

**Supporting Statement for
Consent Based Social Security Number Verification
20 CFR 401.100
OMB No. 0960-0760**

A. Justification

1. Introduction/Authoring Laws and Regulations

Third-party requesters, such as private businesses, present the Social Security Administration (SSA) with requests for Social Security number (SSN) verifications. To facilitate processing these requests, SSA developed the Consent Based Social Security Number Verification (CBSV) process. Section 1106 of the *Social Security Act (Act)* and section 20 CFR 401.100 of the *Code of Federal Regulations* provides the authority for SSA to provide verification of SSNs. Additionally, section 205(a) of the *Act* authorizes the Commissioner to set forth rules, regulations, and procedures that are necessary to carry out SSA's programs and related responsibilities.

2. Description of Collection

CBSV is a fee-based SSN verification service private business and other requesting parties may use to obtain validation of SSNs of consenting number holders. The purpose of the information collection is for SSA to verify for the requesting party that the submitted name and SSN matches, or does not match, the data contained in our records. After signing a User Agreement and completing a registration process, the requesting party submits a file to SSA, through the CBSV internet or web service application, the names, dates of birth, and SSNs of number holders who gave valid consent. SSA verifies the information against our Master File, using SSN, name, and date of birth. The results file SSA returns to the requesting party over the Internet or web service shows only a match/no match indicator (and an indicator if our records show that the individual issued the SSN died). SSA does not provide specific information on what data elements did not match, nor does SSA provide any SSNs. The verification does not authenticate the identity of individuals or conclusively prove the individuals we verify are who they are claiming to be. CBSV is not mandatory.

Under the CBSV process, the requesting party does not submit the number holder's consent forms to SSA. SSA requires each requesting party to retain a valid consent form for each SSN verification request (Form SSA-89, Authorization for SSA to Release SSN Verification) for a period of 5 years. The requesting party retains Form SSA-89 in either electronic or paper format.

SSA currently requires a wet signature on the SSA-89 consent form. We are looking to adopt an electronic signature option at some future undetermined date. The principal or consumer may fax the SSA-89 form to the requesting party. The requesting party may add a fax date and time stamp to the top of the form; this is part of the faxing process. The requesting party may also add a tracking number,

bar code, or a quick response (QR) code, after the consumer signs the form.

SSA requires each requesting party to undergo compliance reviews to ensure the requesting parties obtained valid consent from number holders. An SSA-approved certified public accountant (CPA) conducts the compliance reviews. The reviews ensure the requesting parties meet all terms and conditions of the User Agreement. The requesting party pays all compliance review costs through the transaction fee. In general, we request annual reviews with additional reviews as necessary. The CPA follows review standards established by the American Institute of Certified Public Accountants. At any time, SSA may conduct onsite inspections of the requester's site, including a systems review, to ensure they took the required precautions to protect the consent forms (SSA-89), and to assess systems security overall.

To provide legal and secure access between SSA and the requesting parties who use the CBSV, SSA created an external testing environment (ETE), as an optional supplement to the User Agreement. The ETE allows CBSV web service users to test external software applications. It also allows users the flexibility to test software on an "as needed" basis to ensure their software remains up-to-date and continues to provide accurate data on behalf of the public to SSA systems. The supplemental ETE user agreement helps SSA serve the business community by providing structured guidelines, conditions, terms, and safeguards under which we can provide access to external-to-SSA developers for testing within the ETE. The respondents are companies requesting SSN verifications from SSA as part of their business process.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created the CBSV application. Based on our data, we estimate that approximately 80% of respondents under this OMB number use the electronic version. The electronic PDF version of the SSA-89 consent form is available on SSA's dedicated CBSV website. Requesting parties enter information from the form into the CBSV website using an online or web-service.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect it precludes duplication. SSA does not use another collection instrument to obtain similar data.

5. Minimizing Burden on Small Respondents

This collection does affect small businesses or other small entities. However, if we did not impose this burden, we would be unable to verify the social security numbers of the number holders completing these forms. We minimized the burden by carefully reviewing the form and ensuring we only ask small businesses and entities to complete relevant and necessary questions. There is extensive interest among the small business community for this type of service

because they believe it will save them time and improve efficiency in verifying SSNs. The use of CBSV is voluntary.

6. Consequence of Not Collecting Information or Collecting it Less Frequently

If we did not collect this information, requesting parties would not have the ability to obtain the SSN verification they need for business purposes, a service they requested. This would increase foot traffic to SSA field offices. Since we only collect the information once per person, we cannot collect it less frequently. There are no technical or legal obstacles that prevent burden reduction.

7. Special Circumstances

Consent Form Retention Requirement – SSA requires participating third parties to retain the signed consent form of the individual who is the subject of the verification request (Form SSA-89, Authorization for SSA to Release SSN Verification) for 5 years. They do not submit the consent form to SSA. Our primary purpose for requiring third parties to retain consent forms for 5 years is due to SSA’s need to ensure that we can obtain a copy of the consent form (Form SSA-89) to defend against, or prosecute, alleged violations of civil and criminal law. The agency permits third parties to retain copies of the consent forms (Form SSA-89) in either paper or electronic format. Because the Privacy Act establishes a 2-year statute of limitations that begins when the individual discovers a potential violation of the Act (5 U.S.C. § 552a(g)(5)), SSA must require no less than a 3-year consent retention period to ensure we can obtain a copy of the consent form (Form SSA-89) from the third-party to defend against any alleged Privacy Act cause of action.

In addition, other statutes of limitations applicable to criminal actions that might arise from consent based disclosures to third parties counsel in favor of a 5-year retention period. For example, in the event an employee of a third-party provides fraudulent consent forms to the agency, or a third-party misrepresents the validity of a consent, Federal statutes exist in aiding investigations of fraud against the Government, including 18 U.S.C. § 371 (conspiracy to defraud the Government) and 18 U.S.C. § 1001 (false statements). Accordingly, SSA is requiring a 5-year consent retention period in order to prosecute alleged violations of criminal law. A 5-year retention period serves to reinforce the need for third parties to provide SSA with accurate and valid consent forms (Form SSA-89) as a critical requirement.

There are no other special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 *CFR* 1320.5.

8. Solicitation of Public Comment and Other Consultations with the Public

SSA published the 60-day advance Federal Register Notice on October 3, 2016 at 81 FR 68088, and we received no public comments. We published the 30-day Federal Register Notice on November 30, 2016 at 81 FR 86374. If we receive any public comments, we will forward them to OMB. There have been no outside

consultations with members of the public.

9. Payment or Gifts to Respondents

SSA does not provide payment or gifts to the respondents.

10. Assurances of Confidentiality

SSA protects and holds confidential the information it collects in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C. 552 (*Freedom of Information Act*), 5 U.S.C. 552a (*Privacy Act of 1974*), and OMB Circular No. A-130.

11. Justification for Sensitive Questions

The information collection does not contain any questions of a sensitive nature.

12. Estimates of Public Reporting Burden

The total burden for this ICR is 217,522 hours. This figure represents burden hours, and we did calculate a separate cost burden. The following is a breakdown of respondents and burden hours:

Participating Companies/Requesting Parties:

Requirement	Number of Respondents	Frequency of Response	Number of Responses	Average Burden per Response (minutes)	Estimated Annual Burden (hours)
Registration process for new participating companies.	13*	1	13	120	26
Creation of file with SSN holder identification data; maintaining required documentation/ forms	90	251**	22,590	60	22,590
Using the system to upload request file, check status, and download results file	90	251	22,590	5	1,883
Storing Consent Forms	90	251	22,590	60	22,590
Activities related to compliance review	90	251	22,590	60	22,590

Totals	374		90,373		69,679
---------------	-----	--	---------------	--	---------------

* One-time registration process/approximately 13 new participating companies per year.

** Please note there are 251 Federal business days per year on which a requesting party could submit a file.

Participating Companies/Requesting Parties Who Opt for ETE:

Requirement	Number of Respondents	Frequency of Response	Number of Responses	Average Burden per Response (minutes)	Estimated Annual Burden (hours)
ETE Registration Process (includes reviewing and completing ETE User Agreement)	20	1	1	180	60
Web Service Transactions	20	1	50	1	17
Reporting Issues Encountered on Web service testing (e.g., reports on application's reliability)	20	1	50	1	17
Reporting changes in users' status (e.g., termination or changes in users' employment status; changes in duties of authorized users)	20	1	1	60	20
Cancellation of Agreement	20	1	1	30	10
Dispute Resolution	20	1	1	120	40
Totals	20		104		164

People Whose SSNs SSA Will Verify:

Requirement	Number of Respondents	Frequency of Response	Number of Responses	Average Burden per Response (minutes)	Estimated Annual Burden (hours)
Reading and signing authorization for SSA to release SSN verification (Form SSA-89)	2,800,000	1	2,800,000	3	140,000
Responding to CPA re-contact	5,750	1	5,750	5	479
Totals	2,805,750		2,805,750		140,479

CPA Compliance Review and Report:

Requirement	Number of Respondents	Frequency of Response	Number of Responses	Average Burden per Response (minutes)	Estimated Annual Burden (hours)
CPA respondent (an SSA-approved contractor) conducts compliance reviews and prepares written reports of findings.	90	1	90	4,800	7,200

Grand Totals:

Requirement	Number of Respondents	Frequency of Response	Number of Responses	Average Burden per Response (minutes)	Estimated Annual Burden (hours)
Total			2,898,293		217,522

NOTE:

For the first information collection instrument (ICI); the registration process; the registration form; CBSV Enrollment Application itself, will only take several minutes. The rest of the time burden accounts for reading through the User Guide and other registration requirements. See Section 5 of the User Guide for details. Participating companies complete the registration process only once. We received 13 new companies in FY 2016 participating in the registration process.

We based the revised burden estimate on 90 requesting parties participating in FY 2016, including 13 new requesting parties.

The number of Federal workdays is 251 days per year. This excludes Saturdays, Sundays, and Federal holidays. Based on the prior SSN Interim Verification Process, most companies submit at least one file daily.

We also calculated a separate cost burden for respondents. See #13 for details.

13. Annual Cost to the Respondents (Other)

Participating requesting parties must compensate SSA for non-program-related work we do for others so the Social Security Trust Funds do not bear the costs of such activities. Before work begins on reimbursable projects requested by non-Federal organizations, we require advance payment. OMB Circular A-11 (Preparation, Submission, and Execution of the Budget) stipulates that budgetary resources for reimbursable work with non-Federal organizations, including State and local governments, are not available for obligation until receiving advance payments. OMB designed this policy to prevent unintentional violations of the Anti-Deficiency Act. In addition, advance payment covers the start-up costs if potential participating parties cancel the User Agreement; it protects SSA against any uncollectible debts; and prevents SSA components' regular administrative allowance from having to absorb the cost. Accordingly, non-Federal requesters must pay 100 percent of SSA's estimated transaction costs in advance.

SSA, Office of Finance, decreases the advance balance each day by the number of verifications performed. The Office of Finance prepares a quarterly statement for each requesting party illustrating how much of its advance payment is currently available and what was used. Thus, participating parties compensate SSA for reimbursable work.

The public cost burden is dependent upon the number of companies and transactions per year. In FY 2016, 90 companies enrolled; 77 companies submitted an advance; and 73 actually performed verifications. (Not all

companies that enroll renew and submit an advance every year. Of those that renew and submit an advance, not all of them perform verifications.) We based the cost estimates below on 90 participating companies in FY 2016 (includes 13 new companies) submitting 2,800,000 transactions. The total cost for developing the system was \$5.6 million. SSA recovered the cost.

CBSV Cost Burdens

Total CBSV Cost Burden (With Web Service Building Option)

One-Time Per Company Registration Fee -	\$5,000 x 13 companies = \$65,000
Estimated Per SSN Transaction Fee -	\$1.40 x 2,800,000* SSN requests = \$3,920,000*
To Store Consent Forms -	\$300 x 90 companies = \$27,000
Cost To Contract with CPA for Audit -	\$750,000 fixed rate contract**

Total CBSV Cost Burden - \$4,762,000***

*The number of SSN requests submitted will vary greatly per company. The 2,800,000 estimate represents the total estimated number of verifications SSA anticipates receiving on an annual basis (based on the average for FY 2015-2016 transactions).

**The cost of the CPA audit reviews incorporates into the \$1.40 transaction fee paid by participating companies. SSA also uses the transaction fee to allocate for forecasted systems and operational expenses based on prior year cost analysis; agency oversight; and the systems enhancements necessary to sustain the service. The transaction fee recalculates annually.

*** SSA offers participating companies an optional web design service at a one-time cost of \$200,000 per company. SSA does not require companies to have us create an individualized web service for them. A company may choose to submit real-time individual requests via the SSA website Business Services Online, CBSV Internet application. There is no public cost burden for using the CBSV system. To date, no participating companies have opted for this service.

SSA maintains an “open enrollment” season. In addition, SSA periodically recalculates costs to provide CBSV services and adjusts the fees charged as needed. We notify companies of a transaction fee adjustment at the renewal of the CBSV User Agreement and via notice in the Federal Register; companies have the opportunity to cancel the agreement or continue service using the new transaction fee.

14. Annual Cost To Federal Government

SSA designated CBSV a fee-based service recovering the full costs (See #13 above).

15. Program Changes or Adjustments to the Information Collection Request

The reporting burden for CBSV is 217,522 hours. Although the overall number of transactions (requests for SSN verifications) increased, the time it takes to complete the Form SSA-89 decreased. This action resulted in a decrease in total burden hours.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

SSA is not requesting an exception to the requirement to display the OMB approval expiration date.

18. Exceptions to Certification Statement

SSA is not requesting an exception to the certification requirements at 5 *CFR* 1320.9 and related provisions at 5 *CFR* 1320.8(b)(3).

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.