

SSN Randomization

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On June 25, 2011, the U.S. Social Security Administration changed the way Social Security numbers are issued, in a process called "randomization." The administration developed this new method of generating the numbers to extend its ability to assign unique Social Security numbers in all states.

With randomization, some existing Social Security number trace algorithms will no longer be useful and some old methods of identity verification will be obsolete. With the change, the only effective tool businesses can use to help detect fraudulent numbers and mitigate fraud and identity theft (and associated losses) is the Consent Based Social Security Number Verification service from the Social Security Administration, through which enrolled companies can match the Social Security number and accompanying identifiers they're being presented to the administration's Master File.

This program, launched in 2008 in its current version, provides instant verification of a person's name, SSN, date of birth, gender and whether the person who corresponds with the number is deceased. Testing a Social Security number requires written consent of the holder of the Social Security number. Credit unions can access the service in one of two ways: by enrolling directly, paying the \$5,000 one-time fee plus \$5 per verification request, or use the services of a company already enrolled in the program, such as Computer Information Development.

CBSV verifies more personal identifiers directly to the official governmental source than any other verification. And, the program can handle large volumes of verifications for any legitimate business reason—from credit decisions to hiring processes to tenant screening. So while options for verifying Social Security number holders have been limited by the new issuance procedures, there is still a good information source CUs can use.

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