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Stolen Lives

Some ID Theft Is Not for Profit, but to Get a Job

By JOHN LELAND

Camber Lybbert thought it was a mistake when her bank told her that her daughter's Social Security number was on its files for two credit cards and two auto loans, with an outstanding balance of more than \$25,000. Her daughter is 3 years old.

For Ms. Lybbert and her husband, Tyson, the call was the beginning of a five-month scramble trying to clear up their daughter's credit history. As it turned out, an illegal immigrant named Jose Tinoco was using their daughter's stolen Social Security number, not in pursuit of a financial crime, but to get a job.

"From what I've picked up, he wasn't using it maliciously," said Ms. Lybbert, who lives in Draper, Utah. "He was using it to have a job, to get a car, provide for his family. My husband's like, 'Don't you feel bad, you've ruined this guy's life?' But at the same time, he's ruined the innocence of her Social Security number because when she goes to apply for loans, she's going to have this history."

Though most people think of identity theft as a financial crime, one of the most common forms involves illegal immigrants using fraudulent Social Security numbers to conduct their daily lives. With tacit acceptance from some employers and poor coordination among government agencies, this practice provides the backbone of some low-wage businesses and a boon to the Social Security trust fund. In the 1990's, such mismatches accounted for around \$20 billion in Social Security taxes paid.

"It's clear that it is a different intent or purpose than trying to get someone's MasterCard and charge it up, knowing they're going to get the bill," said Richard Hamp, an assistant attorney general in Utah. "But it has some similarities. It goes on the other person's credit record. Illegals are filing for bankruptcy, using someone else's number. I had one 78-year-old with three defaults on houses she never owned."

The Federal Trade Commission, which estimates that 10 million Americans have their identities stolen each year, does not distinguish between people who steal Social Security numbers so they can work and those who are out to steal money. Illegal immigrants make up nearly one of every 20 workers in America, according to estimates by the Pew Hispanic Center, and most are working under fraudulent Social Security numbers, which can be bought in any immigrant community or in Mexico.

In Caldwell, Idaho, a woman named Maria is just such a worker.

Maria, 51, came from Mexico City illegally six years ago and bought a counterfeit green card and Social Security card through a friend for \$180. She earns \$6.50 an hour, and like most of the seven million working illegal immigrants in the United States, she pays income tax and Social Security tax. She agreed to be interviewed on the condition that her last name not be used.

"We know we'll never get it back," Maria said of the Social Security payments. "It's unfortunate, but it's a given."

Like most victims of identity theft, the Lybberts did not lose any money in the long run, but Ms. Lybbert estimates that for four or five months she spent 30 hours or more a week making telephone calls, feeling passed from one agency or voice-mail system to another: the Social Security Administration, the state attorney general, the three bureaus that issue credit ratings and police departments in two cities.

"Everyone I talked to handed me off to someone else, saying that's not our department, call this number," she said. "I was being led in a circle."

The Social Security Administration each year receives eight million to nine million earnings reports from the Internal Revenue Service filed under names that do not match the Social Security numbers. Some are from workers whose employers botched their personnel forms or from women who recently changed their names after marriage. Others are from people using a Social Security number that is not their own.

“It’s basically a subsidy from migrant workers to the aggregate of American taxpayers,” said Douglas S. Massey, a professor of sociology at Princeton who studies Mexican migration.

While no one knows how many of these mismatches are illegal immigrants, a Government Accountability Office study found that employers with the most mismatches were concentrated in industries that hire a lot of illegal immigrants, including agriculture, construction and food services.

“Right now, employers are not motivated to care if their workers give them false Social Security numbers,” said Barbara D. Bovbjerg, the office’s director of education, work force and income security issues. “The I.R.S. has made exactly zero penalties for reporting mismatches.”

The Social Security Administration is legally banned from sharing information with immigration or law enforcement agencies, or from telling the rightful owners of Social Security numbers that someone else is working under their number, said Mark Hinkle, an agency spokesman.

The rightful owner of a stolen number does not get the benefits accrued under its false use.

Ms. Bovbjerg’s office and others have called for better cooperation among the Social Security Administration, the Internal Revenue Service and the Department of Homeland Security to prosecute workers who use false Social Security numbers and the companies that hire them.

“We’ve had this ridiculous situation where, theoretically, this information could be shared and we could identify these people and repair the situation,” said Marti Dinerstein, a fellow at the Center for Immigration Studies, a nonprofit organization that supports tighter restrictions on immigration. “Falsely using a Social Security number is a felony. Our own federal agencies are working against those laws. The I.R.S. says privacy laws prevent them from sharing information. So we know who the guilty employers are. The I.R.S. knows who the guilty employees are. And nothing’s being done about it.”

In 2000, using data from the Social Security Administration, the Utah attorney general’s office found that the Social Security numbers of 132,000 people in the state were being used by other people, far more than the state could prosecute.

This use caused problems even when the person using the number led a financially responsible life, said Mr. Hamp, the assistant attorney general. “I’ve had families denied public assistance for their children or disability payments,” he said, “because records show somebody is working in their Social Security number.”

Scott Smith of Ogden, Utah, discovered that someone was using his daughter Bailey’s Social Security number when he applied for public health insurance for her. Mr. Smith, who owns four shredders, is by his own description “real paranoid” about identity theft. “We even take the shreds and put them in different garbage cans,” he said.

Like Ms. Lybbert, he has mixed feelings about what happened next.

“All that was happening was that the illegal alien who had gotten the card had gotten a job at a Sizzler steakhouse in Provo and was paying her bills and doing a good job,” he said. “My opinion was, Hey, we’ve got someone hard-working who’s come from Mexico, who just wants to get a leg up — give her Bailey’s Social Security number and issue us a new one. Let her stay in the country. But they arrested her. I actually feel bad about her being deported.”

In immigrant communities, most counterfeiters invent Social Security numbers at random, choosing only the first three digits to signal the card’s state of origin, prosecutors and investigators say.

When the numbers belong to children, the problems can start when they turn 18, said Jay Foley, a founder and director of the Identity Theft Resource Center in San Diego, a nonprofit organization that helps victims and proposes legislation. “Now the child goes for student loans or jobs, and the companies say, ‘You’ve got a problem of bad credit. We aren’t going to touch you.’ ”

Most affected, Mr. Foley said, are foster children who are suddenly independent at 18.

His organization has advocated that the Social Security Administration maintain a data file of children’s Social Security numbers and birth dates that credit bureaus can check before issuing credit. “They can check the list and say, ‘Mr. Businessman, why are you starting a credit line for a 3-year-old?’ ”

Marco, 25, a restaurant worker in New York City, bought his Social Security card for \$40 on Roosevelt Avenue in Queens. Now he helps other new arrivals find false identification and restaurant work. He says his employers usually know that his card is fake and use that to their advantage. “It’s easier for them to fire you when business is slow,” said Marco, who did not want his last name revealed.

As Marco pays income and Social Security taxes, he hopes to gain amnesty someday and get credit for his contributions to the retirement fund, which is possible but difficult under current law. But most in his situation do not think about getting the money back, said Wayne Cornelius, director of the Center for Comparative Immigration Studies at the University of California, San Diego. Most retire to their home countries, where the cost of living is lower and many own property, he said.

For Mr. Smith and his daughter in Utah, the crime was almost victimless. He spent a day photocopying documents for the credit bureaus but did not lose any money or run into threats to his daughter’s credit.

But now that her number is out there, he said, there is no way to tell how many times it has been sold, or when someone will use it next.

“So before I say I’m not upset about it, I don’t know the full story,” he said. “Other people could be racking up credit cards. The only recourse we have is to go to the credit agencies and check every several months. It’s a lot of paperwork to do to have them say, ‘Nope, no record.’ ”