

115TH CONGRESS
2D SESSION

H. R. 5192

To authorize the Commissioner of Social Security to provide confirmation of fraud protection data to certain permitted entities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2018

Mr. CURBELO of Florida (for himself, Mr. MARCHANT, Ms. SINEMA, and Mr. HULTGREN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To authorize the Commissioner of Social Security to provide confirmation of fraud protection data to certain permitted 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Children
5 from Identity Theft Act”.

6 **SEC. 2. REDUCING IDENTITY FRAUD.**

7 (a) PURPOSE.—The purpose of this section is to re-
8 duce the prevalence of synthetic identity fraud, which
9 disproportionally affects vulnerable populations, such as

1 minors and recent immigrants, by facilitating the valida-
2 tion by permitted entities of fraud protection data, pursu-
3 ant to electronically received consumer consent, through
4 use of a database maintained by the Commissioner.

5 (b) DEFINITIONS.—In this section:

6 (1) COMMISSIONER.—The term “Commis-
7 sioner” means the Commissioner of the Social Secu-
8 rity Administration.

9 (2) FINANCIAL INSTITUTION.—The term “fi-
10 nancial institution” has the meaning given the term
11 in section 509 of the Gramm-Leach-Bliley Act (15
12 U.S.C. 6809).

13 (3) FRAUD PROTECTION DATA.—The term
14 “fraud protection data” means a combination of the
15 following information with respect to an individual:

16 (A) The name of the individual (including
17 the first name and any family forename or sur-
18 name of the individual).

19 (B) The Social Security number of the in-
20 dividual.

21 (C) The date of birth (including the
22 month, day, and year) of the individual.

23 (4) PERMITTED ENTITY.—The term “permitted
24 entity” means a financial institution or a service

1 provider, subsidiary, affiliate, agent, subcontractor,
2 or assignee of a financial institution.

3 (c) EFFICIENCY.—

4 (1) RELIANCE ON EXISTING METHODS.—The
5 Commissioner shall evaluate the feasibility of mak-
6 ing modifications to any database that is in exist-
7 ence as of the date of enactment of this Act or a
8 similar resource such that the database or re-
9 source—

10 (A) is reasonably designed to effectuate the
11 purpose of this section; and

12 (B) meets the requirements of subsection
13 (d).

14 (2) EXECUTION.—The Commissioner shall
15 make the modifications necessary to any database
16 that is in existence as of the date of enactment of
17 this Act or similar resource, or develop a database
18 or similar resource, to effectuate the requirements
19 described in paragraph (1).

20 (d) PROTECTION OF VULNERABLE CONSUMERS.—

21 The database or similar resource described in subsection

22 (c) shall—

23 (1) compare fraud protection data provided in
24 an inquiry by a permitted entity against such infor-
25 mation maintained by the Commissioner in order to

1 confirm (or not confirm) the validity of the informa-
2 tion provided;

3 (2) be scalable and accommodate reasonably an-
4 ticipated volumes of verification requests from per-
5 mitted entities with commercially reasonable uptime
6 and availability; and

7 (3) allow permitted entities to submit—

8 (A) one or more individual requests elec-
9 tronically for real-time machine-to-machine (or
10 similar functionality) accurate responses; and

11 (B) multiple requests electronically, such
12 as those provided in a batch format, for accu-
13 rate electronic responses within a reasonable pe-
14 riod of time from submission, not to exceed 24
15 hours.

16 (e) CERTIFICATION REQUIRED.—Before providing
17 confirmation of fraud protection data to a permitted enti-
18 ty, the Commissioner shall ensure that the Commissioner
19 has a certification from the permitted entity that is dated
20 not more than 2 years before the date on which that con-
21 firmation is provided that includes the following declara-
22 tions:

23 (1) The entity is a permitted entity.

24 (2) The entity is in compliance with this sec-
25 tion.

1 (3) The entity is, and will remain, in compli-
2 ance with its privacy and data security requirements,
3 as described in title V of the Gramm-Leach-Bliley
4 Act (15 U.S.C. 6801 et seq.), with respect to infor-
5 mation the entity receives from the Commissioner
6 pursuant to this section.

7 (4) The entity will retain sufficient records to
8 demonstrate its compliance with its certification and
9 this section for a period of not less than 2 years.

10 (f) CONSUMER CONSENT.—

11 (1) IN GENERAL.—Notwithstanding any other
12 provision of law or regulation, a permitted entity
13 may submit a request to the database or similar re-
14 source described in subsection (c) only—

15 (A) pursuant to the written, including elec-
16 tronic, consent received by a permitted entity
17 from the individual who is the subject of the re-
18 quest; and

19 (B) in connection with a credit transaction
20 or any circumstance described in section 604 of
21 the Fair Credit Reporting Act (15 U.S.C.
22 1681b).

23 (2) ELECTRONIC CONSENT REQUIREMENTS.—
24 For a permitted entity to use the consent of an indi-
25 vidual received electronically pursuant to paragraph

1 (1)(A), the permitted entity must obtain the individ-
2 ual's electronic signature, as defined in section 106
3 of the Electronic Signatures in Global and National
4 Commerce Act (15 U.S.C. 7006).

5 (3) EFFECTUATING ELECTRONIC CONSENT.—

6 No provision of law or requirement, including section
7 552a of title 5, United States Code, shall prevent
8 the use of electronic consent for purposes of this
9 subsection or for use in any other consent based
10 verification under the discretion of the Commis-
11 sioner.

12 (g) COMPLIANCE AND ENFORCEMENT.—

13 (1) AUDITS AND MONITORING.—

14 (A) IN GENERAL.—The Commissioner
15 may—

16 (i) conduct audits and monitoring
17 to—

18 (I) ensure proper use by per-
19 mitted entities of the database or
20 similar resource described in sub-
21 section (c); and

22 (II) deter fraud and misuse by
23 permitted entities with respect to the
24 database or similar resource described
25 in subsection (c); and

(ii) terminate services for any permitted entity that prevents or refuses to allow the Commissioner to carry out the activities described in clause (i).

(2) ENFORCEMENT.—

(A) IN GENERAL.—Notwithstanding any other provision of law, including the matter preceding paragraph (1) of section 505(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)), any violation of this section and any certification made under this section shall be enforced in accordance with paragraphs (1) through (7) of such section 505(a) by the agencies described in those paragraphs.

(B) RELEVANT INFORMATION.—Upon discovery by the Commissioner, pursuant to an audit described in paragraph (1)(A), of any violation of this section or any certification made under this section, the Commissioner shall forward any relevant information pertaining to that violation to the appropriate agency described in subparagraph (A) for evaluation by the agency for purposes of enforcing this section.

(h) RECOVERY OF COSTS.—

1 (1) IN GENERAL.—

2 (A) IN GENERAL.—Amounts obligated to
3 carry out this section shall be fully recovered
4 from the users of the database or verification
5 system by way of advances, reimbursements,
6 user fees, or other recoveries as determined by
7 the Commissioner. The funds recovered under
8 this paragraph shall be deposited as an offset-
9 ting collection to the account providing appro-
10 priations for the Social Security Administration,
11 to be used for the administration of this section
12 without fiscal year limitation.

13 (B) PRICES FIXED BY COMMISSIONER.—
14 The Commissioner shall establish the amount to
15 be paid by the users under this paragraph, in-
16 cluding the costs of any services or work per-
17 formed, such as any appropriate upgrades,
18 maintenance, and associated direct and indirect
19 administrative costs, in support of carrying out
20 the purposes described in this section, by reim-
21 bursement or in advance as determined by the
22 Commissioner. The amount of such prices shall
23 be periodically adjusted by the Commissioner to
24 ensure that amounts collected are sufficient to

1 fully offset the cost of the administration of this
2 section.

3 (2) INITIAL DEVELOPMENT.—The Commis-
4 sioner shall not begin development of a verification
5 system to carry out this section until the Commis-
6 sioner determines that amounts equal to at least 50
7 percent of program start-up costs have been col-
8 lected under paragraph (1).

9 (3) EXISTING RESOURCES.—The Commissioner
10 of Social Security may use funds designated for in-
11 formation technology modernization to carry out this
12 section.

13 (4) ANNUAL REPORT.—The Commissioner of
14 Social Security shall annually submit to the Com-
15 mittee on Ways and Means of the House of Rep-
16 resentatives and the Committee on Finance of the
17 Senate a report on the amount of indirect costs to
18 the Social Security Administration arising as a re-
19 sult of the implementation of this section.

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