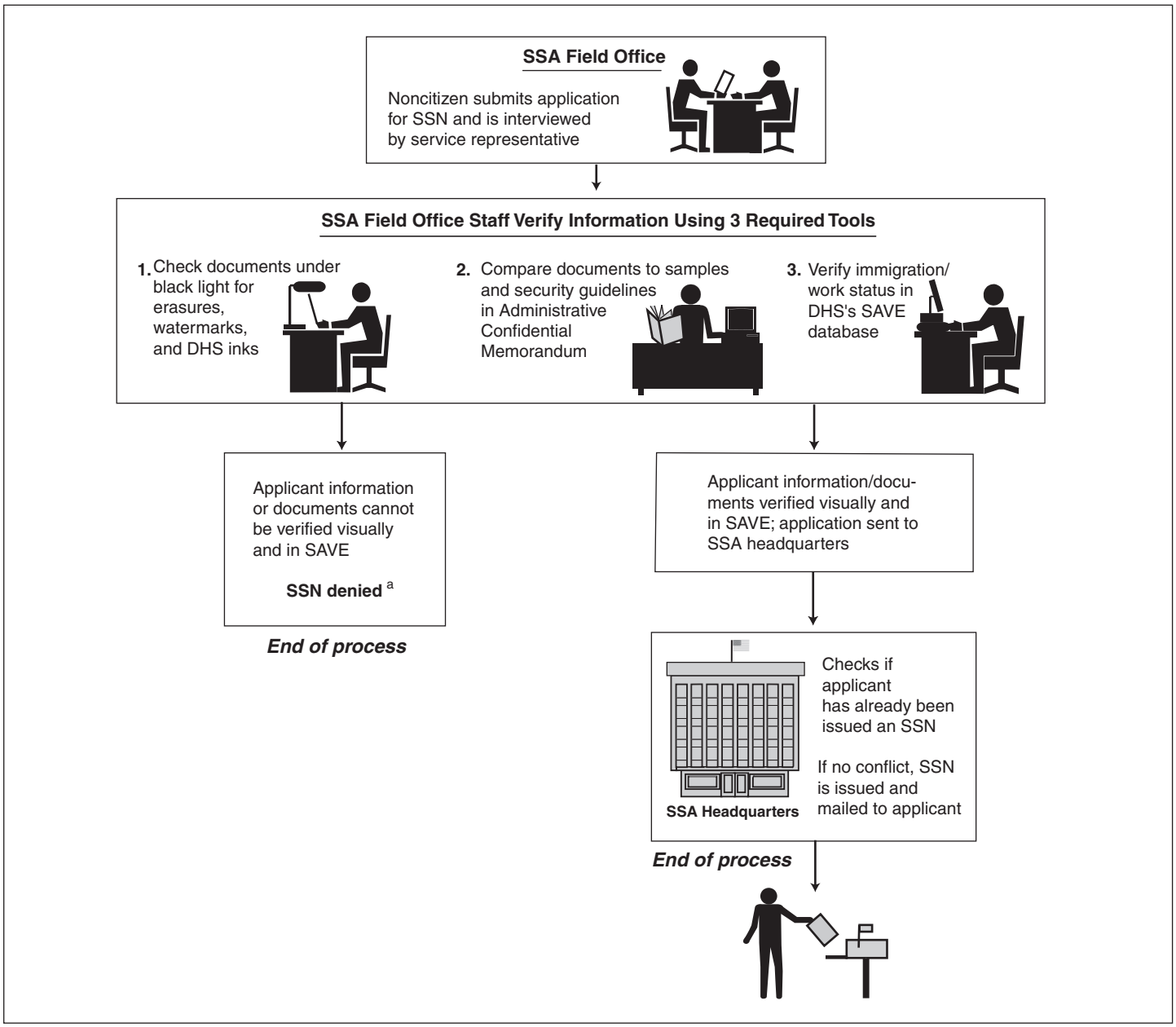
[4]As of September 2002, "collateral verification" is now required for all noncitizens. Under SSA's prior policy, it was only required for those who have been in the country more than 30 days.

[5]The SAVE system is the only available data source on the immigration status of noncitizens. We are aware of limitations in DHS's SAVE data but have not conducted an independent assessment of the quality of the records in that system. The Justice Department's Office of the Inspector General has issued several reports that questioned the reliability, accuracy, and management controls over nonimmigrant data in the SAVE system. (See *"Immigration and Naturalization Service Monitoring of Nonimmigrant Overstays,"* Rept. No. I-97-08, Sept. 1997; *"Follow-Up Report On INS Efforts To Improve The Control Of Nonimmigrant Overstays,"* Rept. No. I-2002-006, April 2002; and *"Immigration and Naturalization Service's Ability to Provide Timely and Accurate Alien Information to the Social Security Administration,"* Rept. No. I-2003-001, Nov. 2002.)

[6]Schools accredited by DHS may issue letters authorizing foreign students to work without notifying DHS or obtaining DHS approval.

[7]As of our report's issuance, SSA was also seeking authority to require that students already have an on-campus job before an SSN may be issued.

Figure 1. Required SSA Field Office Procedures for Noncitizen SSN Applications



Source: GAO based on SSA information.

[a]SSA's procedures call for its staff to refer these cases to SSA's Office of Inspector General for further review.

Despite SSA's actions to strengthen its processes for issuing SSNs to noncitizens, some weaknesses exist.

- Field staff rely heavily on SAVE verifications, with the result that many neglect to perform required in-house, visual inspection of documents in conjunction with the SAVE verification. Although field office staff can check the immigration and identity status of an individual through SAVE, that does not ensure that the documents presented by the applicant are valid. The agency's only way of detecting whether documents by themselves are counterfeit is through visual inspections. However, our interviews with front-line field staff who perform enumeration work in four SSA regions indicated a potential erosion in the traditional practice of visually inspecting documents due to an increasing reliance on the SAVE database. Over a third said they do not routinely use the black light to verify the authenticity of applicants' immigration documents, and only one in five staffers we interviewed said they regularly used SSA's confidential manual of security guidelines and sample documents (known as the Administrative Confidential Memorandum (ACM)) to check documents submitted by applicants. Many field staff we interviewed said that the ACM was not readily accessible; several said they did not know where it was located in their office. In addition, staff in several offices told us that their black light did not always work. Since SSA field office staff are the only persons who actually see the noncitizen's documents, it is critical that they make use of all available tools to ensure the authenticity of those documents.[8] Nevertheless, more than a fourth of the field staff we interviewed told us that using the SAVE database to verify immigration status made visual inspections of documents unnecessary.

- SSA's automated enumeration system allows field staff to bypass key verification steps and still issue an SSN. Recent improvements to SSA's automated computer system for assigning SSNs, known as the Modernized Enumeration System (MES), have not eliminated several weaknesses that would allow for a breach of security. MES does not contain separate and distinct fields for field staff to record their use of each of the required verification procedures. Furthermore, it is possible for staff to process an SSN application without keying information into MES on the evidence they have reviewed and accepted. Under this situation, there is no consistent means for SSA to verify and review what verifications field staff actually did perform when they processed an SSN application. SSA

[8]When SSA field office staff question the authenticity of a noncitizen's documents, they submit photocopies of those documents to DHS to be verified.

officials told us that they are aware of this problem, but due to budget reasons, they have yet to develop a formal plan to address it.

- Another automation-related weakness concerns SSA field staff use of DHS's SAVE system. When field staff perform a SAVE verification, the SAVE system generates a unique reference number. However, it is possible to enter a made-up SAVE reference number without having actually verified an individual's status. This ability to bypass the SAVE system represents an internal control weakness in SSA's noncitizen enumeration process. SSA officials told us that it may be possible to modify SAVE so that after SSA staff successfully verify an individual's immigration status, proof of that verification would be automatically entered into the MES application, creating an audit trail. However, SSA officials noted that such a modification would require creating an interface between DHS's SAVE system and SSA's MES, and they have not yet fully explored this possibility.

- Verification for foreign students attending U.S. schools also remains problematic. SSA recently revised its rules to require that students provide evidence of full-time enrollment at an accredited educational institution. However, field office staff are not required to verify either the full-time enrollment or the work authorization letters with the educational institution. Most field staff we interviewed told us they do not verify work authorization letters unless they appear questionable. One staffer told us she assumes a letter is authentic if it is "on high-quality paper." In addition, managers in two SSA field offices told us they were unclear about SSA's requirements for enumerating noncitizen students. A recent investigation by SSA's OIG uncovered a ring of 32 foreign students in four states who used forged work authorization letters to obtain SSNs. Those students were either indicted for criminal offenses or taken into DHS custody. However, an unknown number of other students associated with this ring had already obtained illegal SSNs with forged work authorization letters. A foreign student Web site that we found highlights the inconsistencies in SSA's enumeration practices and advocates that students seeking SSNs "shop around" for offices that are more likely to grant an application.

  "If you are not authorized to work, ask your Foreign Student Advisor for help. Sometimes they can give you a letter to the SSA stating that you need a SSN for on-campus employment. Here's a sample letter. If you can't get this letter at least get a certificate of attendance, preferably addressed to the Social Security Administration. **Sometimes SSA clerks don't really read these letters, they just look at them.** [Emphasis added]

  Go to your local SSA office and ask them if you can get a SSN. **Regulations in different offices are different, so try going to several different SSA offices** (this approach

works with many large bureaucracies, like banks and phone companies). [Emphasis added] Sometimes it even depends on a clerk you talk to. If they accept your application it means you'll get the number. **If they don't accept it, it isn't recorded anywhere and you can try as many times as you like**." [Emphasis added]

Source: Withheld.

Forged work authorization letters are not the only avenues for fraud in the enumeration of noncitizen students. Both managers and field office staff told us that SSA's policy on enumerating students was open to fraud because it requires only that the student be "authorized to work on campus," and not that the student actually be working, or even have a job offer. One district manager, saying that enumerating noncitizen students for on-campus jobs is "fraught with the potential for fraud," cited schools operating out of storefronts that nevertheless issued work authorization letters for students, claiming the students were working "on campus." According to SSA policy, these students are entitled to receive SSNs. In addition, one regional official even described schools selling work authorization letters to students who wished to get SSNs.

SSA headquarters officials said that they were aware of weaknesses associated with enumerating foreign students and were working on improving the integrity of these processes. For example, SSA is exploring gaining access to DHS's foreign student tracking database, the Student and Exchange Visitor Information System (SEVIS), which would permit the agency to check if a noncitizen student is enrolled full-time in an accredited school.[9] In addition, SSA officials told us that the agency is in the process of exploring options to address these weaknesses, such as requiring foreign students to prove that they actually have an on-campus job.

SSA Has Begun a Long-Term Initiative to Enumerate Noncitizens before They Enter the Country

SSA is in the early stages of a long-term process of redesigning how it issues SSNs to noncitizens, which it calls the "Enumeration at Entry" (EAE) project. SSA considers EAE to be an essential component of its fraud prevention efforts that will curtail its current dependence on visually inspecting and verifying documents that are easily forged or misused.

[9]Presently, DHS's SEVIS database does not track foreign student on-campus employment or work authorization. DHS has expressed interest in adding that information to the data gathered on noncitizen students, but has no immediate plans to do so.

Under EAE, SSA entered into Memoranda of Understanding (MOU) with State and DHS for those agencies to assist SSA by obtaining and examining, as part of immigration processing, all of the information SSA needs to assign SSNs to immigrants after they enter the United States.[10] Since its start in 2002, EAE has grown from 3 sites in 3 countries to all 127 State posts worldwide that issue immigrant visas. Currently, EAE is available only to immigrants age 18 or older who are seeking permanent residence in the United States, and it is not used for temporary visitors such as students and exchange visitors. According to SSA, the current phase of EAE will

- improve integrity of the enumeration process by ending field staff dependence on immigration documents that can be forged or misused by noncitizens attempting to fraudulently acquire SSNs;
- improve overall government efficiency by eliminating duplication of data collection by SSA, State, and DHS;
- create financial savings of approximately $5.13 million annually;[11] and
- provide a one-stop service for noncitizen SSN applicants, whereby noncitizens can apply for an immigrant visa and an SSN on the same application prior to entering the United States.

The EAE process is depicted in figure 2 and begins when an immigrant applies for a visa at one of State's visa-issuing posts around the world and continues when the immigrant later arrives at a U.S. port of entry where DHS performs various immigration and security checks. The process ends when SSA electronically screens the information provided by DHS for errors and assigns the individual an SSN.

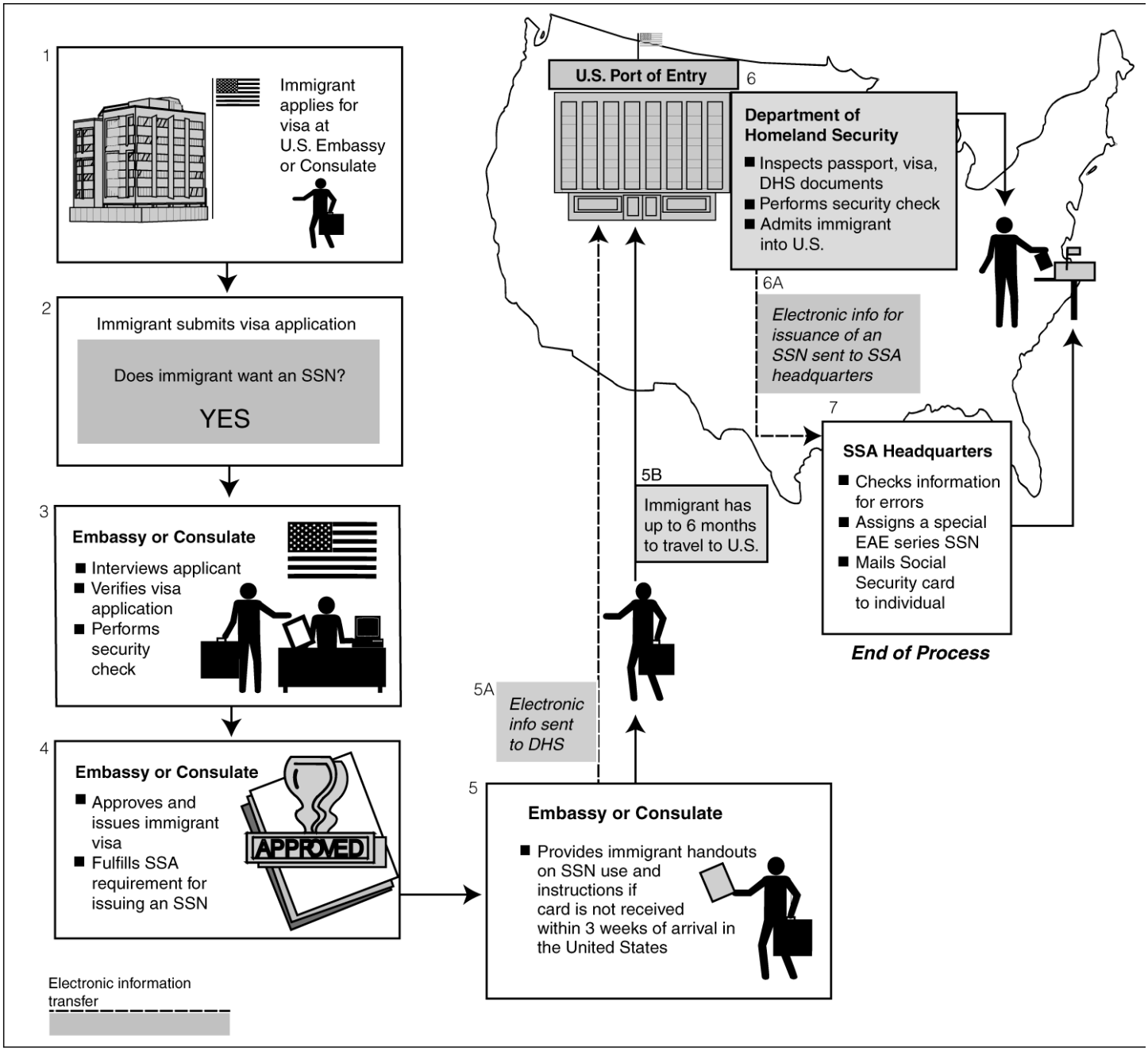
[10]Representatives of the Immigration and Naturalization Service (INS) [INS was transferred to DHS in 2003] and SSA signed a MOU in October 2002 and December 2002, respectively. SSA also has a 1996 MOU with State.

[11]SSA's estimated savings are based on a projection of 400,000 immigrants availing themselves of EAE once the current phase is fully implemented. SSA calculated the savings by multiplying 400,000 by $13.48 (the SSA field office unit cost for processing an SSN application) resulting in $5.39 million from which SSA subtracted $263,000 of yearly costs SSA pays DHS for processing SSN information under EAE. This resulted in an annual savings estimate of $5.13 million.

During the first 7 months that SSA began receiving records under EAE—November 2002 through May 2003—SSA reported assigning 9,627 original SSNs and 5,501 replacement cards[12] to immigrants who applied at one of the State Department's worldwide visa-issuing posts. To date, SSA is having problems with the accuracy and completeness of the automated EAE records received, resulting in the agency's need to correct the errors, including contacting the applicant after he or she enters the country. Problems include the use of abbreviated data (e.g., using Ma for Maria); the incorrect use of country codes (e.g., PHI instead of PHL for the Philippines); and, in some instances, missing data fields (e.g., the city, state, and zip code of the applicant's place of birth). SSA officials said that the three agencies have begun working to correct these problems and anticipate having them resolved in the near future.

[12]As part of the visa application process, State consulate officials also ask immigrants who already have an SSN, if they would like SSA to send them a replacement Social Security card.

Figure 2: SSA's EAE Process for Assigning SSNs to Immigrants Age 18 and Over



Source: GAO based on SSA and Department of Justice information.

According to SSA officials, the agency intends to evaluate the initial phase of EAE in conjunction with the State Department and DHS after it has been in full operation for at least a year or at a mutually agreed upon time. SSA is also planning to begin discussions with DHS and State on expanding the process to other noncitizen groups, such as students and exchange visitors. SSA officials told us that, as additional groups of noncitizens are phased in, it expects to further reduce its field office enumeration workload. Currently, SSA officials said that they are only in the early stages of developing a timetable to estimate either when the agencies would start to evaluate the first phase of EAE or when it would begin discussions on EAE expansion. SSA officials noted that the expansion of EAE to nonimmigrant groups, such as students or exchange visitors, would probably take longer and be more challenging because of the diversity of the populations and differences in State, DHS, and SSA information systems and business processes. For example, according to SSA and DHS officials, the process for transmitting information on groups other than legal permanent residents[13] is not fully automated.

SSA Is Piloting a Specialized Enumeration Center

In November 2002, SSA established a pilot center in Brooklyn, New York, to specialize in enumeration (now known as the Brooklyn Social Security Card Center, or BSSCC) wherein its staff is assisted by in-house DHS staff and focuses full time on enumeration and verification. In addition, SSA-OIG employees are on call to assist the BSSCC's staff. The center provides citizens and noncitizens residing in Brooklyn a one-stop location for applying for SSNs and replacement Social Security cards and is the only location where residents of Brooklyn can receive such services. If a Brooklyn resident visits one of SSA's 12 Brooklyn offices other than the BSSCC to apply for a SSN or a replacement card, they are referred to the center for assistance. As of April 2003, the BSSCC had processed a total of 44,000 Social Security cards, with 18,000 of those for noncitizens. SSA officials plan to use this centralized and specialized location to prevent the inappropriate issuance of SSNs and to expand the concept to other locations.

According to SSA and DHS officials, a major benefit of the BSSCC is its specialized personnel and the immediate, on-site verification of documents submitted by applicants for SSNs and replacement cards. SSA officials told

[13]Legal permanent residents are immigrants who have been granted permission to live and work permanently in the United States.

us that the enumeration center staff would become more specialized and skilled at identifying fraudulent documents as they perform only enumeration duties. In addition, on-site DHS staff who verify documents (called status verifiers) have access to DHS databases not available to SSA staff, and their presence is expected to improve DHS response time and accelerate the verification of applicant documents. (See table 2 for the composition of BSSCC's staff.) Also, SSA's New York regional officials told us that they have experienced a reduced enumeration workload for the 12 neighboring SSA field offices. These officials also told us that the use of one location for enumeration would increase SSA's control over SSNs and reduce the issuance of duplicate cards. For example, having only one center where citizens and noncitizens residing in the service area were required to apply for SSNs and replacement cards might eliminate the opportunity for individuals to "shop around" various SSA field offices in the region, using fraudulent documents in order to obtain an SSN.

Table 2: Composition of BSSCC's Staff

Providing agency	Type of staff	Number of staff
SSA	Manager	1
	Operations supervisor	1
	Management support specialist	1
	Service representative	6
	Teleservice representative	9
	Claims representative	15
DHS	Status verifier[a]	1
Total		**34**

Source: SSA.

Note: SSA-OIG's New York Office agents are on call to support the BSSCC at the request of BSSCC's manager.

[a]DHS initially provided two status verifiers for the BSSCC; as of June 2003, DHS reconsidered the need for these staff and had removed one of them.

SSA and DHS officials have made some revisions to the BSSCC's staffing plan. SSA's draft design plan for the center included on-site DHS investigators, who are experts in identifying fraudulent documents, as well as SSA-OIG investigators. However, after discussions with SSA, DHS agreed to provide status verifier staff in the BSSCC, who have access to DHS databases not available to SSA staff but do not have the technical expertise to authenticate and identify fraudulent documents. DHS's decision to place status verifiers in the BSSCC, rather than more specialized investigators, who are skilled at authenticating and identifying

fraudulent documents, may diminish SSA's ability to detect fraudulent documents. Presently the main function of the one status verifier co-located with SSA staff, is to check DHS databases that are unavailable to SSA staff, rather than to authenticate documents. Furthermore, SSA's OIG employees, at one time physically based at the center, are now available only on an on call basis to assist the BSSCC staff.

Thus far, SSA has encountered workload issues involving returned mail processed through the BSSCC. According to SSA officials, the postal service returns mailed Social Security cards processed through the center as undeliverable at a higher than usual rate for other field offices. SSA officials told us the mailing errors might be occurring due to problems associated with a high frequency of similar names for noncitizens who use the center. However, they have not yet evaluated the returned mail issue and other performance issues associated with the enumeration center.

According to SSA officials, the BSSCC is operating on a trial basis for a period of 1 year during which SSA plans to evaluate its effectiveness. SSA officials told us that they will conduct two studies to evaluate the center: (1) SSA and DHS are to study if the center is serving the needs of SSA and if it is cost-effective for DHS to provide on-site status verifiers and (2) SSA will perform a separate assessment of the center, which may address issues such as trends in applicants' submission of fraudulent documents to obtain SSNs.[14] However, SSA officials told us that a consideration of the long-term feasibility of the enumeration center in relation to SSA's other initiatives to improve the integrity of issuing SSNs to noncitizens—for example, EAE, is not part of their analysis. This is a key issue considering that SSA's progress in implementing and expanding the EAE initiative, whereby noncitizens apply for SSNs prior to entering the United States, could influence the number of additional card centers needed, or mitigate the need for such centers altogether in the long term.

SSA's Actions to Tighten Controls Leave Some Key Areas Unaddressed

Although SSA is undertaking a number of initiatives specifically addressing the enumeration of noncitizens, it has not addressed two areas that are especially vulnerable to fraud by citizens and noncitizens alike: the assignment of Social Security numbers to children under age 1 and the replacement of Social Security cards. Although SSA changed its policy in 2002 to require third-party verification of the birth records of U.S.-born

[14]As of the completion of our audit work, SSA has not yet finalized this evaluation plan.

citizens over age 1, it left in place its prior policy for children under age 1 that calls only for a visual inspection of birth records. SSA's policy for replacing Social Security cards allows individuals to obtain up to 52 replacements a year with no lifetime limit and allows U.S. citizens to obtain replacement cards with less documentation than an original SSN. Of the 18 million cards issued by SSA in fiscal year 2002, 12.4 million, or 69 percent, were replacement cards. Some field staff we interviewed told us that despite their reservations about individuals who have sought replacement cards in "excessive" numbers, SSA policy required them to issue the cards.

Process for Assigning Social Security Numbers to Children under Age 1 Creates Fraud Opportunities

The implementation of SSA's policy of assigning SSNs to children under age 1 may create opportunities for individuals with criminal intent to use false or stolen birth records to obtain an SSN. While the majority of newborns in fiscal year 2002 received SSNs at birth through a hospital registration processes that SSA calls Enumeration-at-Birth (EAB),[15] the parents of about 368,000 U.S.-born children under age 18 applied for an SSN for their children at field offices using their own birth evidence documents.[16] In 2002, SSA began requiring field offices to verify these birth records for U.S. citizens age 1 or older with a state or local bureau of vital statistics. However, SSA exempted records for children under age 1 from this policy. According to SSA, it excluded children under age 1 from its third-party verification requirements to limit potential service disruptions to these applicants due to possible delays in entry of birth information by some state or local bureaus of vital statistics. Parents or guardians often need an SSN for their child soon after birth so they can claim the child as a dependent for tax purposes or because an SSN is required for such purposes as opening a bank account or applying for government services.

SSA's decision to verify most birth certificates had been prompted by an SSA OIG finding that, despite training and guidance, field staff were

[15]Of the 4.2 million SSNs issued to U.S. citizens in fiscal year 2002, about 89 percent, or 3.8 million, were issued under SSA's EAB process. Under EAB, hospitals send birth registration data to a state or local bureau of vital statistics where it is put into a database. SSA accepts the data from the birth registration process as evidence of age, identity, and citizenship and assigns the child an SSN without further parental involvement.

[16]SSA does not maintain data on the actual number of children enumerated outside of the EAB process each year.

unable, by themselves, to detect counterfeit birth certificates.[17] In one case, individuals posing as parents of infants were able to obtain over 1,000 new SSNs based on fraudulent birth certificates.[18] Also, the OIG reported that, without means to independently verify the authenticity of out-of-state birth certificates, field office staff were less likely to question this documentation.

We found that SSA's policy to exempt birth records for children under age 1 from third-party verification has left the enumeration process open to fraud. During our fieldwork, we found an example of a noncitizen who submitted a counterfeit birth certificate in support of an SSN application for a fictitious U.S.-born child under age 1. In this case, the SSA field office employee identified the counterfeit state birth certificate by comparing it with an authentic one. However, SSA staff acknowledged that if a counterfeit out-of-state birth certificate had been used, SSA would likely have issued the SSN because of staff unfamiliarity with the specific features of the numerous state birth certificates.

Indeed, we were able to prove the ease with which individuals can obtain SSNs by exploiting SSA's current processes. Working in an undercover capacity, our investigators were able to obtain two SSNs for children under age 1 by using counterfeit documents. By posing as parents of newborns, they obtained the first SSN by applying in person at a SSA field office using a counterfeit birth certificate; they obtained the second SSN by submitting the counterfeit birth record via the mail. In both cases, SSA staff verified our counterfeit documents as being valid. SSA officials told us that the agency plans to re-evaluate its policy for enumerating children under age 1 but has no specific time frame for doing so. The officials also acknowledged that a challenge facing the agency is to strike a better balance between serving the needs of the public and ensuring SSN integrity.

SSA Policy on Replacing Social Security Cards Invites Abuse

SSA's policy for replacing Social Security cards, which allows individuals to obtain up to 52 replacement cards per year; as well as its documentation requirements for U.S. citizens to obtain replacement cards, whereby U.S.

[17]SSA Office of the Inspector General, *Procedures for Verifying Evidentiary Documents Submitted with Original Social Security Number Applications*, A-08-98-41009 (Sept. 2000).

[18]SSA Office of the Inspector General, *Management Advisory Report*: *Using Social Security Numbers to Commit Fraud*, *A*-08-99-42002 (May 28, 1999).

citizens can obtain replacement cards with less documentation than an original SSN, also increases the potential for misuse of SSNs. Of the 18 million cards issued by SSA in fiscal year 2002, 12.4 million, or 69 percent, were replacement cards, and 1 million of these cards were issued to noncitizens.

SSA field staff we interviewed told us that despite their reservations regarding individuals seeking high numbers of replacement cards, they are required under SSA policy to issue the cards. For example, one field staffer spoke of replacement card applicants who already have made numerous requests and continue to make new requests.[19] Furthermore, many of the field office staff and managers we spoke with acknowledged that the current policy weakens the integrity of SSA's enumeration process.

In September 2001, SSA's OIG reported numerous cases in which SSA had issued replacement cards where potential misuse existed, such as multiple individuals working under a single name and SSN. [20] For example, the OIG found that SSA issued 23 replacement cards to a 19-year-old male who had $113,000 in earnings from 24 employers in 19 states during 1999. In another case, SSA had issued 12 replacement cards to a 25-year-old male with a suspect work history: $106,000 in earnings from 12 employers in 8 states and over $10,000 in earnings under his SSN but under a different name in 1999; $83,000 earnings from 10 employers in 1998; and $60,000 in earnings from 13 employers in 1997. The OIG concluded, "It is highly improbable that in 1 year an individual could work for multiple employers in numerous states and earn significant income from traditionally low paying jobs, such as those in the agriculture and service industries."

Beyond SSA's policy on providing 52 replacement cards per year, its identity and document requirements for providing such cards to citizens could further threaten SSN integrity. While SSA requires noncitizens applying for a replacement card to provide the same identity and immigration information as if they were applying for an original SSN, SSA's evidence requirements for citizens are much less stringent. (See

[19]SSA's automated system shows field staff how many times an individual has applied for a replacement card, which office processed the application, and when it was processed.

[20]SSA Office of the Inspector General, *Replacement Social Security Number Cards: Opportunities to Reduce the Risk of Improper Attainment and Misuse*, A-08-00-10061 (Sept. 2001).

table 3.) Citizens are not required to prove their U.S. citizenship and can apply for a replacement card without photograph identification, using documentation such as a school report card, church membership record, or a life insurance policy. This represents a vulnerability in the application process due to the ease with which identity documents, especially those without photographs, can be forged. Thus, an individual could easily impersonate a legitimate SSN cardholder to obtain large numbers of replacement cards for a wide range of illicit uses, including selling them to noncitizens.

Table 3: Comparison of Identity, Age, and Citizenship Requirements for U.S. Citizens Applying for Original SSNs and Replacement Cards.

Original SSN requirements	Replacement card requirements
Proof of identity (Any one or a combination of the following) • Driver's license • U.S. passport • School ID card • School record • School report card • Marriage or divorce record • Adoption record • Health insurance card (except Medicare card) • Life insurance policy • Clinic, hospital, or doctor records • Church membership or confirmation record	**Proof of identity** Same as for an original SSN.
Proof of age (Any one or a combination of the following) • U.S. birth certificate • Religious record established before age 5 showing age • Notification of birth registration	**Proof of age** Only required if there is a discrepancy between the date of birth on the application and the evidence presented with the application.
Proof of U.S. citizenship (Any one of the following) • U.S. passport • U.S. birth certificate • Religious record recorded in the U.S. within 3 months after birth • Certificate of naturalization • Certificate of citizenship • Adoption finalization papers • Other document that establishes a U.S. place of birth or U.S. citizenship	**Proof of U.S. citizenship** Not necessary.

Source: GAO analysis of SSA's enumeration procedures.

Note: The above lists are not all-inclusive and differ for children under age 1.

In our audit work, we identified Web sites and publications that give "how-to" guidance and design samples to assist individuals in making counterfeit documents that can be used in support of an application for either a new SSN or a replacement card, such as school cards, baptismal certificates, and hospital records. In addition, one guide offered tips on getting SSNs through the mail using such counterfeit documents.

"Generally, there are two ways that one can receive a […] social security number. Through the mail or in-person at the local social security office. **I would suggest that you try to do everything through the mail…In my opinion,…you should never go to the SS office in person**. [Emphasis added] Obviously, if there is a problem with your documents and you need to walk away from the process, with a mail drop, you simply close it and walk away. There is no more connection to you, but to be fair, I have never heard of a problem at the SSN office."

Source: Withheld.

SSA officials told us the agency is considering limiting the number of replacement cards to 2 per year and 10 cards over an individual's lifetime, with certain exceptions for name changes, administrative errors, and hardship. However, SSA officials cautioned that while support exists for this change within the agency, some advocacy groups, such as those representing the homeless and mentally ill, oppose such a limit. At the completion of our audit work, it was unclear whether SSA would address the weaknesses in its document requirements for providing replacement cards to citizens. Until SSA changes its policy in this area, there will be an increased chance that both citizens and noncitizens seeking to fraudulently obtain SSNs may target this vulnerable area.

Conclusions

SSA has made substantial progress toward strengthening its processes for issuing SSNs to noncitizens through initiatives that involve improvements to old procedures as well as broad new approaches. Indeed, the agency has taken a step it has never before attempted by requiring that the immigration and work status of every noncitizen applicant be verified through an independent third-party source before an SSN is issued. However, without further systems improvements and staff compliance with all prescribed verification procedures, this initiative may not sufficiently prevent the issuance of SSNs to individuals seeking to fraudulently obtain them.

Beyond changes to its verification procedures, SSA's ability to corroborate the immigration status and identity information of noncitizen applicants may be further enhanced by newly implemented initiatives such as EAE and the BSSCC. SSA's collaboration with the Departments of State and Homeland Security through the EAE initiative brings additional resources to bear on noncitizen applications. However, because this program represents a considerable change to the enumeration process, it merits a thorough evaluation to overcome operational problems and to identify

changes that may be needed before it is expanded to other noncitizen groups.

Similarly, specialized enumeration centers that combine the expertise of SSA and DHS examiners have the potential to better deter SSN fraud and identity theft, as well as improve the timeliness and accuracy of the service SSA provides. Because EAE will not be fully realized for many years, the enumeration center concept may also represent a viable near-term strategy for concentrating expertise in key geographic regions to process SSNs for applicants already in the country. However, a comprehensive evaluation of the effectiveness of the BSSCC, as well as an assessment of the long-term viability of additional centers in the face of future EAE expansion are needed to help SSA think more strategically about how it can be best positioned to ensure the integrity of its enumeration process.

Finally, SSA's substantial efforts may be undercut by other vulnerabilities that remain unaddressed. As SSA closes off many avenues of unauthorized access to SSNs, perpetrators of fraud will likely shift their strategies to less protected areas. In particular, SSA's policies for enumerating children under age 1 and providing replacement cards may well invite such activity, unless they, too, are modified.

Recommendations

To strengthen the integrity of SSA's policies and procedures for enumerating noncitizens, we recommend that the Commissioner of Social Security take the following actions:

- Perform systematic reviews of field office compliance with verification requirements for enumerating noncitizens and identify corrective actions needed to ensure maximum effectiveness of this process.
- Enhance the Modernized Enumeration System to prevent staff from issuing SSNs without following required verification procedures.
- Develop and implement a structured evaluation plan to assess the initial operation of the EAE initiative and identify SSA, State Department, and DHS business process changes needed to expand EAE to additional groups of noncitizens. For the initial phase of EAE, this evaluation should determine the accuracy of SSN issuance decisions and causes of operational weaknesses. To assist SSA in moving forward on EAE expansion, the assessment should identify categories of noncitizens to which EAE can and should be expanded as well as additional data

collection and changes to automated systems that will be needed by all three participating agencies.

- Evaluate the BSSCC to assess the feasibility of expansion to other locations and interaction with SSA's other initiatives to improve the integrity of SSN issuance to noncitizens. This should include an assessment of the (1) need and role of possible future centers in relation to the agency's plans to expand EAE; (2) accuracy of SSN issuance decisions, its value as a fraud detection and prevention tool, and its impact on surrounding field office workloads; and (3) the costs and benefits of how such centers would function without DHS staff on-site.

- Revise its requirement for verification of the birth records of U.S. citizens who apply for an SSN to require third-party verification of the birth records of children under age 1.

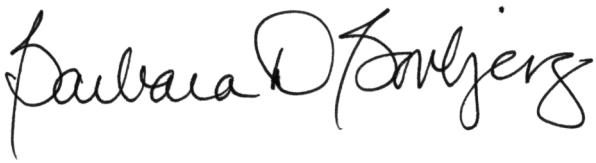
- Reassess SSA's policies for issuing replacement Social Security cards and develop options for deterring abuse in this area.

Agency Comments

We obtained written comments on a draft of this report from the Commissioner of SSA. SSA's comments are reproduced in appendix II. SSA agreed with our recommendations to strengthen its policies and procedures for issuing SSNs to noncitizens and citizens alike and to enhance coordination and deployment of new initiatives in this area. SSA also provided information on planned and current actions that it believes address our recommendations. In particular, SSA discussed its efforts to assess field office staff compliance with its verification requirements as part of its ongoing enumeration quality reviews, to assess the accuracy of the EAE process, and to develop options to improve the integrity of its policies for issuing replacement Social Security cards. SSA also provided technical comments on our draft report, which we incorporated where appropriate.

We are sending copies of this report to the Commissioner of SSA, the Secretary of Homeland Security, the Secretary of State, 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. If you have any questions concerning this report, please call me on (202) 512-7215. Key contributors to this report are listed in appendix III.

Sincerely yours,



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

Appendix I: Scope and Methodology

The Chairman, Subcommittee on Social Security, House Committee on Ways and Means asked us to describe and assess the Social Security Administration's (SSA) initiatives to ensure the appropriate issuance of Social Security Numbers (SSNs) to noncitizens and to identify vulnerabilities to error or fraud SSA has not yet addressed. To address the Chairman's questions, we examined SSA's enumeration policies and procedures and obtained information on key initiatives planned and undertaken to strengthen SSA's processes to ensure the integrity of the enumeration process. We also reviewed SSA's current noncitizen enumeration processes to identify areas where existing and recent changes to its Program Operations Manual System (POMS) were not being followed or the POMS guidance was not sufficient to ensure the integrity of the enumeration process. We collected and analyzed implementing documentation and available performance data on the timeliness, accuracy, and workload impacts for key noncitizen enumeration initiatives, including Enumeration at Entry (EAE), Collateral Verification, and Enumeration Centers. We analyzed the results of prior reviews and studies performed by SSA's Office of the Inspector General (OIG) and Office of Quality Assurance. In addition, we reviewed studies and data provided by the Department of Homeland Security (DHS) and Department of State on their specific agency processes that support SSA's noncitizen enumeration initiatives. We also analyzed our prior reports, related documents, and audits performed by the Inspectors General at the Departments of State and Justice. We conducted our review at SSA headquarters in Baltimore, Maryland, and in 4 of its 10 regional offices—Atlanta, Georgia; Chicago, Illinois; New York, New York; and San Francisco, California (and at 17 field offices in those regions). We selected the regional and field offices based on the following criteria (1) enumeration workload—the locations represented about 70 percent of noncitizen enumerations in 2001; (2) geographic distribution—the regions are dispersed across the nation, representing border and inland locations; and (3) best practices—locations trying innovative approaches to enumeration, such as the Brooklyn, New York, Social Security Card Center (BSSCC). We also collected and analyzed data and documents on SSA's enumeration initiatives and workloads.

We documented officials' perspectives on SSA's enumeration initiatives and identified areas where vulnerabilities and gaps exist in SSA's implementation of these policies from our in-depth interviews with more than 100 management and line staff. From our analysis of documents and data obtained during fieldwork, we were able to identify significant problems and issues associated with implementing these initiatives. Furthermore, we identified best practices developed at the regional or

local levels that have the potential to improve the integrity of SSN issuance to noncitizens nationally. Also, our investigators tested SSA's enumeration practices by posing as parents of newborns and used counterfeit documents to obtain SSNs from an SSA field office and though the mail. We performed our work from September 2002 through July 2003 in accordance with generally accepted government auditing standards.

Appendix II: Comments from the Social Security Administration

SOCIAL SECURITY
The Commissioner

October 3, 2003

Ms. Barbara D. Bovbjerg
Director, Education, Workforce,
and Income Security Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Bovbjerg:

Thank you for the opportunity to review and comment on the draft report "Actions Taken to Strengthen Procedures for Issuing Social Security Numbers to Noncitizens But Some Weaknesses Remain" (GAO-04-12). Our comments on the report are enclosed.

If you have any questions, please have your staff contact Laura Bell at (410) 965-2636.

Sincerely,

Jo Anne B. Barnhart

Jo Anne B. Barnhart

Enclosure

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

COMMENTS ON THE GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT "ACTIONS TAKEN TO STRENGTHEN PROCEDURES FOR ISSUING SOCIAL SECURITY NUMBERS (SSN) TO NONCITIZENS BUT SOME WEAKNESSES REMAIN" (GAO-04-12)

Thank you for the opportunity to review and comment on the draft report. The Social Security Administration (SSA) has made the integrity of the SSN a major Agency priority. We have made a number of significant enhancements in the last two years and are continuing to improve these safeguards.

In the fall of 2001, SSA formed a high-level Enumeration Response Team to strengthen our ability to prevent criminals from using SSNs and SSN cards to advance their activities. We quickly began retraining employees on the rules for enumerating individuals, with a special focus on non-citizens. On July 1, 2002, we began verifying with the Department of Homeland Security (DHS) any documents issued by them before assigning an SSN.

We implemented an "Enumeration at Entry" process, administered jointly with the Department of State and DHS, which assigns SSNs and issues cards to noncitizens who enter the country as permanent residents. We also revised our verification processes for young children. Although the vast majority of children receive an SSN through our "Enumeration at Birth" program, the parents may still apply through the local Social Security office. In June 2002 we began verifying all birth certificates for children age one or older.

We opened a Social Security Card Center in Brooklyn, New York, to bring a tighter overall focus to assigning SSNs. At this center, Social Security employees work closely with employees from both our Office of the Inspector General and the DHS. The results have been encouraging, and we are considering additional card centers. We drafted a regulation to stop assigning SSNs to non-citizens for the purpose of applying for a driver's license, which reinstates a policy that was overturned by a court. Also, SSA is leading a new government project, known as "E-Vital" to compile and verify death and birth records electronically.

Turning to the subject of SSN verification, we currently provide over 770 million verifications a year, almost 3 verifications for every active number. Requests continue to grow rapidly. Users include employers who verify their new hires and a wide range of government agencies, including law enforcement agencies. It is important to remember that when SSA receives a request for an SSN verification, all we can really verify is whether the information included in the request—name, number, date of birth—matches the information in our records. Our verification is no guarantee that the person presenting that number is in fact the person to whom it was originally issued.

Since 1997, SSA has worked to provide a verification service tailored to the needs of State Departments of Motor Vehicles (DMV). The Online Verification Service enables DMVs to request verification while processing a driver's license application. Requests are processed in 1 second or less for over 90 percent of these transactions. In 2004, we

expect to process 20 million verification requests—more than triple this year's number. We now have 34 States signed up of which 22 are active users.

The online system provides verification information to the DMV while the driver's license applicant is still at the counter, unlike the "batch" system currently used by 7 States. Also unlike the online system the batch system does not provide a death indicator. We are committed to expanding the online service because we believe it is the best way to improve the integrity of the licensing system.

We believe that the improvements we have implemented make it more difficult for individuals to obtain or use SSNs fraudulently. SSA is fully committed to strengthening the integrity of Social Security's process and to work with other agencies with the goal of thwarting identity crimes that burden Americans and threaten the security of the Nation. Our responses to the specific recommendations are provided below. We have also included technical comments to enhance the accuracy of the report.

Recommendation 1

SSA should perform systematic reviews of field office (FO) compliance with verification requirements for enumerating noncitizens and identify corrective actions needed to ensure maximum effectiveness of this process.

Comment

We agree. Beginning October 2002, all SSA regional offices had plans in place to monitor FO compliance with the collateral verification requirements, such as, reviewing samples of completed SS-5 applications. Other actions we have taken to ensure compliance include: 1) The issuance of Emergency Messages (EMs) to all FOs explaining our new policy and procedures; 2) broadcasting Interactive Video Training courses on SSN enumeration policies; 3) the national expansion of the regionally developed "NY SS-5 Assistant" which supports processing of SSN applications filed by non-citizens which streamlines the processing of SS card applications, improves service delivery and aids FOs in controlling the SS card workload; and 4) the development of an automated, intranet-based management information application that: offers more flexibility and information than the existing application; targets employee compliance with the new enumeration policies; recognizes potential local weaknesses in the enumeration process; identifies training needs; provides a mechanism to identify possible fraud or performance problems; and reinforces the continuing partnership among the FOs, areas and regional staffs in addressing these issues. We are including an assessment of FO staff compliance with verification requirements as part of our ongoing enumeration quality review. Finally, we continue to monitor compliance with existing processes through our Comprehensive Integrity Review Process (CIRP) program and to make improvements when weaknesses or errors are identified.

Recommendation 2

SSA should enhance the Modernized Enumeration System (MES) to prevent staff from issuing SSNs without following required verification procedures.

Comment

We agree. We plan to modify the MES to capture more discrete information about the evidence submitted and we are considering this MES change as part of our Long Term Enumeration Fraud Initiative. Specifically, one of the recommendations made by the Long Term Enumeration Fraud Initiative team is that the MES be revised to collect evidentiary data in specific fields tailored to the type of evidence; e.g., immigration evidence, drivers' licenses or birth records. However, these modifications will have to be considered as part of our Information Technology prioritization process. In the nearer term, SSA plans to make programming changes to the MES early next year which would interrupt the card production process whenever the system detects: 1) that an individual is the mother or father of an improbably large number of offspring, or 2) that an unusual number of cards are being mailed to the same address. In both of the above instances, a card would not be produced until the FO concluded an investigation.

Recommendation 3

SSA should develop and implement a structured evaluation plan to assess the initial operation of the Enumeration at Entry (EAE) initiative and identify SSA, State Department and Department of Homeland Security (DHS) business process changes needed to expand EAE to additional groups of noncitizens.

For the initial phase of EAE, this evaluation should determine the accuracy of SSN issuance decisions and causes of operational weaknesses. To assist SSA in moving forward on EAE expansion, the assessment should identify categories of noncitizens to which EAE can and should be expanded as well as additional data collection and changes to automated systems that will be needed by all three participating agencies.

Comment

We agree. SSA continues to work with the State Department and DHS to identify and quickly resolve operational problems. The issue regarding incorrect country codes cited in the report has already been corrected and others are in various phases of resolution.

Regarding the evaluation of the EAE, we have developed a sample study to assess the accuracy of EAE process. Specifically, the study will: 1) assess the accuracy of the EAE record based on the information in the State Department's and DHS's records; 2) determine if individuals are assigned multiple SSNs that were not cross-referred on our records, either because he/she had previously been assigned a number or was subsequently assigned a number through contact with us noting the frequency in which multiple SSNs are being assigned; and 3) collect management information on the EAE process; e.g., replacement cards requested on the issued EAE SSN.

We are also arranging a meeting with the State Department and DHS to discuss an intercomponent evaluation of the EAE process and we have written to the State Department to explore the feasibility of expanding the EAE process to certain non-immigrants.

Recommendation 4

SSA should evaluate the Brooklyn Enumeration Center (BEC) to assess the feasibility of expansion to other locations and interaction with SSA's other initiatives to improve the integrity of SSN issuance to noncitizens. This should include an assessment of the: 1) need and role of possible future centers in relation to the agency's plans to expand EAE; 2) accuracy of SSN issuance decisions, its value as a fraud detection and prevention tool, and its impact on surrounding field office workloads; and 3) the costs and benefits of how such centers would function without DHS staff on-site.

Comment

We agree. We have been closely monitoring the impact of the Brooklyn Social Security Card Center (BSSCC, formerly known as BEC) on both service delivery and the quality of SSN application processing. Our interim results show the BSSCC has enhanced service to the public and enumeration stewardship by processing SSN applications quicker with a higher degree of quality. We plan to provide a final evaluation on the center's first year of operation in January 2004. After this evaluation is completed, we will determine the next steps on any future enumeration center options.

Recommendation 5

SSA should revise its requirement for verification of the birth records of U.S. citizens who apply for an SSN to require third-party verification of the birth records of children under age 1.

Comment

We agree. This verification may help to deter fraud. Since April 1, 2003, four enumeration fraud referrals have been made based on our internal CIRP involving children under one year of age. However, in considering whether to implement this recommendation, we have to consider the potential negative impact on our service to the public and the potential administrative cost.

Currently, nearly 90 percent of U.S. born children (3.8 million in FY 2002) are enumerated through the Enumeration at Birth (EAB) program. Two to three percent of the parents who have used EAB to request SSNs for their newborns also visit an SSA office to apply for SSNs. This happens because State practices for transmitting data to SSA vary greatly and, as a result, it can take up to 6 months following a birth for some States to record the birth and be ready to verify a birth certificate. For FY 1999, the Office of Quality Assurance (OQA) determined that SSA assigned 374,900 non-EAB SSNs to U.S.-born persons under age 1 (approximately 79 percent of those non-EAB SSNs issued to U.S.-born persons under age 18). Considering current State birth

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registration policies, a collateral verification policy for those under age 1 could result in significant delays in assigning SSNs. This could be perceived negatively, especially at the end of a tax year as the inability to obtain an SSN in a timely manner may affect the ability of parents to file their income tax return on time.

Moreover, SSA is currently piloting the Electronic Verification of Vital Events (EVVE) system in eight pilot States and a number of SSA's FOs. EVVE allows SSA employees to verify State birth and death information online. EVVE provides direct government-to-government transactions that will help reduce fraud within the claims and enumeration processes.

We intend to conduct a study that will identify a sample of individuals who were enumerated before age 1, other than through the EAB process, and attempt to retrieve birth certificates from the appropriate State Bureau of Vital Statistics (BVS). This study will also verify the accuracy of our records based on the information on the birth certificate. Additionally, we, in collaboration with the National Association for Public Health Statistics and Information Systems (NAPHSIS), are planning to study the potential for fraud in this group of SSN applicants and the most effective way to address it. These study results will determine whether we can support the policy change.

Recommendation 6

SSA should reassess its policies for issuing replacement Social Security cards and develop options for deterring abuse in this area.

Comment

We agree. We have developed some options and plan to obtain additional information from DHS to determine which options would provide the greatest measure of deterrence.

For example, the SSN card stub (12/2002 version) currently contains the remark, "Keep your card in a safe place to prevent loss or theft." This language appears on the stub immediately above the card and above the applicant's mailing address. The reverse side of the card contains the following admonition, "DO NOT carry it with you."

We are revising the SSN card to further emphasize the importance of the card holder taking steps to protect the card. On the left-hand side of this new card, there will be five bullets shown with the first two bullets stating the following:

- Keep this card in a safe place with your personal records to prevent loss or theft
- DO NOT CARRY IT WITH YOU

For additional emphasis, language on the reverse side of the card will also state, "DO NOT CARRY IT WITH YOU."

Appendix III: GAO Contacts and Staff Acknowledgments

GAO Contacts

Barbara Bovbjerg, (202) 512-7215
Daniel Bertoni, (202) 512-5988
Anthony J. Wysocki, (202) 512-6016

Staff Acknowledgments

In addition to those named above, the following team members made key contributions to this report throughout all aspects of its development: Patricia M. Bundy, William E. Hutchinson, Eileen Peguero, and Jill D. Yost. In addition, Susan C. Bernstein, Andrew O'Connell, and Roger J. Thomas made contributions to this report.

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