



Senator Feinstein Introduces Bill to
Protect Social Security Numbers and Combat Identity Theft
September 15, 2004

Washington, DC – Senator Dianne Feinstein (D-Calif.) announced legislation today to reduce identity theft by restricting the sale and display of Social Security numbers used by government agencies and businesses and prohibiting companies from requiring consumers to provide their Social Security numbers.

Senator Feinstein's bill is a companion measure to H.R. 2971, a bipartisan bill introduced by Representative Clay Shaw (R-Fla.) and approved unanimously by the House Ways and Means Committee on July 21, 2004. This legislation, which was introduced Tuesday, is similar to a bill Senator Feinstein introduced earlier this Congress, but which has not been approved by a House or Senate Committee.

“Even though this bill has differences from the one I proposed at the beginning of this Congress to help prevent the misuse of Social Security numbers, the issue is too important for me, or for any other Senator, to stand by and do nothing,” Senator Feinstein said. **“This legislation is necessary to help stop the epidemic of identity theft that has been plaguing America and its citizens.”**

Social Security numbers were originally used to track the wages and benefits of American workers. Since then, use of Social Security numbers has expanded dramatically. For instance, State and local governments use Social Security numbers on drivers' licenses, birth certificates, occupational licenses, marriage licenses, and records for blood donation, jury selection, and worker's compensation. Increasingly, private companies have used them to identify customers.

Despite the widespread use of Social Security numbers, “no single federal law regulates the overall use or restricts the disclosure of Social Security numbers by governments,” according to the General Accounting Office. As a result, the use of Social Security numbers is regulated by an inconsistent patchwork of State and Federal laws.

Senator Feinstein's legislation would:

- Prohibit Federal and State government agencies, and private businesses, from displaying, buying, and selling Social Security numbers except in certain instances where Social Security numbers must be communicated, such as those involving law enforcement, national security, vehicle registration, and limited forms of research.

- Toughen the methods that the Social Security Administration uses to verify birth records, and those that it uses to issue Social Security numbers to newborn infants.
- Stop companies from requiring consumers to provide their Social Security numbers, and will treat any such requirement as a prohibited unfair trade practice.
- Punish violators of these provisions with fines and up to five years in prison, with up to 25 years for those who are involved in drug trafficking or terrorism.
- Allow other sections of Federal law to impose stronger restrictions, and call for reports analyzing the process for issuing Social Security numbers.

“Earlier this year, the President signed into law a bill to increase punishment for those who steal the identities of others,” Senator Feinstein said. **“But punishment is not enough. We need to stop identity theft from occurring in the first place.”**

The Identity Theft Penalty Enhancement Act, sponsored by Senator Feinstein, developed in coordination with the Justice Department, was signed by President Bush in July. The Act imposes tougher penalties on identity thieves and makes it easier for prosecutors to target those identity thieves who steal for the purpose of committing the most serious crimes, including terrorism.

According to a report that the Federal Trade Commission released in September, 2003, almost ten million people were victimized by identity theft in the previous year, resulting in losses of over \$47 billion. California had the third-highest rate of identity theft per capita in 2003, according to another Federal Trade Commission report.

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