

TO RESTRICT THE INCLUSION OF SOCIAL SECURITY ACCOUNT NUMBERS  
 ON DOCUMENTS SENT BY MAIL BY THE FEDERAL GOVERNMENT, AND  
 FOR OTHER PURPOSES

SEPTEMBER 26, 2016.—Committed to the Committee of the Whole House on the  
 State of the Union and ordered to be printed

Mr. CHAFFETZ, from the Committee on Oversight and Government  
 Reform, submitted the following

R E P O R T

[To accompany H.R. 3779]

The Committee on Oversight and Government Reform, to whom  
 was referred the bill (H.R. 3779) to restrict the inclusion of social  
 security account numbers on documents sent by mail by the Fed-  
 eral Government, and for other purposes, having considered the  
 same, report favorably thereon without amendment and rec-  
 ommend that the bill do pass.

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COMMITTEE STATEMENT AND VIEWS

PURPOSE AND SUMMARY

H.R. 3779, to restrict the inclusion of Social Security account  
 numbers on documents sent by mail from the Federal Government,  
 would prevent federal agencies from sending an individual's Social

Security Number (SSN) through the mail unless the head of the agency determined the inclusion of the SSN is necessary.

#### BACKGROUND AND NEED FOR LEGISLATION

Identity theft is a major concern for all Americans. According to the Federal Trade Commission, instances of identity theft have steadily risen, increasing from 209,102 cases in 2013, to 490,220 cases in 2015<sup>1</sup> A major driver of identity theft is the unauthorized acquisition and fraudulent use of Social Security Numbers (SSNs). SSNs are required not only of individuals seeking to collect Social Security benefits, but also those wishing to receive certain government services or apply for services in the private sector such as bank accounts or credit cards.<sup>2</sup> The Social Security Administration counsels individuals to keep their SSNs confidential because of the risk of misuse should they fall into the wrong hands.<sup>3</sup> The misuse of a SSN risks causing significant disruptions for its rightful holder.

Many federal agencies, including all 24 agencies subject to the Chief Financial Officers Act,<sup>4</sup> require SSNs in order to verify the identity of individuals requesting services or for other purposes.<sup>5</sup> In 2007, the Office of Management and Budget sent a memorandum to federal agencies ordering them to review and eliminate the unnecessary use of SSNs.<sup>6</sup> A recent report by the House Committee on Oversight and Government Reform (Committee) on data breaches at the Office of Personnel Management further recommended that all agencies reduce the use of SSNs to mitigate the risk of identity theft.<sup>7</sup> Notably, the U.S. Government Accountability Office (GAO) is in the midst of a study to ascertain the extent to which agencies have complied with the memorandum, but GAO's preliminary review revealed that plans to reduce the use of SSNs vary widely across the government.<sup>8</sup>

Currently, agencies are not banned from including SSNs on correspondence sent to individuals via the U.S. Postal Service. The inclusion of a SSN on correspondence increases the risk that the SSN may be stolen. Given the extent to which federal departments and agencies collect SSNs, it is important that all departments and agencies take measures to ensure that SSNs are appropriately protected. To achieve this end, H.R. 3779 would prohibit sending a SSN via mail unless the agency determines doing so is necessary.

<sup>1</sup>Federal Trade Commission, *Consumer Sentinel Network Data Book for January–December 2015*, at 79 (February 2016).

<sup>2</sup>Social Security Administration, *Your Social Security Number and Card*, at 2 (January 2016—Publication No. EN-05-10002).

<sup>3</sup>*Id.*, at 11.

<sup>4</sup>These agencies are Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs, in addition to the U.S. Agency for International Development, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, and the Social Security Administration.

<sup>5</sup>Briefing by John de Ferrari, et. al., Gov't Accountability Office, to H. Comm. on Oversight & Gov't Reform and H. Comm. on Ways & Means Majority Staff (Sept. 7, 2016).

<sup>6</sup>Memorandum from Clay Johnson III, Deputy Director for Management, Office of Management and Budget, to Heads of Executive Dep'ts and Agencies, *Safeguarding Against and Responding to the Breach of Personally Identifiable Information* (May 22, 2007).

<sup>7</sup>H. Comm. of Oversight & Gov't Reform, *Staff Report: The OPM Data Breach: How the Gov't Jeopardized Our National Security for More than a Generation* at 21 (Sept. 7, 2016).

<sup>8</sup>John de Ferrari, et. al., *supra* note 5.

If it is determined that the inclusion of the SSN is necessary, the agency would be required to consider the use of partial redactions.

#### LEGISLATIVE HISTORY

H.R. 3779 was introduced on October 21, 2015 by Representative David Valadao (R–CA) and referred to the Committee on Oversight and Government Reform. On September 15, 2016, the Committee ordered H.R. 3779 favorably reported by unanimous consent, without amendment.

#### SECTION-BY-SECTION

##### *Section 1. Restriction of SSNs on documents sent by mail*

Prohibits any department or agency of the federal government from including the SSN of any individual on any document sent by mail unless the head of the department or agency determines that the inclusion of the SSN is necessary.

Orders the head of each federal department or agency to issue regulations within one year of the bill's enactment that specify the circumstances under which SSNs are necessary to be sent by mail.

The regulations must provide instructions for the partial redaction of SSNs whenever feasible and include a ban on sending any package by mail with a visible SSN.

Provides an effective date that is one year after the date of enactment of the bill.

#### EXPLANATION OF AMENDMENTS

No amendments to H.R. 3779 were offered or adopted during Full Committee consideration of the bill.

#### COMMITTEE CONSIDERATION

On September 15, 2016, the Committee met in open session and ordered the bill, H.R. 3779, favorably reported by unanimous consent, a quorum being present.

#### ROLL CALL VOTES

No roll call votes were requested or conducted during Full Committee consideration of H.R. 3779.

#### APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. H.R. 3779 would prevent federal agencies from sending an individual's Social Security Number (SSN) through the mail unless the head of the agency determined the inclusion of the SSN is necessary. As such, this bill does not relate to employment or access to public services and accommodations.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF  
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goal and objective of the bill is to restrict the inclusion of social security account numbers on documents sent by mail by the Federal Government.

DUPLICATION OF FEDERAL PROGRAMS

No provision of this bill establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from GAO to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting this bill does direct the completion of a specific rule making within the meaning of 5 U.S.C. 551. H.R. 3779 directs all federal agencies and departments to issue regulations within one year of the enacting date specifying the circumstances under which inclusion of a Social Security Number (SSN) on a document sent by mail is necessary. Such regulations must include instructions for the partial redaction of SSNs whenever feasible and a requirement that SSNs be not visible on the outside of any package sent by mail.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104-4) requires a statement as to whether the provisions of the reported bill include unfunded mandates. In compliance with this requirement, the Committee has received a letter from the Congressional Budget Office included herein.

EARMARK IDENTIFICATION

This bill does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

## COMMITTEE ESTIMATE

At the time of this writing, the Committee had yet to receive a formal cost estimate from the Congressional Budget Office for H.R. 3779. However, preliminary analysis by committee staff suggests that the bill would provide for no significant budgetary effects.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST  
ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has not received a cost estimate for this bill from the Director of Congressional Budget Office, and instead has included a committee estimate in the section prior to this one.