
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**SECURITY FEATURES
ON THE
SOCIAL SECURITY CARD**

December 2003 A-08-04-24079

MANAGEMENT
ADVISORY REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.



SOCIAL SECURITY

MEMORANDUM

Date: December 18, 2003

Refer To:

To: The Commissioner

From: Inspector General

Subject: Management Advisory Report: Security Features on the Social Security Card
(A-08-04-24079)

On October 20, 2003, we shared with the Social Security Administration (SSA) our concern that the “VOID” security feature imprinted on original Social Security cards may cause confusion in the employer community and may not be fully understood by SSA employees tasked with assisting these employers (Appendix C). Your December 1, 2003 response made it clear that you share our concerns (Appendix D). I commend you for the steps SSA plans to take to modify the “VOID” feature, educate staff on the security features, and assist the employer who experienced trouble with this feature.¹

As we noted in our recent Major Management Challenges report,² the Social Security number (SSN) is the single most widely used identifier for Federal and State governments and the private sector. It has become the de facto national identifier. In Fiscal Year 2003, SSA issued over 17 million original and replacement SSN cards. Furthermore, an important part of ensuring the integrity of the SSN is the proper posting of earnings reported under SSNs. If earnings information is reported incorrectly or not reported at all, SSA cannot ensure all eligible individuals are receiving the correct payment amounts.

We understand the particular security feature, which confused the Employer as noted in our October 20th memorandum, was first used in 1988. This “counterfeit resistant” security feature, which has the word “VOID” disguised in the card’s blue tint area, was intended to be visible only when photocopied. This “VOID” feature could now be present on a significant number of Social Security cards. In the last 10 years alone, SSA has issued about 170 million Social Security cards, many of which may be presented to employers by individuals seeking employment.

¹ For privacy purposes, we are not disclosing the employer’s name in this report, and we will hereafter refer to this entity as the “Employer.”

² *Inspector General Statement on the Social Security Administration’s Major Management Challenges*, (A-02-04-14034), November 2003.

With all of this in mind, we believe your planned steps to correct the security feature, train staff, and educate employers will assist SSA in maintaining the integrity of the Social Security card. We look forward to working with you on similar issues so that, together, we can improve the services offered by SSA and protect the SSN, which has become such an important part of the U.S. economy.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr."

James G. Huse, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Office of the Inspector General October 20, 2003 Memorandum

APPENDIX D – Agency Comments

APPENDIX E – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

ESLO	Employer Service Liaison Officer
OIG	Office of the Inspector General
SSA	Social Security Administration
SSN	Social Security Number

Scope and Methodology

To accomplish our objective, we

- reviewed relevant Social Security Administration (SSA) regulations, policies, and procedures;
- discussed Social Security card security features with SSA staff, including Employer Service Liaison Officers, field office staff, and security personnel; and
- discussed Social Security number issues with an employer who had questions about the security feature.

The SSA entity reviewed was the Office of the Deputy Commissioner for Operations. We conducted our review in October 2003 in accordance with the President's Council on Integrity and Efficiency's *Quality Standards for Inspections*.

Appendix C

Office of the Inspector General
October 20, 2003 Memorandum



SOCIAL SECURITY

MEMORANDUM

Date: October 20, 2003

Refer To:

To: The Commissioner

From: Inspector General

Subject: Security Features on the Social Security Card – INFORMATION

I am writing to advise you of a recent conversation between [a large employer] and our Office. The matter concerns [the Employer's] confusion about the "VOID" language placed on Social Security cards – one of many security features the Social Security Administration (SSA) has developed over the years to protect the integrity of the Social Security number (SSN). While we commend SSA for its continued efforts to reduce SSN misuse in the economy, we are concerned that this particular security feature may cause problems with employers.

Based on conversations with [Employer] officials, the local District Manager, and Employer Service Liaison Office (ESLO) staff, it appears that valid Social Security cards are being mistaken for invalid cards because the "VOID" language can be seen on the surface of original cards. While we understand the "VOID" language should only be seen on photocopies, it appears that a close inspection by some employers can still detect this wording on original cards. As a result, a number of job applicants have been turned away [by the Employer], and the corporate office is discouraging any further hiring of individuals with such cards until SSA is able to confirm their validity. Furthermore, our conversations with SSA's ESLO, regional security and integrity, and field office staff revealed they were not aware of this particular security feature, which could represent a problem if this same staff is expected to assist employers with similar problems.

I am bringing this to your attention, first and foremost, so that this specific problem with [the Employer] can be resolved. [The Employer is a large company] and any questions regarding the validity of Social Security cards should be resolved before more individuals are denied employment. In addition to this immediate concern, your office may want to revisit this particular security feature to determine whether (1) SSA staff are properly informed about the purpose of this feature and (2) the feature in question is having the intended effect of reducing SSN misuse.

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We look forward to working with you on this issue. If you have any questions, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

/s/
James G. Huse, Jr.

[We removed references to the specific employer to protect the employer's privacy.]

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: December 1, 2003 Refer To: TAPJ3
To: Inspector General
From: The Commissioner /s/
Subject: Security Features on the Social Security Card (Your Memo, 10/20/03)--RESPONSE

This is in response to your recent inquiry regarding security features on the Social Security Number (SSN) card, and specifically, problems with [the Employer] as a result of these features. Thank you for bringing this matter to my attention. We agree that continued use of the VOID pattern on the SSN cards is no longer a useful security feature and we have arranged to remove it from the next printing of the SSN card. We anticipate the next printing to take place by the middle of 2004. The exact printing schedule will depend on completion of the SSN card redesign and depletion of the current supply of card stock.

We also agree that field employees should be familiar with the security features of the SSN card and will update the POMS section and provide training addressing changes to the security features when the new card is printed. You may be interested to know that we are replacing the VOID pattern with a latent image of the acronym "SSA" as a new security feature.

Staffs in the Dallas Regional Office and in the local field office have discussed this matter with various [Employer officials] explaining that some valid SSN cards may have a visible VOID pattern. In those discussions, [Employer] officials indicated their main concern is whether SSN cards with a visible VOID pattern meet the requirements for Department of Homeland Security's employment verification process. The Dallas Regional Office has prepared a letter to [the Employer] advising that SSN cards that do not bear a printed legend can be accepted to establish employment eligibility. For cards that bear the legend, "Valid for Work Only With DHS Authorization" or "Not Valid for Employment," employment eligibility must be verified with DHS.

We recognize that [the Employer] regularly uses our electronic Employer Verification System to validate SSNs used for reporting wages to the Internal Revenue Service. We have ensured [Employer officials] that our staff is

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available to answer any future inquiries about questionable SSNs.

Thank you for your interest in this matter. Please contact me if I can be of further assistance.

[We removed references to the specific employer to protect the employer's privacy.]

Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Walter Bayer, Director, (215) 597-4080

Jeff Pounds, Audit Manager, (205) 801-1606

Acknowledgments

In addition to the persons named above:

Cliff McMillan, Senior Auditor

Mike Thomson, Senior Auditor

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Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations and cash flow. Performance audits review the economy, efficiency and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

Office of Executive Operations

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.