![GAO logo]

United States Government Accountability Office

Testimony

Before the Subcommittee on Social Security, Committee on Ways and Means, U.S. House of Representatives

SOCIAL SECURITY ADMINISTRATION

Observations on Use and Costs of Social Security Cards

Statement of Elizabeth H. Curda, Director, Education, Workforce, and Income Security

Accessible Version

Social Security Administration

Observations on Use and Costs of Social Security Cards

Why GAO Did This Study

SSA has issued about 500 million SSNs and cards since the first design of the SSN and card in 1936. SSA provides a card to each individual when it issues an SSN, as required by law, and also issues replacement cards upon request. Concerns about costs and identity security in an increasingly paperless society have raised the question of whether a paper SSN card is still needed. GAO was asked to examine the use of the card.

This testimony focuses on (1) federal requirements for individuals to present an SSN card; 2) stakeholder views on the purposes for which the cards are used; and (3) potential implications of eliminating SSN cards and developing alternative approaches.

GAO reviewed federal laws and regulations; reviewed SSA fiscal year 2016 data on card costs (the most recent year available); conducted a literature search to identify paperless identification alternatives; and interviewed SSA officials, as well as federal, state, and private sector stakeholders that may need and are legally authorized to collect an SSN. Stakeholders included associations representing state agencies, financial institutions, and human resource managers.

What GAO Recommends

GAO is not making any recommendations. DHS and SSA provided technical comments, which we incorporated as appropriate.

View GAO-18-507T. For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

What GAO Found

GAO identified two federal requirements for individuals to show a Social Security card. Based on a search of federal statutes and regulations, GAO did not identify any federal statutory requirements for individuals to present their Social Security card. GAO identified two federal regulations that require individuals to present their card in order to verify their Social Security number (SSN) in certain circumstances, such as when updating a service member's or dependent's SSN information in certain Department of Defense records systems.

Stakeholders we interviewed identified certain situations where, even though not required, the card is commonly used to verify identity or an SSN. For example, officials from an association representing human resource managers said the card is one option on a list of acceptable documents that employees can present to prove they are eligible to work in the United States. Financial and education association officials told GAO that they may, in rare circumstances request the card if there is a discrepancy with the SSN provided by the individual. Representatives from an association of state human services agencies also told GAO that the card is not required when applying for certain public benefit programs, such as the Supplemental Nutrition Assistance Program, although applicants may use it as a form of identification.

Organizations who use SSNs said eliminating the paper card would not change their current processes. Social Security Administration (SSA) officials and stakeholders we interviewed cited some issues to consider for use of cards and for alternative approaches, including:

- **Identity verification:** According to stakeholders, the card can help ensure an SSN is recorded accurately. However, they also noted that it is not sufficient to verify identity, and stakeholders often require electronic verification of SSNs.

- **Cost:** SSA officials said eliminating the card may result in only limited cost savings, if any, and alternatives may create new costs. In fiscal year 2016, SSA estimated that the cost to produce a card ranged from $6 to $34, depending on the mode by which the card was requested, including staff time, technology, printing, and postage. Officials said that printing and mailing account for only 60 cents of that cost. In fiscal year 2016, SSA officials stated that the agency spent about $8 million on printing and delivery of the cards. SSA officials said they have not developed cost estimates for an alternative system because the law requires SSA to issue cards.

- **Other factors:** Stakeholders also said there are other issues to consider in developing electronic approaches, including privacy, cost, and the effect on vulnerable populations, such as individuals with limited access to computers.

Several government entities, including the Department of Homeland Security (DHS) and foreign governments, have begun to use electronic methods rather than cards to authenticate individual identities. For example, one electronic method allows users to print a copy of a document that contains identity information, if needed, although the document is maintained in an electronic system.

_____ **United States Government Accountability Office**

Chairman Johnson, Ranking Member Larson, Members of the Committee:

Thank you for the opportunity to discuss our work on the use of Social Security cards. The Social Security Administration (SSA) has issued about 500 million Social Security numbers (SSN) and cards since the first design of the SSN and card in 1936. SSA provides a counterfeit-resistant paper card to each individual when it issues an SSN, as required by law, and it also issues replacement cards upon request.[1] SSNs have become a central means for establishing and confirming identity, but also can be used to perpetrate identity theft. Aside from concerns about the use and security of the SSN itself, there is interest in the cost of producing a paper Social Security card and whether the card enhances SSN security or adds to its risk.

Issues regarding identity security and cost in an increasingly paperless society have raised the question of whether a paper Social Security card is still needed. My remarks today are based on work requested by this committee. For this statement, we examined (1) the federal requirements for individuals to present their Social Security card; (2) stakeholder views on the purposes for which the cards are generally used; and (3) the potential implications of eliminating the cards, and developing alternative approaches.

For the first objective, we searched federal laws and regulations to identify what requirements exist for an individual to present his or her Social Security card. For the second objective, we interviewed federal, state, and private sector stakeholders that may need, and are legally authorized, to collect an SSN, in order to learn when a paper Social Security card may be requested or required by policy or practice. Stakeholders included associations representing financial and higher education institutions, human resource managers, and state agencies, such as those that administer certain human services programs. For the third objective, we reviewed SSA data on actual costs for producing and mailing Social Security cards, as well as its estimates of the per-card cost for issuing Social Security cards in fiscal year 2016 (the most recent year available). We assessed the reliability of SSA's actual cost data and estimated per card cost data by reviewing existing information about the data and the systems that produced them, and interviewing agency

---

[1] See 42 U.S.C. § 405(c)(2)(G).

officials knowledgeable about them. We determined that these data were sufficiently reliability for the purposes of this testimony. We conducted a literature search to identify paperless identification alternatives in use or being developed by government, both in the United States and abroad. We interviewed SSA officials regarding the production and mailing of Social Security cards. We also asked SSA officials and stakeholders about possible effects of eliminating the card.

We conducted the work on which this statement is based from October 2017 to May 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Background

In 1936, following the enactment of the Social Security Act of 1935, the newly-created Social Security Board (which later became SSA) created the 9-digit SSN to uniquely identify and determine Social Security benefit entitlement levels for U.S. workers. SSA uses a process known as "enumeration" to create and assign unique SSNs for every eligible person as part of their work and retirement benefit record.

Originally, the SSN was never intended to serve as a personal identifier outside of SSA's programs, but, due to its universality and uniqueness, government agencies and private sector entities increasingly used the SSN as a convenient means of identifying people. The expansion of government use of the SSN began with Executive Order 9397, issued by President Franklin D. Roosevelt in 1943. This required all federal agencies to use the SSN exclusively to identify individuals in their systems.[2] Since Executive Order 9397 was issued, additional federal statutes have authorized or required the collection or use of SSNs for a

---

[2] In 2008, Executive Order 13478 amended Executive Order 9397 to rescind the requirement for federal agencies to use SSNs exclusively.

wide variety of government activities.[3] Appendix I lists examples of such statutes.

At the inception of the program, all SSNs and cards were issued based solely on information provided by the applicant. However, in the 1970s, SSA began requiring proof of age, identity, and citizenship. According to SSA, the agency has instituted numerous evidentiary requirements to further safeguard and preserve the integrity of the SSN and to ensure issuance of SSNs and cards only to eligible individuals.

SSA reported that 16.4 million Social Security cards were issued in fiscal year 2017. This total includes 5.8 million new cards issued when someone is enumerated—issued an SSN—either at birth, upon entering the United States, or becoming a permanent resident. SSA issued 10.6 million replacement cards, many through their Internet SSN replacement card (iSSNRC) system, which allows people to order replacement cards online. By law, SSA generally must limit the number of replacement cards an individual may receive to 3 per year and 10 in a lifetime, beginning with cards issued on or after December 17, 2005.[4]

SSA issues three types of Social Security cards:

- One shows a person's name and SSN, and lets someone work without restriction; it is issued to U.S. citizens and people lawfully admitted to the United States on a permanent basis.

- A second also shows a person's name and SSN, with a note saying "Valid for work only with DHS authorization." It is issued to people lawfully admitted into the United States on a temporary basis who have Department of Homeland Security (DHS) authorization to work.

- The third has a person's name and SSN, and the note "Not valid for employment." SSA issues it to people from other countries who are lawfully admitted to the United States without work authorization from DHS, but have a valid non-work reason for needing an SSN.

---

[3] In recent years, there have been efforts to reduce the use and display of SSNs in government programs. For example, in April 2018, the Centers for Medicare and Medicaid Services began issuing Medicare cards that use new unique numbers in place of cardholder SSNs.

[4] See Intelligence Reform and Terrorism Prevention Act of 2004, Pub. L. No. 108-458, § 7213(a), 118 Stat. 3638, 3831.

While the design of original and replacement cards has been the same since 1976, SSA changed the design many times in prior decades. Counterfeit protections were first put on the card in 1983, but older versions of the card remain in circulation and are valid. As a result of the Intelligence Reform and Terrorism Prevention Act of 2004, SSA reported that it implemented additional security features in 2007 based on recommendations by an interagency task force. In the past, Congress and SSA have considered enhanced cards that were more resistant to tampering and counterfeiting. Prior GAO work found several limitations regarding the security of the Social Security card.[5] First, 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. In addition, while the employment verification process relies on a variety of documents to establish identity, the role of the Social Security card in proving authorization to work has limitations, in part because SSA did not begin requiring identification documents from all persons until 1978. Prior work also found that improvements to state drivers' licenses and identification cards, as a result of the REAL ID Act of 2005,[6] may enhance the government's ability to identify individuals and establish better links to the Social Security card and employment eligibility determinations.

---

[5] GAO, *Social Security Administration: Improved Agency Coordination Needed for Social Security Card Enhancement* Efforts, GAO-06-303 (Washington, D.C., Mar. 29, 2006).

[6] See Pub. L. No. 109-13, Div. B, 119 Stat. 302. The REAL ID Act sets minimum security standards for driver's license issuance and production, including procedures for states to follow when verifying the identity of license applicants, and prohibits Federal agencies from accepting for certain purposes driver's licenses not meeting these minimum standards.

GAO Identified Two Federal Requirements for Individuals to Present Their Social Security Card, and These Requirements Involve Verifying an Individual's Social Security Number

We did not identify any federal statutory requirements for individuals to present their paper Social Security card. However, we identified two federal regulations that call for individuals to present their Social Security card in order to verify their SSN in certain circumstances (see table 1). We also spoke with officials at SSA, and they said they were unaware of any federal requirements to present the paper card.

Table 1: Federal Requirements for Presentation of a Paper Social Security Card

Federal Provision	Social Security Card Requirement
32 C.F.R. § 161.23(l)	Department of Defense regulations require members of the uniformed services and their dependents seeking to change their SSN in the Defense Enrollment Eligibility Reporting System (DEERS) to provide certain documentation, including Social Security cards establishing the individual's old and new SSN.
34 C.F.R. § 681.51(b)[a]	Department of Education regulations regarding the Health Education Assistance Loan (HEAL) Program require schools to verify the information provided by students in their HEAL application, including, but not limited to, the student's citizenship status and SSN. To comply with this requirement, the school may request the student provide documentation required by the school, including a paper Social Security card.

Source: GAO review of the U.S. Code and Code of Federal Regulations. | GAO-18-507T

Note: We used a legal database and appropriate search terms to conduct a search in the U.S. Code and the Code of Federal Regulations for provisions that require individuals to present their own paper Social Security card and provisions that authorize an entity to require individuals to present their paper Social Security card. Consistent with the purpose of our search, we excluded any provisions we identified that mention a Social Security card but do not require an individual to present his or her own card. See 42 U.S.C. § 675(5)(l) and 25 C.F.R. § 20.506(h). In addition, we determined that provisions that allow individuals to present their Social Security card to verify their identity or SSN, but do not require them to do so, were outside the scope of this objective, and therefore did not include them in this table. For example, we identified two provisions that require individuals to present their Social Security card if they have it available; however, these provisions do not describe the circumstances that would make a card unavailable, and they allow individuals to provide other documentation or take other steps instead of providing the card. See 6 C.F.R. § 37.11(e) and 26 C.F.R. § 31.6011(b)-2. We did not interview relevant agency officials about the agency requirements we identified, nor did we attempt to identify and review related agency guidance or other documentation.

[a]The making of new HEAL Program loans was discontinued on September 30, 1998. See 42 U.S.C. § 292a(a). However, the reporting, notification, and recordkeeping associated with refinancing HEAL loans, servicing outstanding loans, and administering and monitoring of the HEAL Program regulations continues. In 2014, the HEAL Program and the authority to administer it were transferred from the Department of Health and Human Services (HHS) to the Department of Education. See Pub. L. No. 113-76, § 525, 128 Stat. 5, 413. Regulations promulgated by HHS in 1992 contain the same language as the Department of Education regulations. See 42 C.F.R. § 60.51(b). However, according

to the Department of Education, HHS intends to remove the HEAL Program regulations from its regulations. See 82 Fed. Reg. 53,374, 53,374 (Nov. 15, 2017).

Stakeholders Reported that the Social Security Card Is One of Several Documents that May Be Used to Verify SSNs

In addition to the two requirements described above, stakeholders described instances where individuals may present a Social Security card, among other acceptable forms of documentation, in order to verify identity or their SSN.

Employers

The Social Security card is the most commonly used document to verify employment eligibility, according to officials from an association that represents human resource managers we interviewed. The Immigration Reform and Control Act of 1986 amended the Immigration and Nationality Act to require all U.S. employers to complete an employment eligibility verification (Form I-9) process to verify a newly-hired employee's identity and employment eligibility.[7] The card is one of a list of acceptable documents that employees may present to prove that they are eligible to work in the United States. Other acceptable documents include a U.S. passport or permanent residence card. Employers are required by regulation to physically examine the documentation that the individual presents to verify that the document is genuine and relates to the individual.[8]

According to DHS officials, employers may also use E-Verify, an internet-based employment eligibility system administered by U.S. Citizenship and Immigration Services (USCIS), to verify identity and employment eligibility. While all U.S. employers must have all newly-hired employees

---

[7] See Pub.L. 99-603, § 101(a), 100 Stat. 3359, 3360-72 (codified as amended at 8 U.S.C. § 1324a).

[8] See 8 C.F.R. § 274a.2(b)(1)(ii)(A).

fill out an I-9 form, E-Verify is optional for most employers.[9] E-Verify electronically compares information the employer enters from the Form I-9 to SSA and DHS records. While use of E-Verify does not require a card, according to a USCIS official, about 77 percent of E-Verify cases in the last 5 years used SSNs collected from cards presented for the I-9.

According to an official from an association that represents human resource managers, employers are required to complete a wage and tax statement (W-2) for every employee and provide this information to the government, in order to transmit earnings records to the employee's Social Security record. IRS guidance states that employers should examine the paper card if presented to verify that the SSN is correctly recorded on the employee's W-2. Employees are not required to present the card to verify their SSN, but employers may ask for it because they can be penalized for providing incorrect information on the W-2. In addition, according to this official, new employees have to provide their SSN to their employer, such as by providing a card, for enrollment in employee health benefits. According to another official, the Patient Protection and Affordable Care Act includes a requirement for employers to report the number of employees receiving health care, and the SSN of each employee and dependent.[10]

Financial Institutions

Representatives of financial institution associations said that although applicants for new accounts are not required to present a Social Security card, presenting the card is one way individuals can prove their identity when setting up a new account. Financial institutions may use the paper card as one of multiple forms of identification to establish a customer's

---

[9] E-Verify is a voluntary program. However, employers with federal contracts or subcontracts that contain the Federal Acquisition Regulation E-Verify clause are required to enroll in E-Verify as a condition of federal contracting. Employers may also be required to participate in E-Verify if their states have legislation mandating its use. According to USCIS, employers who wish to employ F-1 OPT foreign students with STEM extensions and agricultural employers who would like to immediately employ a new H-2A employee already working for another employer as an H-2A in the United States must be enrolled in E-Verify. Additionally, according to USCIS, all federal departments and agencies (OMB Memo M-07-21) and in the Legislative Branch, each Member of Congress, each officer of Congress and the head of each agency of the legislative branch that conducts hiring must enroll in E-Verify.

[10] See Pub. L. No. 111-148, 124 Stat. 119 (2010).

identity. In addition, pursuant to provisions in the USA PATRIOT Act[11] and the Bank Secrecy Act[12] financial institutions are generally required to verify certain information when customers open new accounts such as date of birth, address, and identification number.[13] According to officials we interviewed from a financial association, the goal of this requirement is to prevent money laundering, fraud, and misuse of the banking system. Financial institutions may also use other government-issued documents, or non-documentary methods (such as by contacting the customer), to verify identity. Officials said that a person could still open an account or apply for a loan if he or she does not have their card as long as they have photo identification and some other government-issued documentation, such as a passport.

Educational Institutions

According to officials representing post-secondary educational institutions, students are rarely asked to present a card or even an SSN to enroll. Officials told us that the only time a school might request a paper card is to resolve discrepancies in a student's personal information, such as when the student's name and SSN on a financial aid form do not match information on other databases.

State Departments of Motor Vehicles (DMVs)

According to an official representing motor vehicle administrators, the REAL ID Act of 2005 requires DMVs to collect and verify the SSN when issuing a driver's license. A person must provide proof of his SSN or proof that he is not eligible for an SSN.[14] A stakeholder told us the most

---

[11] See Pub. L. No. 107-56, § 326, 115 Stat. 272, 317-18 (2001) (codified at 31 U.S.C. § 5318).

[12] See Pub. L. No. 91-508, 84 Stat. 1114-24 (1970) (codified as amended at 31 U.S.C. § 5311 et seq.).

[13] An identification number could be an SSN if the person has been issued one, or a Taxpayer Identification Number, which is issued by the IRS in the administration of tax laws.

[14] According to USCIS officials, Form I-9 does not require that the driver's license be REAL ID compliant when completing Form I-9. Official uses are defined as accessing federal facilities, entering nuclear power plants, and boarding federally-regulated commercial aircraft. Therefore, according to USCIS, driver's licenses that are not REAL ID compliant are acceptable for Form I-9 and E-Verify.

common proof provided for REAL ID purposes is the card, although other documents, such as the W-2, can be used.

<u>Federal benefits</u>

According to officials from an association that represents state human services agencies, while the SSN is required for certain public benefit programs such as the Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families programs, states that administer these programs do not require the paper card to determine eligibility. According to these officials, program applicants and recipients may provide the card as a source of identification, but the SSN is verified through electronic systems. A stakeholder representing state Medicaid agencies also told us that the card is not required for Medicaid services and requesting one would, in their opinion, be a very unusual practice.

Eliminating the Card Likely Would Have a Limited Effect on Stakeholders' Processes and SSA Cost Savings, While Paperless Alternatives Raise Issues to Consider

Most Stakeholders Indicated Eliminating Cards Would Not Affect Processes

Most of the federal, state, and private sector stakeholders we interviewed who have reason to collect SSNs said their current processes would not change if the card was eliminated. For example, officials from one association we spoke with stated that without the card, individuals could continue to use the SSN and verify their identity using other government-issued documents such as a passport or driver's license.

Several stakeholders mentioned that a card can help to verify the SSN rather than accepting a person's recollection, which may be incorrect, and helps those who may not have committed it to memory. This can help ensure the SSN is recorded accurately, which can help avoid fines or time-consuming efforts to determine whether an incorrect SSN was fraudulent or simply an error. One stakeholder said that in light of recent data breaches, it could be helpful to have a physical record to show that an SSN was originally linked to the person named on the card. Another

stakeholder said it can also be helpful for those who may need access to accounts of deceased family members.

Stakeholders also raised disadvantages of continued use of the card, including that the card itself is not sufficient to authenticate someone's identity. SSA officials acknowledged that the card is not an identity document; it is merely a record of the SSN issued to the person whose name is shown on the card. Even when someone presents a card, it may be difficult to determine whether the card is valid, in part because people sometimes laminate the card, which invalidates certain card security features. Stakeholders we interviewed said they need electronic verification of SSNs even when a person presents a card. SSA services allow employers and others to determine whether an SSN matches information in SSA's records.[15] These efforts help to link the SSN to the person presenting the documents. Finally, a card can be lost or stolen, which can contribute to disclosure of the SSN and identity theft.[16]

According to SSA Officials, Eliminating the Card May Not Result in Cost Savings

SSA officials said that eliminating the card may result in only limited cost savings, if any. According to SSA officials, the costs of printing and mailing the cards are small compared to other costs associated with producing the card, and an alternative approach likely would introduce new costs that would offset any savings. They said the total cost varies by the circumstances of the card request, which can happen by: (1) visiting an SSA field office; (2) birth of a newborn; (3) admittance of a lawful permanent resident; and (4) using SSA's internet application for replacement cards. In fiscal year 2016, SSA estimated that its cost for producing a card requested at a field office was about $34, while the cost

---

[15] The Social Security Number Verification Service allows registered employers to quickly verify whether a person's name and SSN match Social Security's records, without needing the Social Security card. This service is used for wage reporting purposes only. The Consent-Based SSN Verification Service is typically used by companies that provide banking and mortgage services, process credit checks, provide background checks, and satisfy licensing requirements. This service does not verify identity, citizenship, or employment eligibility. According to SSA, which administers both services, in fiscal year 2017, these two systems received over 2.1 billion queries to verify SSNs.

[16] SSA officials said that the agency has included language in certain SSA publications to promote safeguarding the Social Security card and keeping it in a secure place to prevent identity theft. See for example, SSA, *Understanding the Benefits*, Pub. No. 05-10024.

for one requested online was about $6 (see table 2). According to SSA, the agency's costs vary because SSA field offices handle the SSN application, whereas for the other methods, the application information is provided by another entity outside SSA.

Table 2: SSA Fiscal Year 2016 Estimated Total Cost per Social Security Card

Card request method	Cost per card	Number of cards issued
SSA Field Office	$34[a]	12,212,643
Enumeration at Birth (EAB)	$10	4,001,936
Enumeration at Entry (EAE)	$6	326,767[b]
Internet Social Security Number Replacement Card (iSSNRC) Application	$6	98,967[c]

Source: SSA data. | GAO-18-507T

[a]According to SSA officials, approximately 75 percent of all Social Security cards are requested and issued through field offices. The majority of field office requests are for replacement cards. With respect to cards issued in response to field office requests, SSA is unable to distinguish between original and replacement Social Security cards in estimating its costs.

[b] The number of cards issued for the Enumeration at Entry program includes both original and replacement cards.

[c] According to SSA officials, in FY 2016, iSSNRC was available in 14 states and the District of Columbia. As of FY 2017 it has been rolled out to an additional 10 states.

SSA's cost estimate of producing a card includes staff time devoted to taking and processing the application for the card; information technology (IT) support associated with maintaining SSN records; and the actual cost of printing, paper, and delivery of the card.[17] Agency officials said that the main portion of the cost is the staff time to interview applicants and review their documentation. Of the $34-per-card estimate for a field office, approximately $28 was attributed to operational costs, such as front-line personnel who take applications and review documentation, and associated management costs. Costs associated with IT systems used for enumeration account for another $5 of this total. This amount also includes personnel costs for staff who produce cards at SSA facilities. Postage, printing and paper costs account for only about 60 cents per card. In fiscal year 2016, SSA officials stated that the agency spent about $8 million on printing and delivery of Social Security cards.

According to agency officials, SSA is required to create and deliver the card, and therefore has not developed a formal proposal or cost estimate

---

[17] SSA estimates operational and systems costs using the agency's cost allocation methodology, while postage, printing and paper costs are actual costs incurred.

for eliminating the card or any replacement delivery system. However, the agency pointed out that while eliminating the card could reduce some costs, such as printing and some personnel costs, it could also create costs, depending on what alternative replaced the cards. SSA officials noted that current agency systems do not support electronic or paperless delivery of SSNs; if this type of alternative was chosen, the officials said the agency would have to design, build, and maintain a new system to support it. Officials further stated that in addition to cost considerations, SSA would need time to develop new processes. Even if no alternative replaced the card, the agency would still have to inform people of their SSNs—for example, by mailing a letter with the SSN to each person—which could also create costs. Officials said that any change is likely to result in transition costs, such as increased traffic at the SSA field offices and phone calls to customer service because people would call with questions about the change in policy.

Federal Agencies and Others Already Use Some Paperless Alternatives to Verify Identity, and Stakeholders Raised Issues to Consider in Developing Alternatives

Several government entities, including federal agencies and foreign governments, have begun to use electronic methods, rather than cards, to identify and authenticate individuals (see table 3). Although these methods apply to systems that are very different in purpose and scale to SSNs, they could provide insight into some considerations to moving to a paperless system. For example, one of these methods allows users to print a copy of the document if needed, although the document is maintained in an electronic system. Others capture biometric data, such as a fingerprint, upon enrollment that is later used to authenticate identity.

Table 3: Examples of Government-Sponsored Paperless Identity Alternatives

Agency/government entity	Purpose of program	Description
Department of Homeland Security (DHS), Customs and Border Protection (CBP), I-94	Immigration/travel	CBP issues an I-94 number to certain people legally visiting the United States. Previously, the I-94 number was provided on a hard copy form that was attached to the person's passport. Now, for entries at air and sea ports, CBP creates an electronic record, and a paper copy can be downloaded from a website if needed as proof of legal-visitor status.
DHS, CBP, Global Entry	Travel	Participants submit an on-line application and complete enrollment with an in-person appointment, which includes a background check and fingerprinting. When arriving at the airport, participants present a passport or permanent resident card and place fingerprints on a scanner for verification.

GAO-18-507T Social Security Administration

Agency/government entity	Purpose of program	Description
DHS, Transportation Security Administration, Pre ✓™	Travel	Participants submit an on-line application and complete enrollment with an in-person appointment, which includes a background check and fingerprinting. Accepted applicants receive a Known Traveler Number; no card is issued.
State Departments of Motor Vehicles (DMV)	Mobile identification	Some state departments of motor vehicles are piloting a Mobile Driver's License concept where driving credentials are accessed via an application on a smartphone.
Austria, Citizen Card	Mobile identification	Despite its name, the Citizen Card is a virtual, technology-neutral concept that can be implemented on a smart phone, smart card or other device. The user authenticates his/her identity using their chosen device and a secure Personal Identification Number.
Estonia, Mobiil-ID	Mobile identification	Estonia has created a government-issued, digital identity that allows people to use a mobile phone as a form of secure digital ID, which can be used to access government services, bank accounts, voting and other secure services.
New Zealand, RealMe®	Mobile identification	Users sign up for a RealMe account online by providing personal information such as passport and birth information. A mobile phone is used in the verification process. After the user's identity has been verified by the government, the RealMe account can be used to access government services, including registering to vote, opening a bank account, and renewing a passport.

Source: GAO analysis of literature search results and stakeholder interviews. | GAO-18-507T

Note: We conducted a literature search to identify paperless identification alternatives in use or being developed by government, both in the United States and abroad. To describe the programs used abroad, we relied exclusively on secondary materials and did not do any independent legal research.

Stakeholders we spoke with provided general views on cardless systems that can electronically authenticate an individual's identity. They suggested a variety of issues that should be considered in developing any such electronic approach:

- Vulnerability of such a system to data breaches;

- Privacy considerations (i.e., control over personal information);

- The need for strong authentication systems;

- Acceptance by federal regulators (for example, related to oversight of financial institutions or federal financial aid);

- Costs of implementation for institutions and individuals; and

- Effect on vulnerable populations, such as those with limited access to electronic technology.

SSA officials also noted several issues that would need to be considered in developing an alternative to the current card. While SSA officials indicated that the agency continues to look for ways to reduce external reliance on cards, they noted that any alternative must be as secure as the current Social Security card and processes. In particular, an SSA

official said that SSA and the U.S. Postal Service have protocols in place so that Social Security cards are delivered to the intended recipients, and that they get returned if they cannot be delivered to a secure location.[18] Further, SSA officials stated they were unsure about potential effects on fraud and identity theft if paper cards were no longer used, and they stated that an electronic system would need to address concerns about personally identifiable information and security.

Chairman Johnson, Ranking Member Larson, and Members of the Subcommittee, this concludes my prepared statement. I will be pleased to answer any questions that you or other members of the subcommittee may have.

GAO Contact and Staff Acknowledgments

For future contact regarding this testimony, please contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Key contributors to this testimony were Mark Glickman (Assistant Director), Dana Hopings, and Vernette Shaw. In addition, key support was provided by John de Ferrari, Holly Dye, David Forgosh, Rebecca Gambler, Sarah Gilliland, Gina Hoover, Lawrence Malenich, Mimi Nguyen, Sheila McCoy, Almeta Spencer, and Adam Wendel.

---

[18] SSA Office of Inspector General (OIG) found in 2018 that about 360,000 undeliverable Social Security cards are returned to SSA each year, and that about 150,000 of these cards could have been delivered to the correct address had there been a process in place to validate the address. See SSA OIG, *Undeliverable Social Security Number Cards (Limited Distribution),* A-15-17-50279 (Baltimore, Md.: April 2, 2018).

Appendix I: Examples of Federal Statutes that Authorize or Require the Collection or Use of Social Security Numbers (SSNs)

Federal statute	Government entity and authorized or required use
7 U.S.C. § 2025(e)	Requires the Secretary of Agriculture and state agencies to require SSNs for participation in the Supplemental Nutrition Assistance Program.
20 U.S.C. § 1090(a)(12)	Authorizes the Secretary of Education to include the SSNs of parents of dependent students on certain financial assistance forms.
26 U.S.C. § 6109(d)	Authorizes the Commissioner of the Internal Revenue Service to require that taxpayers include their SSNs on tax returns.
42 U.S.C. § 405(c)(2)(C)(i)	Authorizes states to collect and use SSNs in administering any tax, general public assistance, driver's license, or motor vehicle registration law.
42 U.S.C. § 405(c)(2)(C)(ii)	Requires states to obtain parent's SSNs before issuing a birth certificate unless there is good cause for not requiring the number.
42 U.S.C. § 405(c)(2)(C)(iii)	Authorizes the Secretary of Agriculture to require the SSNs of officers or owners of retail and wholesale food concerns that accept and redeem food stamps.
42 U.S.C. § 405(c)(2)(D)(i)	Authorizes states and political subdivisions to require that blood donors provide their SSNs.
42 U.S.C. § 405(c)(2)(E)	Authorizes states and political subdivisions of states to use SSNs to determine eligibility of potential jurors.
42 U.S.C. § 666(a)(13)	Requires states to include SSNs on applications for driver's licenses and other licenses; on records relating to divorce decrees, child support orders, or paternity determinations; and on death records.
42 U.S.C. § 1320b-7(a) (1)	Requires that, as a condition of eligibility for certain program benefits, including Medicaid benefits, applicants for and recipients of these benefits furnish their SSNs to the state administering program.
42 U.S.C. § 3543(a)	Authorizes the Secretary of the Department of Housing and Urban Development to require program applicants and participants to submit their SSNs as a condition of eligibility for housing assistance.

Source: GAO-17-553 | GAO-18-507T

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (https://www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to https://www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, https://www.gao.gov/ordering.htm.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on Facebook, Flickr, Twitter, and YouTube.
Subscribe to our RSS Feeds or E-mail Updates. Listen to our Podcasts.
Visit GAO on the web at https://www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: https://www.gao.gov/fraudnet/fraudnet.htm

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Orice Williams Brown, Managing Director, WilliamsO@gao.gov, (202) 512-4400,
U.S. Government Accountability Office, 441 G Street NW, Room 7125,
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, spel@gao.gov, (202) 512-4707
U.S. Government Accountability Office, 441 G Street NW, Room 7814,
Washington, DC 20548