

**Testimony of Commissioner Thomas B. Leary  
Before the Committee on Commerce, Science, and Transportation  
United States Senate**

June 16, 2005

Mr. Chairman, and members of the Committee: I am pleased to testify here today with my fellow Commissioners on these important issues. I endorse the collective views expressed in the Commission's written testimony, and will here add some individual views on social security numbers.

As explained in our written testimony, social security numbers have many important, legitimate uses. Instant access to credit – which we all rely on for both large and small transactions – would be compromised if social security numbers could not be used to match consumers to their financial information. Social security number databases are also used for other purposes – for example, to locate lost beneficiaries, potential witnesses, and law violators, and to collect child support and other judgments.

At the same time, we all recognize that social security numbers are sensitive. There is no question that identity thieves can use the social security number as a key to access other people's financial resources.

The challenge is to find the proper balance between the need to keep social security numbers out of the hands of identity thieves and the ability of businesses to have sufficient information to spot fraud and attribute information to the correct person.

The Federal Trade Commission has done some research on the overall scope of the identity theft problem. In all candor, however, I personally do not think that we will ever be able

to estimate with precision the extent to which misuse of social security numbers contributes to this problem, or the downside costs of any particular effort to revamp the way social security numbers are handled. Congress itself will have to make some tough policy choices.

I personally believe the most promising approach would be to consider an extension of the GLB Act's Safeguards Rule beyond financial institutions and focus on the way sensitive information is handled, rather than to pass laws that would prohibit myriad public and private agencies from collecting and preserving sensitive information in the first place. You still have to recognize that a principal source of social security numbers today is public records on file with every court and county clerk across the nation. Restriction of access to this information would raise particularly difficult issues.

We should, however, consider ways to discourage the routine collection of social security numbers, in circumstances where it is not essential to have such a unique identifier. This might be a very difficult matter to legislate, but we might start with a more active encouragement of private business initiatives and prudent actions by consumers themselves.