

114TH CONGRESS  
2D SESSION

# H. R. 4546

To require the Commissioner of Social Security to issue uniform standards for the method for truncation of Social Security account numbers in order to protect such numbers from being used in the perpetration of fraud or identity theft and to provide for a prohibition on the display to the general public on the Internet of Social Security account numbers by State and local governments and private entities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2016

Mr. ROSS (for himself and Ms. CASTOR of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To require the Commissioner of Social Security to issue uniform standards for the method for truncation of Social Security account numbers in order to protect such numbers from being used in the perpetration of fraud or identity theft and to provide for a prohibition on the display to the general public on the Internet of Social Security account numbers by State and local governments and private entities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Safeguarding Social  
3 Security Numbers Act of 2016”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) The Federal Government requires virtually  
7 every individual in the United States to obtain and  
8 maintain a Social Security account number in order  
9 to pay taxes or to qualify for old-age, survivors, and  
10 disability insurance benefits under title II of the So-  
11 cial Security Act.

12 (2) Many Government agencies and private en-  
13 tities also use Social Security account numbers as  
14 identifiers to track individual records or as informa-  
15 tion that an individual must present to verify his or  
16 her identity. Thus, Social Security account numbers  
17 are routinely collected, recorded, and transferred by  
18 public and private entities.

19 (3) As an unintended consequence of these  
20 uses, Social Security account numbers have become  
21 one of the tools that can be used to facilitate crime,  
22 fraud, and invasions of the privacy of the individuals  
23 to whom the numbers are assigned.

24 (4) According to the Social Security Adminis-  
25 tration’s Inspector General, 16 percent of the  
26 99,000 fraud cases it investigated in the 1-year pe-

1       riod ending September 30, 2006, involved the misuse  
2       of Social Security account numbers.

3           (5) The Social Security account number is also  
4       a key piece of information used in the perpetration  
5       of identity theft. In calendar year 2006, over  
6       240,000 individuals reported to the Federal Trade  
7       Commission that they had been the victims of an  
8       identity theft. Identity theft is a serious crime that  
9       can cause substantial financial losses and force vic-  
10      tims to spend significant time restoring the accuracy  
11      of their credit records.

12          (6) Social Security account numbers are pub-  
13      licly displayed by some Government entities. In most  
14      jurisdictions throughout the United States, State  
15      and local law requires that certain documentary  
16      records, such as business filings, property records,  
17      and birth and marriage certificates, be made avail-  
18      able to the general public. Some of these records  
19      contain personally identifiable information of individ-  
20      uals, including Social Security account numbers. In-  
21      creasingly, State and local recordkeepers are dis-  
22      playing public records on the Internet, where these  
23      records are widely accessible at no cost or for a  
24      minimal fee. There are known instances of criminals

1 using personally identifiable information from online  
2 public records to commit identity theft.

3 (7) Private information resellers also routinely  
4 record and transfer individuals' Social Security ac-  
5 count numbers and other personally identifiable in-  
6 formation. In a 2006 study, the Government Ac-  
7 countability Office (GAO) was able to purchase  
8 truncated or full Social Security account numbers  
9 from 5 of 21 Internet information resellers that were  
10 surveyed.

11 (8) The GAO has concluded, based on available  
12 evidence, that unauthorized access to personal data  
13 such as Social Security account numbers is a fre-  
14 quent occurrence. A survey of 17 Federal agencies  
15 by the Committee on Oversight and Government Re-  
16 form of the House of Representatives found that  
17 these agencies suffered more than 788 data breaches  
18 from January 2003 through July 2006.

19 (9) In many instances, public and private enti-  
20 ties seek to protect Social Security account numbers  
21 from abuse by truncating a portion of each number.  
22 However, because truncation methods are not uni-  
23 form, it is possible to obtain a full Social Security  
24 account number by reconstructing the number based

1 on partial information obtained from different  
2 sources.

3 (10) In a report issued in June 2007, the GAO  
4 found that truncated Social Security account num-  
5 bers in Federal documents stored as public records  
6 remain vulnerable to misuse, in part because dif-  
7 ferent truncation methods used by the public and  
8 private sectors permit the reconstruction of full So-  
9 cial Security account numbers. Federal entities such  
10 as the Department of Justice, the Internal Revenue  
11 Service, and the Judicial Conference of the United  
12 States truncate by displaying the last 4 digits of the  
13 Social Security account number. In contrast, the  
14 GAO found that information resellers sometimes sell  
15 records containing Social Security account numbers  
16 that are truncated to display the first 5 digits.

17 (11) The first 5 digits of an individual's Social  
18 Security account number are assigned based on the  
19 location in which the account number was issued  
20 and the order in which the account number was  
21 issued. The last 4 digits of an individual's Social Se-  
22 curity account number are randomly generated, cre-  
23 ating a unique account number for each individual.  
24 Many public and private entities ask consumers to  
25 supply the last 4 digits of Social Security account

1 numbers as a way to verify consumers' identities,  
2 providing an additional reason for identity thieves to  
3 seek to acquire these digits.

4 (12) The GAO reported in 2006 that it had  
5 been unable to identify any industry standards or  
6 guidelines for truncating Social Security account  
7 numbers. Moreover, the GAO could not identify any  
8 consensus among Government officials about which  
9 method for truncation better protects Social Security  
10 account numbers from abuse.

11 (13) The GAO has stated that standardizing  
12 the truncation of Social Security account numbers  
13 would better protect these numbers from misuse.  
14 Since 2005, the GAO has on multiple occasions rec-  
15 ommended the establishment of uniform standards  
16 for truncation of Social Security account numbers.

17 (14) Given the Social Security Administration's  
18 role in assigning Social Security account numbers,  
19 the Commissioner of Social Security may be in the  
20 best position to determine whether and how trunca-  
21 tion should be standardized.

22 (15) The truncation of Social Security account  
23 numbers, even by Federal Government agencies, is  
24 not comprehensively required or regulated. Cur-  
25 rently, the Social Security Administration does not

1 have the legal authority to regulate the use of Social  
2 Security account numbers by other entities.

3 (16) Because the Federal Government created  
4 and maintains the system of required Social Security  
5 account numbers, and because the Federal Govern-  
6 ment does not permit individuals to exempt them-  
7 selves from those requirements, it is appropriate for  
8 the Federal Government to take steps to curb the  
9 abuse of Social Security account numbers.

10 **SEC. 3. REQUIREMENT TO ISSUE UNIFORM STANDARDS**

11 **FOR THE METHOD FOR TRUNCATION OF SO-**

12 **CIAL SECURITY ACCOUNT NUMBERS.**

13 (a) IN GENERAL.—The Commissioner of Social Secu-  
14 rity shall issue uniform standards—

15 (1) for the method for truncation of Social Se-  
16 curity account numbers in order to facilitate the pro-  
17 tection of such numbers from being used in the per-  
18 petration of fraud or identity theft; and

19 (2) for the method for encryption (or other  
20 method of securing from disclosure) of Social Secu-  
21 rity account numbers transmitted by means of the  
22 Internet.

23 Such uniform standards shall not apply with respect to  
24 a Social Security account number of a deceased individual.

25 (b) REQUIREMENTS.—

1           (1) IN GENERAL.—In establishing the uniform  
2 standards required under subsection (a), the Com-  
3 missioner of Social Security shall consider the mat-  
4 ters described in paragraph (2) and consult with, at  
5 a minimum, the heads of the following Federal agen-  
6 cies:

7                   (A) The Department of Justice.

8                   (B) The Federal Trade Commission.

9                   (C) The Department of the Treasury.

10           (2) SPECIFIC CONSIDERATIONS.—For purposes  
11 of paragraph (1), the matters described in this para-  
12 graph are the following:

13                   (A) The extent to which various methods  
14 for truncation of Social Security account num-  
15 bers will assist in the prevention of fraud and  
16 identity theft, taking into account the following:

17                           (i) The risk that a truncated Social  
18 Security account number can be combined  
19 with other personally identifiable informa-  
20 tion to derive or acquire a complete Social  
21 Security account number.

22                           (ii) The risk that the numerical digits  
23 not masked in the truncation process will  
24 reveal personally identifiable information  
25 about an individual.



1 (iii) The risk that a truncated Social  
2 Security account number can be used to  
3 derive or acquire from other sources a full  
4 Social Security account number.

5 (B) The methods in use for the truncation  
6 of Social Security account numbers by the Fed-  
7 eral Government, State and local governments,  
8 and private entities and the extent of use of  
9 each method by the Federal Government, State  
10 and local governments, and private entities.

11 (C) The reasons why Social Security ac-  
12 count numbers are collected and recorded by  
13 the Federal Government, State and local gov-  
14 ernments, and private entities.

15 (D) The effect of each proposed method  
16 for truncation on the uses for Social Security  
17 account numbers by the Federal Government,  
18 State and local governments, and private enti-  
19 ties.

20 (E) Any comments regarding proposed  
21 methods for truncation submitted to the Com-  
22 missioner from—

23 (i) experts on privacy and data secu-  
24 rity, consumer advocaey groups, and iden-  
25 tity theft assistance organizations;

1 (ii) the Federal Government or State  
2 or local governments, including State At-  
3 torneys General;

4 (iii) representatives of private entities  
5 that transfer, display, record, or otherwise  
6 utilize Social Security account numbers on  
7 a regular basis;

8 (iv) the Comptroller General of the  
9 United States; and

10 (v) any other appropriate entities.

11 **SEC. 4. APPLICATION OF UNIFORM STANDARDS.**

12 (a) FEDERAL GOVERNMENT.—On and after the date  
13 that the Commissioner of Social Security determines in  
14 regulations issued pursuant to section 6, the uniform  
15 standards issued under section 3(a)(1) shall apply to the  
16 Federal Government—

17 (1) whenever the Federal Government displays  
18 a Social Security account number; and

19 (2) to the extent practicable, whenever the Fed-  
20 eral Government transfers, records, or otherwise uti-  
21 lizes a Social Security account number.

22 (b) STATE AND LOCAL GOVERNMENTS; PRIVATE EN-  
23 TITIES.—

1           (1) DISPLAY OR TRANSMISSION BY A STATE OR  
2 LOCAL GOVERNMENT BY MEANS OF THE INTER-  
3 NET.—

4           (A) PROHIBITION.—

5           (i) IN GENERAL.—Subject to clause  
6 (ii), a State, a political subdivision of a  
7 State, or any officer, employee, or con-  
8 tractor of a State or a political subdivision  
9 of a State, shall not display to the general  
10 public on the Internet all or any portion of  
11 any Social Security account number.

12           (ii) EXCEPTIONS.—A State, a political  
13 subdivision of a State, or any officer, em-  
14 ployee, or contractor of a State or a polit-  
15 ical subdivision of a State may display to  
16 the general public on the Internet—

17           (I) a portion of a Social Security  
18 account number if such display com-  
19 plies with the uniform standards for  
20 the method for truncation and  
21 encryption of such numbers issued by  
22 the Commissioner of Social Security  
23 under section 3; and

1 (II) all or any portion of a Social  
2 Security account number of a de-  
3 ceased individual.

4 (B) PENALTIES.—A State, a political sub-  
5 division of a State, or any officer, employee, or  
6 contractor of a State or a political subdivision  
7 of a State that violates subparagraph (A) shall  
8 be subject to a civil penalty of not more than  
9 \$5,000 per day for each day that the State or  
10 political subdivision violated such subsection.

11 (C) ENFORCEMENT.—The Attorney Gen-  
12 eral may bring a civil action against a State, a  
13 political subdivision of a State, or any officer,  
14 employee, or contractor of a State or a political  
15 subdivision of a State, in any appropriate  
16 United States District Court for a violation of  
17 subparagraph (A).

18 (D) EFFECTIVE DATE.—Subparagraphs  
19 (A) through (C) shall take effect on the date  
20 that is 1 year after the date on which regula-  
21 tions are issued under section 6 and shall apply  
22 to violations occurring on or after that date.

23 (2) DISPLAY BY OTHER MEANS.—It is the sense  
24 of Congress that if a State, local government, or pri-  
25 vate entity displays a Social Security account num-

1       ber in a manner other than that described in para-  
2       graph (1), the State, local government, or private  
3       entity should comply with the uniform standards  
4       issued under section 3 to the same extent that the  
5       Federal Government or a State or local government  
6       is required to comply with such standards under  
7       subsection (a) and paragraph (1) of this subsection.

8       **SEC. 5. GRANTS TO STATE AND LOCAL GOVERNMENTS TO**  
9                               **COME INTO COMPLIANCE WITH THE PROHI-**  
10                              **BITION ON THE DISPLAY TO THE GENERAL**  
11                              **PUBLIC ON THE INTERNET OF SOCIAL SECU-**  
12                              **RITY ACCOUNT NUMBERS.**

13       (a) **IN GENERAL.**—The Attorney General shall award  
14       grants to States and political subdivisions of States to  
15       carry out activities to remove, redact, or truncate, in ac-  
16       cordance with the uniform standards for the method of  
17       truncation issued under section 3, all Social Security ac-  
18       count numbers on forms and records of executive, legisla-  
19       tive, and judicial agencies of States and political subdivi-  
20       sions of States that, as of the date that is 1 year after  
21       the date on which regulations are issued under section 6,  
22       would be displayed to the general public on the Internet  
23       in violation of section 4(b)(1).

24       (b) **APPLICATION.**—A State or political subdivision of  
25       a State desiring a grant under this subsection shall submit

1 an application to the Attorney General at such time, in  
2 such manner, and containing such information as the At-  
3 torney General may reasonably require.

4 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
5 authorized to be appropriated to the Attorney General to  
6 carry out this subsection, \$10,000,000 for each of fiscal  
7 years 2017 and 2018.

8 **SEC. 6. REGULATIONS.**

9 Not later than the date that is 6 months after the  
10 date of the enactment of this Act, the Commissioner of  
11 Social Security shall issue regulations to carry out this  
12 Act.

13 **SEC. 7. GAO REPORT.**

14 Not later than 18 months after the effective date of  
15 the regulations issued by the Commissioner of Social Secu-  
16 rity under section 6, the Comptroller General of the  
17 United States shall report to Congress on the extent to  
18 which the uniform standards required under section 3  
19 have resulted in the adoption of such standards by private  
20 entities, and whether these standards are likely to provide  
21 greater protection against fraud and identity theft than  
22 the practices adhered to prior to such date. The report  
23 shall include—

24 (1) a recommendation regarding—

1 (A) whether such standards should be  
2 mandatory for State and local governments and  
3 private entities, and if so, under what cir-  
4 cumstances; and

5 (B) whether making such standards man-  
6 datory for such entities (with respect to each  
7 circumstance identified under subparagraph  
8 (A)) would help prevent fraud, identity theft,  
9 and unauthorized access to consumers' person-  
10 ally identifiable information; and

11 (2) recommendations for such additional legisla-  
12 tion or administrative action as the Comptroller  
13 General determines appropriate to further reduce  
14 the risks of fraud, identity theft, and unauthorized  
15 access resulting from the transfer, sale, display, re-  
16 cording, or other utilization of Social Security ac-  
17 count numbers.

18 **SEC. 8. PREEMPTION OF STATE LAW.**

19 This Act and the amendments made by this Act shall  
20 supersede a provision of State law only if, and only to the  
21 extent that, such provision conflicts with a requirement  
22 of this Act or an amendment made by this Act.

23 **SEC. 9. DEFINITIONS.**

24 In this Act—

1           (1) the term “display to the general public on  
2 the Internet” means, in connection with all or any  
3 portion of a Social Security account number, to post  
4 or to permit the continued presence of such number,  
5 or any portion of such number in a viewable manner  
6 on an Internet site that is available to the general  
7 public, including any Internet site that requires a fee  
8 for access to information accessible on or through  
9 the site;

10           (2) the term “Social Security account number”  
11 means the account number assigned to an individual  
12 by the Commissioner of Social Security in the exer-  
13 cise of the Commissioner’s authority under section  
14 205(c)(2) of the Social Security Act (42 U.S.C.  
15 405(c)(2)) and includes any derivative of such num-  
16 ber; and

17           (3) the term “State” means each of the 50  
18 States, the District of Columbia, the Commonwealth  
19 of Puerto Rico, the United States Virgin Islands,  
20 Guam, and the Commonwealth of the Northern Mar-  
21 iana Islands.

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