Congress of the United States House of Representatives

Washington, DC 20515

July 22, 2004

Commissioner Jo Anne Barnhart Social Security Administration 6401 Security Blvd., Baltimore. MD 21235-0001

Dear Commissioner Barnhart:

We recognize the goal of the totalization agreement you recently signed with Dr. Santiago Levy Algazi, Director General of the Mexican Security Institute, which would eliminate the dual social security taxation of U.S. citizens working in Mexico and those Mexican citizens working legally in the U.S. However, we have serious concerns that the totalization agreement, if not carefully structured, could possibly undermine our Social Security system and place in jeopardy the retirement benefits of all our citizens.

We understand that you estimate that 50,000 of these workers will be able to gain from the totalization agreement's benefits in the first five years. But we want to remind you that the Government Accountability Office has warned that the estimated costs of this agreement do not directly consider the millions of workers who are believed to be illegally in the United States. As a result, if the Social Security Administration underestimated the number of beneficiaries by more than 25 percent, the additional beneficiaries could become a significant burden on a system that is already facing future problems.

As you know, federal law strictly prohibits paying Social Security benefits to anyone who is not lawfully present in the United States. Congress reaffirmed this restriction with the Social Security Protection Act of 2004, which bars benefit payments unless a worker was eligible to work in the United States at some point in their career. Finally, because these workers cannot receive a valid Social Security number, your agency has no record of whether they paid into the system. Such a lack of official records virtually guarantees a high level of fraud and abuse for any program that might consider granting Social Security benefits to illegal immigrants.

For these reasons, we urge you to specifically limit this totalization agreement to those who hold a valid Social Security number and for whom your agency has verifiable records of benefits accrued. Thank you for your attention to this matter.

Sincerely,

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