Consumers for Paper Options: Information Access for All

The rush to eliminate the option for paper information is leaving many Americans with no options at all.

Federal and state governments are increasingly digitizing services in order to cut costs. At the same time, businesses are charging customers steep fees for paper statements and services. The reality is that these “paperless policies” are deepening the digital divide and disenfranchising millions of Americans.

Consumers for Paper Options is committed to preserving the right of every American to continue receiving paper-based communications. The option to receive paper information is critically important for millions of Americans – especially for seniors, the 30 percent of citizens without online access and those with cybersecurity concerns. Yet these Americans are being left behind as the government goes “paperless” in order to cut costs.

Our coalition of paper-based communication interests is joining forces with a number of organizations representing consumers, seniors and postal labor. Our shared goal is to protect the right to paper options for critical information and services.

It’s crucial to preserve paper-based options. Our message to policymakers is that we can go digital without discriminating against Americans who may not, or cannot, use technology. We can, and should, embrace technology, bridge the digital divide and achieve significant efficiency gains – without shifting costs to consumers who can least afford them.

The following information will provide you with an overview of several important aspects of this issue.

For more information, visit www.paperoptions.org.
Federal Information Access for Americans Facing the Digital Divide

Paper-based communications are critically important for millions of Americans—especially for seniors and the 30 percent of citizens without online access. Yet the Federal government is forcing Americans to go “paperless” in order to cut costs. It is crucial to preserve paper-based options for Americans without online access, as well as those concerned about online security and ID theft.

We can go digital without discriminating against Americans who need paper options.

Federal “Digital Only” Policy Ignores Millions of Americans

The government’s rush to “digital only” information threatens to disenfranchise millions of Americans—from low-income individuals to senior citizens and others who don’t have internet access or simply prefer personal transactions to divulging information online.

Just look at the facts from a 2011 Department of Commerce study:

- As many as 30 percent of Americans aren’t online, and 45 percent of seniors do not own a computer.
- Just four out of 10 low-income households have wired internet access at home.
- Only slightly more than half of all African American and Hispanic households have wired Internet at home—compared with 72 percent of whites.

Short-Sighted Federal Decisions to “Go Paperless”

- **Social Security Checks**
  The federal government is phasing out paper federal benefits checks. Effective March 2013, all recipients will either be switched to direct deposit or provided with the electronic debit option known as Direct Express. Many seniors are uncomfortable with the direct deposit process, have concerns about privacy and growing cybersecurity threats, or simply do not have a bank account. Plus, Direct Express cards carry ATM fees—levying a new tax on those who can least afford it.

- **Social Security Earnings Statements**
  The Social Security Administration has ended the mailing of annual earnings statements for all workers ages 25-60. These statements, which began in 1999, allowed Americans to make informed retirement decisions and check the accuracy of the government’s estimates. The new online estimator will only be seen by a small percentage of wage-earners. Millions of others will miss out on what the GAO considers an “important financial literacy tool.”

- **Savings Bonds**
  Families have been giving children paper savings bonds since 1935, but that tradition ended in 2011. Now they have to go online, create an account and transfer money. Treasury officials have lost millions, if not billions, of dollars in sales to individuals who are not comfortable enough with computers. Once a physical symbol of hard work and patriotism, savings bonds have become yet another virtual casualty of the digital age.

- **Tax Forms**
  The IRS no longer mails tax forms—overlooking the 30 million Americans who file their returns by mail. While the new policy makes sense for taxpayers already e-filing, citizens who don’t have access to computers, or the skills to use them, face a challenge. Others are concerned about security. With the GAO indicating identity theft due to electronic tax filing has risen 480 percent since 2008, who can blame them?

Time to Get Government Policy Right

Let’s get government policy right. Policies need to reflect the digital divide as well as rapidly growing cybersecurity threats that make many Americans think twice about online transactions. In fact, more than 70 percent of Americans want the option to continue receiving paper-based government documents, according to a recent poll by Wilson Research.

Allowing citizens to continue receiving paper, unless they specifically choose electronic-only, is a positive and empowering way to bridge the digital divide and save millions of federal dollars—without shifting cost burdens to citizens who can least afford them.
U.S. House of Representatives
Committee on Ways and Means
Subcommittee on Social Security

Hearing Regarding Direct Deposit of Social Security Benefits

September 2012

Statement for the Record
John Runyan
Executive Director
Consumers for Paper Options
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Phone: 202-543-0032
Millions of Beneficiaries Depend on Paper Social Security Checks.
The Social Security Administration’s plan to halt the issuance of paper benefits checks will penalize millions of beneficiaries and put vulnerable senior citizens at risk. If this policy stands, seniors who prefer to personally deposit or cash their checks will soon be forced to switch to electronic banking. As a result, they face difficult – and potentially costly – choices.

Many Senior Citizens are Extremely Adverse to Electronic Banking.
More than 6 million beneficiaries still receive paper Social Security checks. Many of these citizens do not have bank accounts or are simply unable to handle electronic transactions. For example, a large portion of seniors who came of age during the Great Depression have always been uncomfortable with financial institutions and banking, and prefer to cash physical checks instead of depositing their money.

The Social Security Administration’s direct deposit policy takes for granted that Americans have bank accounts, while for many citizens, that is simply not the case. It is worth noting that nationwide among all households, nearly 30 percent do not have a savings account, while 10 percent do not have a checking account. Across the U.S., 8.2 percent – or one in 12 households – are completely unbanked, while 20.1 percent – one in five households – are under-banked. This stark trend is even more prevalent among elderly populations who are traditionally skeptical of financial institutions.\(^1\) In a recent survey conducted by the Winston Group, just 10 percent of seniors age 65 and older said they preferred receiving financial information electronically.\(^2\) It is unfair to force these populations to tackle a whole new system that is foreign and disconcerting at this point in their lives.

The Majority of Elderly Beneficiaries Have No Way to Confirm Direct Deposits Online.
The new Social Security policy is also based on the supposition that seniors can check their bank accounts online to confirm that the directly deposited funds have been received. Not only are many beneficiaries starkly opposed to traditional banking, but millions of those who have bank accounts have no Internet access – and no way to confirm online that Social Security benefits were deposited in their accounts.

The majority of senior citizens do not have access to the Internet. Further, the Department of Commerce reports that 45 percent of seniors do not even own a computer.\(^3\) Finally, many beneficiaries with Internet access are still not technologically savvy enough to bank online.

\(^1\) National Survey of Unbanked and Underbanked Households, Federal Deposit Insurance Corporation, 2011.
\(^3\) Exploring the Digital Nation: Computer and Internet Use at Home, Economic and Statistics Administration, National Telecommunications and Information Administration, Department of Commerce, 2011.
Waivers are Inefficient and too Difficult to Obtain.

While exemptions exist for beneficiaries age 92 and older, and for some other limited exceptions, waivers are not being granted for all people who need to continue receiving paper checks. As the National Consumer Law Center testified, more than 72,000 people called the Treasury about obtaining a waiver during the period of May 2011 to July 2012, but only 14,000 waivers were sent out. Of those, just 281 were sent back. That means a mere 20 percent of beneficiaries who wanted a waiver were actually given the chance to apply, and 2 percent of those who received a waiver application were able to complete it. Any senior should have the right to access benefits in the format most convenient to them, and this discrepancy highlights the continuing demand for paper checks.

Furthermore, the waiver process is so difficult that it could result in a temporary loss of benefits. For instance, those in rural areas will undoubtedly find it difficult to have the waiver notarized, when, ironically, rural beneficiaries often need paper checks the most.

We believe the standard should be reversed to allow seniors to opt-in for the direct deposit or debit card option, rather than the current policy.

Security Concerns Abound.

While cyber-security is a top concern for many American citizens, both young and old, it is a fact that senior citizens are often prime targets for cybercrime. For instance, Florida – a state with the highest percentage of elderly citizens – has the highest rate of identity theft in the nation. By forcing all beneficiaries into electronic transactions, the Social Security Administration’s “paperless” policy will undoubtedly expose more of our nation’s elderly population to devastating fraud. In testimony submitted to this Subcommittee, the Inspector General of the Social Security Administration listed several examples of how seniors are particularly susceptible to fraud of this kind, including repeated scams whereby beneficiaries were asked to provide personal information – some believing they are claiming a cash prize. This disclosure of personal information results in unauthorized direct deposit changes, as benefits are syphoned into fraudulent accounts. Senior citizens should be able to access their benefits in a manner with which they are most comfortable and not be forced into a process that exposes them to identity theft.

Since the Social Security Administration’s direct deposit/debit card policy already applies to new beneficiaries and those who have chosen the option, we are currently able to assess the security of these direct deposits, and the results are dismal. The reality is that by shifting all beneficiaries to a direct deposit, or debit card, system, the Social Security Administration has put our most vulnerable citizens at risk. The Social Security Administration’s Inspector General reports that the new policy has led to a stark increase in fraud perpetrated primarily on elderly beneficiaries. In most cases, criminals obtained sensitive personal information and were able to redirect the

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5 Testimony of the Honorable Patrick P. O’Carroll, Jr. Inspector General, Social Security Administration, before Committee on Ways and Means Subcommittee on Social Security, Sept. 12, 2012.
victims’ direct-deposited benefits to a fraudulent account. According to the Inspector General, a staggering 19,000 reports of this type of fraud have been filed since the beginning of August, and the office continues to receive an average of 50 reports each day. There is no clearer indication that the Social Security Administration should not force beneficiaries to switch to electronic benefits.

Moreover, beneficiaries who choose to receive debit cards face even more risk. Unlike paper checks, debit cards can be seized and used without sufficient identity verification. Thieves have already exploited this reality across the country by taking advantage of Americans who receive tax returns in the form of similar debit cards. Seniors may not be as careful with their PIN numbers and are especially vulnerable to ATM card theft. Further, postal workers have even been targeted – and one was even murdered – by thieves seeking a mail truck full of debit cards and master keys to mailboxes at assisted living centers and apartment complexes.6

The simple truth is that this system is not secure. This paperless policy may save funds in the short-term, but it will expose seniors to greater risks and empower thieves to rob vulnerable beneficiaries of their livelihood, while forcing taxpayers to make up the difference.

**Fraud Could Undermine Cost Savings.**

Fraud and security concerns have the potential to significantly impact any cost savings realized by the direct deposit mandate. Just look at the Internal Revenue Service to see how easy it is for federal funds to slip into the wrong hands. The IRS direct deposit and debit card policy has resulted in billions of dollars in tax refund fraud. In July, the Treasury Inspector General for Tax Administration reported that the IRS failed to identify 1.5 million fraudulent returns, sending out $5.2 billion in refunds to thieves. In giving this “conservative estimate,” the Inspector General noted that the report does not include instances where the IRS itself had determined that the return was fraudulent after sending the refund. Moreover, the report noted that the problem is wide-ranging. With no end in sight, the Inspector General said this identity theft could cost taxpayers $21 billion over the next five years, swamping any supposed gains from the government’s paperless initiatives.7

IRS security issues represent a prime example of why the Social Security Administration is not ready for the direct deposit mandate, and how fraudulent transactions – which, for the IRS measured $5.2 billion in just one year – could easily overshadow the $1 billion that the Administration plans to save over the next 10 years.

**Debit Cards Are Not a Replacement for Paper Checks.**

The Social Security Administration’s offer of a “Direct Express” debit card is not a compromise to seniors who are already skeptical of electronic transactions. The lives of many senior citizens, already struggling to adapt to the new digital world, will be further complicated by PIN numbers.

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and the potential complications of lost or stolen debit cards. And not everywhere seniors shop, whether at farmers markets, flea markets or yard sales, accept electronic debit card payments. This limits many options for seniors.

In addition, debit cards carry ATM fees – levying a new tax on those who can least can afford it. In this way, the Social Security Administration’s paperless policy has direct financial costs for seniors. Moreover, banks in rural areas do not always have an ATM machine, forcing seniors to travel longer distances than otherwise necessary. Fees for ATM services, paper statements and funds transfers are all new charges that will accumulate for seniors who are least able to afford the extra costs. Social Security Administration officials have repeatedly described the Direct Express card as a “low fee” card. Nothing could be further from the truth. Below is a review of the fees associated with the new Direct Express card:

<table>
<thead>
<tr>
<th>Optional Services</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM cash withdrawals after free transactions are used in U.S. including</td>
<td>$0.90 each withdrawal (after free</td>
</tr>
<tr>
<td>the District of Columbia, Guam, Puerto Rico, and U.S. Virgin Islands. Surcharge</td>
<td>transactions are used)</td>
</tr>
<tr>
<td>by ATM owner may apply.</td>
<td></td>
</tr>
<tr>
<td>Monthly paper statement mailed to you (if requested)</td>
<td>$0.75 each month</td>
</tr>
<tr>
<td>Funds transfer to a personal U.S. bank account</td>
<td>$1.50 each time</td>
</tr>
<tr>
<td>Card replacement after one free each year</td>
<td>$4.00 after one (1) free each year</td>
</tr>
<tr>
<td>Overnight delivery of replacement card (if requested)</td>
<td>$13.50 each time</td>
</tr>
<tr>
<td>*NOTE: Standard shipping is free</td>
<td></td>
</tr>
<tr>
<td>ATM cash withdrawal outside of U.S.</td>
<td>$3.00 plus 3% of amount withdrawn</td>
</tr>
<tr>
<td>Surcharge by ATM owner may apply.</td>
<td></td>
</tr>
<tr>
<td>Purchase at Merchant Locations outside of U.S.</td>
<td>3% of purchase amount</td>
</tr>
</tbody>
</table>

**Conclusion: Social Security Administration Needs to Offer all Seniors the Option to Receive Paper Checks.**

In an apparent “rush to digitize,” the Social Security Administration has developed an ill-conceived policy that poses real hardships for vulnerable Americans. This mandate takes for granted that Americans have bank accounts, while across the U.S., 8.2 percent – or one in 12 households – are completely unbanked, and the percentage is even higher among elderly Americans. Meanwhile, seniors who already have their benefits direct deposited have experienced more than 19,000 instances of fraud in the last two months alone. Beneficiaries are not ready for this mandate, and neither is the Social Security Administration.
The policy should be revised to make paper checks the default, while giving all beneficiaries the option to use direct deposit or Direct Express debit cards. Giving beneficiaries the option to continue receiving paper Social Security checks will make their lives easier and protect them from growing cyber-security risks and a variety of discriminatory fees. By reversing the policy to make paper checks the norm, the Social Security Administration can buy the time it needs to resolve critical cybersecurity issues and prevent the identity theft that has troubled the IRS since it enacted a similar policy.

It is also very important for federal regulators not to dismiss the value of paper-based records for important financial and personal information. Paper records form an important audit trail that can be critical at key times in a person’s life, and after their death. Government efforts to push citizens who are not comfortable with computers into electronic recordkeeping and transactions may result in significant disruptions as loved ones struggle to trace information about accounts, locate passwords, etc.

Further, the idea that consumers should be able to choose how they receive important financial information is widely supported by the electorate. The Winston Group survey found that 72 percent of registered voters of all ages agree that the government should continue to provide important paper-based documents and records, such as Social Security checks, even when the elimination of paper-based documents is presented as a cost-saving measure.8

As the Treasury has noted, the number of beneficiaries who need paper benefits checks will decrease each year as more technologically savvy baby boomers reach retirement age, but elderly 91-year-olds should not be forced to make difficult and hazardous changes to their benefits. The policy must be amended.

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8 Winston Group Survey, N=1000 Registered Voters, September 2011.
Consumers for Paper Options to Congress: Mandate for Direct Deposit of Social Security Benefits is Discriminatory & Poses Significant Risks for Seniors

Coalition Files Statement with Ways & Means Committee; Highlights Hardship & Cybersecurity Risks Associated with New Policy

WASHINGTON, D.C. – Consumers for Paper Options, a coalition of individuals and organizations advocating for paper-based communications, filed a statement today with the U.S. House of Representatives to highlight critical problems with the Social Security Administration’s mandate that benefits be received electronically. This mandate, if left in place, will take full effect in March 2013.

The statement, filed with the House Committee on Ways and Means Subcommittee on Social Security, which is examining the issue, cites several issues with the new policy, including the fact that millions of seniors are unbanked, as well as the growing threat of identity theft and discriminatory fees associated with the Direct Express debit card alternative. In conclusion, Consumers for Paper Options encourages policymakers to make paper checks the default while maintaining the option to receive benefits electronically.

“In an apparent rush to digitize, the Social Security Administration has developed an ill-conceived policy that poses real hardships for vulnerable Americans,” John Runyan, executive director of Consumers for Paper Options, wrote in the statement. “This mandate takes for granted that Americans have bank accounts, while we know that across the U.S., 8.2 percent – or one in 12 households – are completely unbanked, and that percentage is even higher among elderly Americans. Meanwhile, seniors who already have their benefits direct deposited have experienced more than 19,000 instances of fraud in the last two months alone. Beneficiaries are not ready for this mandate, and neither is the Social Security Administration.”

Runyan continued, “The policy should be revised to make paper checks the default, while giving all beneficiaries the option to use direct deposit or Direct Express debit cards. Giving beneficiaries the option to continue receiving paper Social Security checks will make their lives easier and protect them from fraud and identity theft as well as a variety of discriminatory fees.”

To access the full statement, visit: http://www.paperoptions.org/links/CPO_Social_Security%20Statement.pdf.

About Consumers for Paper Options

Consumers for Paper Options is a new coalition of individuals and organizations who believe paper-based communications are critically important for millions of Americans, especially seniors and the 30 percent of Americans without Internet access. While regulated entities and governments at every level need to streamline services, cut costs and improve efficiencies, preserving paper-based options for information and essential services for those who need or want them should remain a crucial priority. The goal of Consumers for Paper Options is to preserve access to information in a way that neither hinders the natural evolution of technology nor discriminates against those who may not, or cannot, use it. For more information, visit www.paperoptions.org.
Consumers for Paper Options Secures Important Victory as California Halts Bill Allowing Electronic Insurance Notifications without Consumer Protections

*Legislation Represented Short-Sighted Effort to Cut Costs by Depriving Citizens of Paper Information*

WASHINGTON, D.C. – Consumers for Paper Options, a coalition of individuals and organizations advocating for paper-based communications, today announced a major victory after California Senate Bill 1212 was pulled from further consideration this year. SB 1212 would have allowed for electronic-only dissemination of important insurance-related information without protecting citizens, who wish to continue receiving paper-based information, from additional fees.

“Policymakers and businesses alike must resist the urge to go paperless when the vast majority of Americans still rely on paper-based information and services,” said John Runyan, executive director of Consumers for Paper Options. “This California bill is a prime example of the short-sighted policies that save corporate dollars, but disenfranchise millions of consumers who prefer paper-based information, don’t have Internet access or are unable to use a computer. As California legislators recognized, it’s time to think before making decisions that will penalize millions of citizens who want and need paper-based information.”

Consumers for Paper Options joined the California Department of Insurance in opposing California SB 1212, and helped promote the adoption of language to prevent consumers from being charged if they chose to remain with paper distribution of policy-related material. In response, sponsors of the bill decided not to accept the changes, and as a result, the bill was pulled from further consideration in 2012.

Consumers for Paper Options invites interested individuals and organizations to contact members of the California State Legislature and request that SB 1212 not be reconsidered during the next legislative session.

**About Consumers for Paper Options**

Consumers for Paper Options is a new coalition of individuals and organizations who believe paper-based communications are critically important for millions of Americans, especially seniors and the 30 percent of Americans without Internet access. While regulated entities and governments at every level need to streamline services, cut costs and improve efficiencies, preserving paper-based options for information and essential services for those who need or want them should remain a crucial priority. The goal of Consumers for Paper Options is to preserve access to information in a way that neither hinders the natural evolution of technology nor discriminates against those who may not, or cannot, use it. For more information, visit [www.paperoptions.org](http://www.paperoptions.org).

Contact: Beth Dozier, 202.429.1833, bethdozier@rational360.com
Consumers Overwhelmingly Support Paper Options, New Poll Shows

Consumers for Paper Options Calls on Congress to Review Agency Actions

WASHINGTON - Resisting the government’s aggressive effort to push electronic-only distribution of information and services, a new poll shows a majority of American consumers strongly support the option of receiving critical government communications on paper. In a recent poll, 72% of consumers surveyed said they would like for the government to continue to provide paper copies of essential documents like Social Security checks, SS annual earnings statements and IRS tax forms. The government has either eliminated – or will soon eliminate – the paper version of each of these important documents.

The poll also revealed that even when the elimination of paper-based documents is presented as a cost-saving measure, 72% of respondents of all political affiliations believe that the government should continue to provide important paper-based documents and records. Consumers for Paper Options (CPO) called on Congress to conduct basic oversight hearings into recent Administration decisions in this area.

“A strong majority of consumers want their important documents and records on paper,” said the CPO’s Executive Director John Runyan. “Even a majority of active internet users want the ability to choose how they receive their information. With almost 30 percent of households without internet access, the government cannot simply eliminate paper-based information and expect citizens to just deal with it. Heedlessly pursuing this policy will unnecessarily complicate the lives of many citizens. It will also expose them to greater risks of cyber fraud and ID theft.”

Consumers are also critical of private sector practices in this area. Eighty-three percent of respondents agreed that private sector financial institutions should not charge for paper-based financial statements. “Financial institutions which are not attuned to public sentiment in the area risk customer backlash,” Runyan said.

The Government Accountability Office (GAO) recently criticized the Social Security Administration’s decision to eliminate the Statement of Annual Earnings, describing the statement as a “key financial literacy tool.” “A citizen’s ability to opt out of paper and into electronic delivery is the only way to ensure consumers can get the information they need in a format that works for them,” Runyan said.

Consumers are just beginning to realize that the government is making major shifts in the delivery of important information. This shift won’t be fully appreciated until the Social Security Administration phases out paper checks next year. Citizens are clearly concerned about these developments and the poll reveals the strength of that opposition.

Consumers for Paper Options urges Congress to review the Administration’s recent actions to eliminate important paper-based documents and records and to conduct oversight into these decisions. “When millions of Americans stop receiving paper Social Security checks next year and receive a debit card in its place, I suspect Congress will hear about it,” said Runyan. “Congress should insist on giving consumers a choice in how they receive critically important information,” he added.

*Sept 12-13, 2011 N=1000 Registered Voters, Sponsored by Consumers for Paper Options (www.paperoptions.org)
Runyan: Social Security Paperless Payments Will Disadvantage Millions

By John Runyan

Dec. 27, 2012

Congress needs to act now to stop the Social Security Administration from driving millions of disabled and elderly Americans over a whole new fiscal cliff that would make it difficult for many to access their benefits while exposing them to rising cyber-fraud.

Lawmakers must step in to divert the U.S. Treasury from implementing a unilateral mandate forcing every Social Security recipient to receive federal benefits electronically by March 1, 2013. While this directive may seem harmless, the reality is that it creates potential risks for millions of disabled and elderly Americans who simply aren’t ready, or equipped, for electronic banking.

About 6 million seniors and disabled Americans still receive paper Social Security checks, despite having been directed to switch to electronic payments. Many of these recipients are “unbanked,” with no bank account whatsoever, while others are simply uncomfortable in the digital world. They need to receive benefits checks on paper — just as they’ve received them for years — so they can pay rent, buy food and shop for essentials.

If Congress does not swiftly introduce legislation to block the Treasury’s ill-conceived mandate, then 6 million of our most vulnerable citizens will be forced into a system that many are not equipped to handle — a system that exposes them to rising fraud while transferring the costs directly to them.

There are many reasons why seniors are resisting electronic banking and should not be forced to forego traditional checks. According to the FDIC, 10 million American households — one in 12 — are completely unbanked, rendering them unable to participate in any direct deposit program. And believe it or not, the percentage of unbanked individuals is on the rise — especially among seniors.

The Treasury says it will issue prepaid debit cards for beneficiaries without bank accounts, but for seniors and disabled Americans who have no experience with electronic transactions, debit cards are no compromise. According to the Department of Commerce, 45 percent of seniors don’t own a computer, while millions of others have never used an ATM card. Unless Congress steps in, these seniors — many of whom have limited banking experience or none at all — will be forced to navigate a new and potentially confusing world full of PINs, ATMs and online statements.

Also concerning is the fact that the prepaid debit cards being advanced by the Treasury carry steep fees and are loosely regulated. These debit cards essentially levy a new tax on those who can least afford it by charging 90 cents for each cash withdrawal, as well as other steep transactional fees.
While the Treasury Department grants waivers for beneficiaries age 91 and older, officials acknowledge that waivers for other beneficiaries are rare. It is not rare, however, to find a senior who is uncomfortable with the switch. In fact, more than 72,000 people called the Treasury about obtaining a waiver between May 2011 and July 2012. Fewer than 300 of those waiver requests were actually granted.

And while direct deposit works well for many Americans, a growing number of seniors who receive their Social Security benefits electronically are victimized by fraud. According to the inspector general of the Social Security Administration, more than 19,000 reports of direct-deposit-related fraud have been filed since the beginning of August, and the office continues to receive an average of 50 reports each day.

By pushing uneasy seniors into digital banking, we could be paving the way for more fraud — and wasted taxpayer dollars. More importantly, the switch could mean a lapse in benefits — a devastating consequence for those living paycheck to paycheck.

Congress should act now with legislation directing the U.S. Treasury to continue providing paper checks to beneficiaries who need them. We need to equip seniors and disabled Americans with a choice that works for them instead of forcing them into a system that’s convenient for the government.

*John Runyan is executive director of Consumers for Paper Options in Washington, D.C.*
CON ARTISTS STEAL DIRECT DEPOSIT SOCIAL SECURITY PAYMENTS

December 20, 2012

The Social Security Administration (SSA) has opened “multiple investigations across the country” into theft of beneficiary payments involving direct deposit bank accounts, SSA Inspector General Patrick P. O’Carroll Jr. told the House Ways and Means Committee. The Recovery Board recently provided data analysis to SSA Inspector General (IG) investigators, who as of December 17 have received more than 28,000 reports of questionable changes to beneficiaries’ direct deposit accounts.

“These reports have involved either an unauthorized change to direct deposit information, or a suspected attempt to make such a change,” O’Carroll testified. In November 2012, his office was receiving about 59 reports a day.

The scam works like this: Criminals obtain personal identity information of mostly older SSA beneficiaries usually through some type of deception, such as government-employee impersonation, telemarketing ruses or bogus announcements of sweepstakes winnings. The scammers then use the beneficiary’s personal information to change their direct deposit record either by contacting SSA directly or more frequently through financial institutions, to include pre-paid debit card entities.

In one case, an 86-year-old man received a letter saying he had won $3.5 million and that he should call the included phone number to provide necessary information for receiving the money. Soon after calling, “the man did not receive his scheduled Social Security payment, so he contacted SSA, only to learn that his benefits were diverted to a different account,” O’Carroll said. “He was issued a replacement payment, but the man reported that the ordeal caused two months of hardship, as he was forced to obtain a bank loan to pay his rent and for other living expenses.”

SSA has since revised guidelines for handling requested changes to a beneficiary’s bank information, but most requests come by phone. As O’Carroll pointed out, “Accurately verifying an individual’s identity over the phone presents more challenges to SSA staff than a face-to-face verification in a field office; thus, the risk of fraudulent record changes increases when staff processes requests over the phone.”

SSA IG officials have made recommendations for reducing such risk, including delaying direct deposit changes for a certain period of time and generating automatic emails to inform beneficiaries that changes have been made.

O’Carroll also urged beneficiaries to be wary or suspicious of offers or “winnings.” And beneficiaries should notify their local SSA office as soon as they notice their monthly payment is late.
Some Seniors Resist Electronic Social Security Payments

BY ABBY ELLIN

Nov. 9, 2012

Glenn Smallwood does not have a cellphone, computer or credit card. Nor does he have a bank account. And that’s exactly the way he likes it.

“I guess you could say I’m an old fuddy duddy,” Smallwood, 63, a semi-retired insurance salesman in Clearwater, Fla., told ABC News. “I’m set in my ways. I don’t want my money in a bank. I keep my money in my pocket.”

So when Smallwood received a notice from the U.S. Treasury Department informing him that as of March 2013, his Social Security checks would be directly deposited into his bank account—or he could enroll in the government’s Direct Express Debit MasterCard program—he was decidedly unhappy.

“I don’t think the federal government has the right to tell me that I have to have a checking account or a debit card,” Smallwood said, adding that he cashes checks at Wal-Mart, pays his rent by money order and has no plans—or desire—to stop.

Smallwood lives in one of the nation’s 10 million households that are unbanked, according to figures from the Federal Deposit Insurance Corporation (FDIC).

While waivers are automatically granted for anyone who was 90 years old or older on May 1, 2011—as well as people living in remote locations or those who are mentally incapable of handling their own affairs—Dick Gregg, the fiscal assistant secretary of the Treasury, acknowledged that these waivers are rare. “Most individuals that receive checks will drive to a local bank to cash them and individuals with mental impairments will designate a representative payee that will sign up for electronic payment,” he said.

He added that the initiative to have all benefits payments made electronically will save an additional $1 billion in taxpayer money over 10 years. It is also safer, faster and more reliable than receiving paper checks, which can be lost, stolen or delayed.

But John Runyan, executive director of Consumers for Paper Options, an advocacy group funded by “paper-based communications interests” — which includes the Envelope Manufacturers Association, the American Forest & Paper Association and paper companies — believes the mandate is unfair to seniors like Smallwood who don’t want to change. "Our goal is to get the federal government to recognize fully that there is certain type
of information that should continue to be provided on paper if the consumer wants them, and that should be the consumer choice,” he told ABC News.

Nancy Taylor, 77, a former printer in Ypsilanti, Mich., agrees. A few months ago Taylor’s daughter suggested her mother switch to direct deposit to avoid the “last-minute rush” in February. Taylor did so begrudgingly.

“I didn’t want to change,” Taylor told ABC News. “I’m still uneasy with it. It may be that I’m a crotchety old woman, but it’s a change to my routine that I don’t like. It’s my money and it’s an infringement on my rights by the government, saying I have to change.”

Taylor also worries about fraud. The Treasury Department’s Gregg said that the proportion of fraud in the Direct Express card payments is significantly lower than paper checks. But in a September 20 testimony before Congress, the Inspector General of the Social Security Administration said that it had received more than 19,000 reports about questionable or unauthorized changes to recipients’ direct-deposit information.

“I don’t trust computers, I don’t trust the Internet,” said Taylor. “I had a computer given to me several years ago, and it was so frustrating I gave it away.”

AARP has not directly endorsed the new mandate. But Cristina Martin-Firvida, AARP’s director of financial security, told ABC News that “Retirees and other Social Security beneficiaries need to know that they can trust their earned benefit will be safely delivered without risking loss of benefits or high fees.” But Smallwood is unconvinced. He is even willing to have the Treasury Department subtract a dollar from his benefit check to cover the fee it costs to mail him his check.

“They’re telling me I have to get a bank or card in order to keep my benefit,” he said. “For 40 years it’s been my choice not to have any of that. And I don’t intend to do so any time in the near future.”
Retirees tell more stories of stolen Social Security payments

BY PATTY RYAN
Sept. 28, 2012

TAMPA — Former banker Tom Ennis, 78, burns his paperwork in a charcoal grill. No help. Richard Smoker, 84, has Parkinson's disease and Neva Windham, 80, has lung cancer. No mercy.

Thieves got hold of the retirees' personal information and rerouted their Social Security deposits. The same thing happened to Ken Smith of Homosassa, Lorene Cranford of Plant City and Robert Burns of Sun City Center.

The senior citizens recognized their own troubles in a recent Tampa Bay Times story about how criminals are outsmarting the Social Security Administration, diverting electronic benefits onto prepaid debit cards.

Victims can't believe such a thing could happen.

"You'd think the government would have more brains than the idiots running around stealing our money," said Cranford's younger brother, 86-year-old Charles L. Willis.

Social Security is working on the problem.

By the end of October, the agency expects to add a new security feature, spokeswoman Patti Patterson said Friday.

Already, retirees can ask Social Security to turn off electronic access to their accounts. That keeps imposters from using the agency's website or automated phone system to attempt fraud.

But it doesn't block crooks from using online banks that offer automated enrollment for direct deposit or debit cards.

The new safety feature will allow blocking of that, too.

Patrick P. O'Carroll Jr., the inspector general for Social Security, called pre-paid debit cards "particularly tempting tools for benefit thieves," when he addressed a House subcommittee earlier this month.

Fifty times a day, he said, his office gets reports of unauthorized changes or attempted changes to a direct deposit routing number. Some may reflect input errors; others, fraud.

The office has received 19,000 reports since last October.

For context, about 711 million electronic payments were issued in that period, spokeswoman Patterson said.

Context is no consolation if you're one of the victims.
Cranford, a 90-year-old retired seamstress, didn't check her account regularly, her brother said. By the time the bank called, she had missed three months of deposits.

Since spring, Ennis and his wife, Cynthia, 74, who live in an Orlando suburb, have lost five deposits to thieves, they say.

"The more I think about it, the more frustrated I get," said Ennis, the man who replaced his paper shredder with a barbecue grill.

He gets home from the Social Security office exhausted. It's worse than yard work, he said.

"We're retired," Cynthia Ennis said. "We don't want to spend what time we have left running to the Social Security office to beg for our money each month."

She figures they're fortunate that they don't actually have to beg, but missed payments are a crisis in many households, where people budget month to month.

"We need this desperately," said Marian Smoker, 83, of Sun City Center, whose husband's deposit was diverted.

"We just have to have his check or we lose the house, we lose everything we own," she said.

Social Security sent them a paper replacement check, to speed up the process.

Her husband is a retired accountant, but with the Parkinson's, he doesn't get around so well, so she handles their finances. She can't think of anything either of them did to expose their private information to identity thieves.

That was the case, consistently, with those who reported their loss to the Times. People could remember giving ID numbers to doctors' offices. But they scoffed at government suggestions that they had fallen for scams such as the Jamaican lottery, in which people submit personal information to collect imaginary prizes.

"I have no idea how they got my information," said Smith, 78, the man from Homosassa.

He and his wife, former Citrus County school bus drivers, supplement their Social Security with a home embroidery business, putting logos on clothing. The theft happened in October.

"I was out in the shop working," he said, "and she came out and said, "Your check wasn't deposited last week."

The trail led to a bank in South Carolina and another out west.

Were the theft not insult enough, Social Security's bureaucracy accidentally steps on toes, bruising victims further.

Long after deposits were replaced, they receive letters stating that they have been overpaid. They know better.
Spokeswoman Patterson said that's an automatic feature of the agency's computer system, which senses when multiple deposits have been made. "While the Inspector General has an ongoing fraud investigation," she said, "we will not take action on the duplicate payment."

A few pointed out that the government didn't give them enough written warning before putting bank changes into effect.

Victim Burns said that when he got Social Security's letter, his deposit was already missing.

"The banks have already charged me $90 in overdraft fees," he said Thursday.
Safeguarding Social Security Checks as They Go Electronic

BY ANN CARNS
Sept. 24, 2012

Consumer groups — along with paper-producing interests — are urging the federal government to improve safeguards for Social Security recipients, as the government phases out paper checks for beneficiaries in favor of electronic deposits.

Beginning in March, all Social Security checks will be deposited electronically unless recipients apply for and receive a waiver to keep getting payments via paper checks.

Recipients must receive the payments by direct deposit to a bank account, or to a debit card, including the government’s DirectExpress card. The debit cards allow beneficiaries to make retail purchases with the card or withdraw the funds from automatic teller machines. If current recipients don’t choose a deposit option by March 1, they’ll automatically be sent a DirectExpress card to avoid any delay in receipt of benefits, the Social Security Administration says.

The move is part of an continuing effort by the federal government to reduce paper and cut costs by going electronic for all sorts of things, including savings bonds, unemployment benefits and Social Security benefit statements. Already, 94 percent of beneficiaries receive payments electronically, according to the Office of Inspector General for the Social Security Administration.

But in testimony before a congressional committee this month, consumer advocates urged the government to make sure that safeguards are in place to prevent fraud, like re-directing recipients’ electronic payments, and that the waiver process for recipients who do not want electronic deposits is clear and straightforward.

Beneficiaries aged 92 and older are exempt from the electronic deposit requirement, and others who still want to get paper checks can apply for a waiver. But according to testimony from the National Consumer Law Center, the waiver process is so difficult that few waivers actually have been granted. The group urges the government to liberalize the waiver process, so people who are more comfortable getting paper checks may continue to do so.

While the vast majority of recipients already have voluntarily switched to electronic deposit, “the population that has resisted doing so to date generally has a good reason,” according to testimony from Margot Freeman Saunders, a lawyer with the consumer law center. They include people who don’t have a bank account; those who don’t understand or feel comfortable with direct deposit; and people who already have workable and affordable methods of receiving their benefits.
Of the over 72,000 calls received by Treasury between May 1, 2011 and July 30, 2012 regarding a waiver, only about 14,000 were even sent a waiver packet with instructions, she said. Then, only 281 notarized responses were received back by Treasury. Those numbers, Ms. Freeman Saunders said, are a “clear illustration” that the need for the waiver far exceeds the number of people actually obtaining one.

Fraud is another concern. The Inspector General of the Social Security Administration said in testimony to Congress this month that it has received more than 19,000 reports about questionable or unauthorized changes to recipients’ direct-deposit information, apparently as part of efforts to illegally re-direct monthly payments. “These reports have involved either an unauthorized change to direct deposit information, or a suspected attempt to make such a change,” according to testimony by Patrick P. O’Carroll Jr., the inspector general for the SSA.

The Inspector General has recommended Social Security make changes to prevent fraudulent redirection of deposits, like developing an automatic notification system to alert recipients of any changes to their deposit information.

On a less dramatic level, consumer groups caution that debit cards may pose challenges for some senior citizens, who may not be used to using PINs and many not know how to properly safeguard them. The cards also carry fees that seniors may be unaccustomed to paying. Fees under DirectExpress are relatively limited; the card offers one free A.T.M. withdrawal after the funds are deposited, and subsequent withdrawals carry a 90-cent fee. Fees also apply for receiving a monthly paper statement (75 cents) and for transferring funds to a personal bank account ($1.50).

A new advocacy group, Consumers for Paper Options, argues that the move will present a hardship for many elderly check recipients. The group has asked the government to retain paper checks as the default option, with electronic delivery available if requested by recipients.

“We think people ought to have a choice for important financial information,” said John Runyan, executive director of Consumers for Paper Options. He said the non-profit is primarily backed by “paper-based communication interests,” like the Envelope Manufacturers Association, the American Forest Paper Association and various paper companies.

Do you or your relatives receive a paper Social Security check? Are you concerned about the move to electronic payments?
1. **Jeanne Conn – Washington, DC**
   My mother is in her late 80s and has never learned to use a computer and would be completely befuddled by a pre-paid card. Social Security recipients should not be moved to electronic payments unless they give their permission - they should not have to ask for a complicated waiver!

   **Reply: Regina Dennis – Maryland**
   So get her a computer and show her how to use it. She'll be a lot less isolated with Facebook and everything else available online.

   Annual savings to the Social Security Trust Funds based on direct deposit participation for calendar year 2000 was about $133 million. About 20% of the 56 million recipients still do not use direct deposit.

2. **Mark W – Maryland**
   Cybercrime is a bigger threat than check fraud. It's a heck of a lot easier to steal and use a debit card, or dupe someone into revealing banking information, than it is to cash a check that doesn't have the correct name on it! And maybe there was no discussion of check-cashing fees because the people who are using check-cashing services likely don't have bank accounts in the first place. So the direct deposit mandate wouldn't exactly help them. Instead of direct deposit, they would need to use the debit card option, which carries $1 fees for every withdrawal.

   The digital divide exists. More than 40 percent of seniors don't own a computer, and many don’t even have bank accounts. The “default” direct deposit mandate isn't for everyone, and the SSA needs to accommodate the 6 percent of seniors who don’t want it.

3. **Regina Downing – Maryland**
   Meanwhile, it's a done deal. Oh, and by the way Social Security is NOT welfare. You pay for it your entire life!

4. **D. Brennan – New York**
   Interesting that there were no statistics provided for the number of people that have their paper welfare checks stolen, lost or mis-directed.

   Nor was there discussion about the people struggling to make it to the bank to cash their checks, or the millions of people that, in the past, cashed their checks at check cashing locations where they were charged extortionate fees.

   Not was there adequate discussion of the many reasons that a small minority of people have not yet switched over. I can think of several not mentioned by Margot Freeman Saunders including a general aversion to change, an inability to read notices from the SSA, forgetfulness, misinformation from members of their peer group, etc.

   Behavioral Economics shows repeatedly that the default choice is hard to overcome. In fact it is shocking to note that 94% of recipients have already changed over. To me that speaks volumes about how well the transition has been managed. A 94% voluntary buy-in rate in phenomenal - show me one other program with that level of voluntary buy-in!

   In short -the benefits of direct deposit must greatly outweigh any perceived problems for that large a segment of the population to make the shift.
5. **Bob – Wherever**

Totally with Jeanne. Anybody wanting a paper check should still be allowed to receive one. Nobody's business as to why. It's personal opinion as to what is "preferred," "safer," etc. Those entitled to the benefits should receive them in the way that makes the most sense to them.

Benefits of direct deposit is in the eye of the beholder. As for the 94% "compliance" with receiving Social Security electronically, people may oppose change, but they also tend not to object too fiercely to what the government, employer, etc. tells them to do. Most will go along with what their told, because it's the path of least resistance. And because they feel powerless to do anything about it.

**Reply: Regina Dennis – Maryland**

No they shouldn't it costs big bucks to mail those checks. Aren't we paying enough in taxes? There are 56 million recipients.

6. **Bob – Wherever**

Well, Regina, Social Security itself costs "big bucks." As you pointed out, "You pay for it your entire life." I doubt a few stamps for the minority of us who want a paper check is going to make any real difference in the "cost" of government.

7. **Einstein – America**

Once you are locked in to your bank with direct deposit the banks can raise your fees and charge you whatever they want.

When you factor in the hidden high costs of data centers and the hidden digital cost burden shifted to the recipients, are we really saving money?

8. **Tom – Lake Wylie, South Carolina**

I was born and raised in a very rural part of our country. Even today one may have to travel more than 50 miles to find a bank or ATM. To now saddle those elderly, senior citizens who have always "lived by the rules" and enjoyed getting their retirement check once a month, to go out and learn how to use an ATM to get THEIR money is cruel. As I understand the new system, cardholders get one "free" withdrawal per month. If an ATM has a daily limit of, say $400... is it fair to require the recipient to cover ATM fees for subsequent withdrawals?

My father is 91 years old. He has always operated on "the cash standard." He gets a ride to the local store once a month and cashes his check. He pays his bills and budgets his cash for the remainder of the month. For his, "the Greatest Generation" debit cards are a totally foreign concept. A computer is beyond the question, as his eyesight is failing and arthritis has swollen his hands and fingers. Why is the government he served so honorably, putting this additional stress on him?
Birthdays and benefits: A nudge on Social Security

By Michelle Singletary
Sept. 29, 2012

I just had a birthday and decided to take a look at my Social Security statement.

But I’ll be honest about how I came to even remember I should check it. I was looking around the Social Security Administration’s Web site, trying to help my husband find some payment information for his elderly father, when I realized I hadn’t signed up to get my statement online.

In the past, I would have received the statement in the mail about three months before my birthday. But in a cost-cutting move, the agency decided last year to stop the automatic mailing of statements except in a few situations. It decided to mail paper statements to workers in the year they reach age 25. It’s a one-time mailing and has started with people who turn 25 in October, an agency spokesperson said. Additionally, people 60 and older receive a mailed statement if they haven’t begun receiving Social Security benefits. Everyone else has to get his or her statement online.

In planning for your retirement, it’s important to check the statement at least once a year because it lists your lifetime earnings according to Social Security’s records. And a question I received from a reader is a good reminder why you need to keep checking the statement. She wrote: “I got some sort of yearly statement from the SSA listing the number of years of my employment and estimated benefit amounts I’d be eligible for. But I never really paid attention to the statement. Upon examination, I notice that I’m only being credited with about a third of the years I actually worked. Is it possible to get this corrected with Social Security?”

Your benefits are based on your average lifetime earnings. If your earnings record is inaccurate, you may not get all the benefits you are entitled to receive.

And your earnings information could be incorrect for a number of reasons. Your employer may have reported wrong earnings information or used an incorrect name or Social Security number. Or perhaps you got married or divorced but didn’t report the change.

If you discover income information that is incorrect, you’ll need to find some proof of what you earned. This could be a W-2 form, an old tax return or a pay stub. After you have gathered your proof, contact Social Security. If you can’t find proof, you may still be able to get the record corrected by providing Social Security with the dates you worked and your employer’s name.
You can get your statement online at www.socialsecurity.gov. Please be careful about typing in the Web address. You don’t want to end up on some scam site. Once you’re on the official SSA site, look under “Top Services” for the new link to get your statement.

You have to be 18, and you have to answer questions that match information already on file with Social Security. The agency also uses information from the Experian credit bureau to verify your identity. When I registered, some of my security questions pertained to past loans.

Once verified, you need to create an account with a user name and password. It took me less than 15 minutes to go through the verification process and set up my account. I could then view my report, download it or print it. You can view your Social Security statement at any time. In addition to retirement and disability benefits you may receive, you’ll see estimates of benefits your family may get when you receive Social Security and information about qualifying and signing up for Medicare.

Now, you know technology doesn’t always work the way you like. So you may have trouble getting your statement because you didn’t answer the security questions correctly or your answers don’t match the information Social Security has on file about you. Or the information in your credit report is wrong, so it doesn’t match your answers. You still have the option of requesting that it be mailed. You can also visit a local Social Security office and present an ID to create an account and gain access to the online version of the statement.

You might be annoyed about having to add yet another thing to your long financial to-do list. Nonetheless, your birthday is a good time to remember to get your Social Security statement each year.

COMMENTS

mwma
10/6/2012 7:59 PM EDT
I tried to follow your advice, but the link on the Social Security website to create an online account is broken!

DCCubeFarm
10/4/2012 12:33 PM EDT
Looking at my Social Security statement is always good for a laugh. A bitter laugh, but still. Like I’ll see any of it! The last one was particularly fun, as it mentioned the amount I would get when eligible and, on the same page, the projections of when Social Security runs out. Guess which date comes first!

I’m running with the assumption that the only “benefits” I’ll be getting are ones I make for myself and saving/investing accordingly.
This is just another example of the government going digital without concern for those without computer access/ability and those with cybersecurity concerns. The federal government has eliminated paper savings bonds, it’s in the process of getting rid of paper Social Security checks, and paper tax forms are now extremely hard to come by. I wish the government would think about the elderly and the poor before they act.

CalypsoSummer
10/3/2012 12:50 PM EDT
“Additionally, people 60 and older receive a mailed statement if they haven’t begun receiving Social Security benefits.”

You might want to read the whole article before you start complaining about the evil gubmint.

Also, “the agency decided last year to stop the automatic mailing of statements except in a few situations,” and I will bet that one of those situations is when someone contacts them and asks for paper statements.

They’re doing their best in a tight situation, MWil – their budget is getting cut. And a lot of people are highly computer-literate these days. Would you prefer that people get on-line statements or would you prefer that a lot of claims adjudicators and front-line clerks get laid off?

jeannecon
10/2/2012 10:27 AM EDT
I think the decision to stop mailing paper statements was a very unwise move by the Social Security Administration. While it may save some money in the short term, it will cause real harm to people who won’t be able to look at their statements and correct errors, etc. Is this really how the Administration wants to save money? Whether they are elderly, live in rural areas, are low-income, or just don’t trust the internet, many folks will not be searching the Social Security website like Michelle. The choice of whether to receive paper statements should have been left to those who pay into the system - it should not have been made unilaterally by the government.

cr1957ny
10/1/2012 12:32 PM EDT
It can be hard for a lot of people living in this area with high-paying jobs and access to technology to realize, but there are many people who simply can't afford a home computer and Internet access, and using a library terminal, if one were even available, poses serious security concerns.

The decision by the Social Security Administration to stop mailing yearly benefits statements and forcing everyone to get them online effectively disenfranchises Americans who cannot afford a home computer and Internet access. Shame on the SSA, and shame on you for not noting this issue.

Jerunyan
10/2/2012 11:51 AM EDT
Beyond the fact that 30% of American households lack internet service (and that rises among the elderly and the poor), the loss of the mailed version of this annual statement will deny millions of Americans access to the most important financial planning tool they will likely receive. The percentage of citizens who take the time to log on and
divulge sensitive personal information will be a fraction of total eligible. The Social Security Administration should reverse this decision and continue mailing paper versions of these forms so that all can benefit, not just a few.

CalypsoSummer
10/3/2012 12:55 PM EDT
"Additionally, people 60 and older receive a mailed statement." And if people under 60 want a paper statement and contact the SSA to let them know, I will bet you that they will continue to get their paper statements.

This is not a conspiracy, for heaven's sake -- it's the result of federal budget cuts. I mean, you certainly don't expect the rich to pay anything in taxes, do you? This belt-tighteneing on the part of the poor and elderly is the end result of that permanent tax holiday the wealthy are enjoying.

In fact, I expect the paper statements are an item in the Republicans' list of "federal waste, fraud and abuse," under the category, "waste."

Jcrunyan
10/4/2012 5:05 PM EDT
Yes, people over 60 will get it in the mail, but the people under 60 who are lower income or computer challenged and could benefit the most will likely be the last to log on and view it. The Government Accountability Office indicated it was one of the more important financial planning tools the average citizen will ever receive and now, most never will. I don't view this as a partisan debate and while the government has to make tough choices about where to cut, I simply believe cutting out this document was a mistake.

wpcarter_98
9/30/2012 9:09 PM EDT
i just got my statement in the mail and beleive me I am going over it carefully. Your article dead is on point, its up to you to check you statement and correct and errors.

Robin213
9/30/2012 3:39 PM EDT
Thanks Michelle! I was wondering why I didn't get that statement this year!

AnonymousBE1
9/30/2012 8:04 AM EDT
Another change is that Americans who live abroad are not eligible for an online statement (why is never explained on the website) and cannot get one mailed either. If the Washington Post could inquire as to why this is the case, I am sure that Americans abroad (6 million to 7 million people) would be pleased.
Rush to digital leaves too many behind

By Ken Norris, Contributing Editor, Pulp & Paper International

NEW YORK, Sept. 10, 2012 (RISI) - Last week, an insurance bill in the California State Assembly was pulled from further consideration once opposition mounted against a clause that would have mandated paperless insurance notices and statements. Both the California Department of Insurance and the Consumers for Paper Options opposed the bill, primarily because it did not include any provisions and protections for those who wanted or needed to continue receiving paper-based information.

At the same time, community leaders in Kansas City, Mo. were busy with a new sign-up push. No, not for voters and the upcoming elections. But to receive high-speed Internet access for communities offered by Google, called Google Fiber. According to the New York Times, most of the area's affluent, mostly white neighborhoods were able to meet Google's deadline of Sunday night to sign up enough of their residents, and pay a $10 deposit, to secure the service. Unfortunately, many of the poorer neighborhoods were still lagging far behind.

"This is just one more example of people that are lower income, sometimes not higher educated people, being left behind," said Margaret May, the executive director of the neighborhood council in Ivanhoe, where the poverty rate was more than 46 percent in 2009, as reported by the New York Times.

More and more, in the rush to make all things digital and paperless, it is obvious that too many people are being left out in the cold. Although some policies are being rethought, albeit at the last moment, there are a vast number of other efforts that will soon create an insurmountable digital divide between those who have Internet access and those who still depend on paper.

"This California bill is a prime example of the short-sighted policies that save corporate dollars, but disenfranchise millions of consumers who prefer paper-based information, don't have Internet access or are unable to use a computer," said John Runyan, executive director of Consumers for Paper Options.

Digital divide

The real danger here is both social and economic. According to a 2011 study by the US Department of Commerce, only 40% of low-income households have wired Internet access at home. Regardless of income, 72% of white homes have wired Internet access, compared to slightly more than 50% of all African-American and Hispanic homes. And the US federal government is eradicating paper options for social security checks and statements, and tax forms, potentially affecting those who depend on paper the most.
Most surprising is that the insurance bill, SB 1212, was sponsored by California Senator Ron Calderon, who represents District 30. According to the senator's own website, his district around the greater Los Angeles area is 80% Hispanic or Latino. Nearly 20% of his district falls below the poverty level for a family of four. Of the people who should be watching out for those who depend on paper-based information, Senator Calderon should be voting against bills such as these, not introducing them.

The problem of a yawning digital divide is not limited to the United States. At the end of 2011, merely 33 - 35% of the world's population uses the Internet. Although usage rates are still growing, there's no expectation that everyone will have digital access anytime soon. Ironically, the problem will not get easier. The faster digital society grows, the more communities and areas are at risk for being left behind.

In an interview published over the weekend in The Financial Times, Tim Berners-Lee, the inventor of the world wide web, said this was one of his concerns, "The [World Wide Web] Consortium and the industry and all the geeks in town are pushing [the web] up every moment to great heights, which then obviously leaves a widening gulf with the people who don't have it."

To be sure, there are a number of notable and responsible efforts to secure worldwide access to the Internet, including Berners-Lee's own Consortium. And to Google's credit, the company did work with community activists to register lower-income and minority neighborhoods before the deadline to receive the high-speed Internet service.

Unfortunately, Google still said someone had to foot the bill for the construction of the fiber lines and the monthly service. If Google was serious about delivering quality Internet access to these neighborhoods, rich and poor alike, why not pay the costs themselves? As an Internet service provider, it's highly likely those who could afford it would turn into future customers. And for those who could not, Google would be providing a valuable community service.

As long as the Internet is a private, commercial domain, the need for paper options must exist for those who cannot afford to or simply do not want to participate in it.

Ken Norris is a US based contributing editor to PPI magazine and the RISI community website and can be contacted at: knorris@risi.com
Savings Bond Petition Brings Together A Unique Coalition Of Supporters

(May 25th, 2012) What do a non-profit dedicated to encouraging savings among low income earners, an industry group focused on preventing the government from going completely paperless, and two financial information websites have in common?

They are all opposed the elimination of paper savings bonds.

As of January 1st, 2012, the US Treasury Department ended the sale of paper savings bonds. There was no public hearing or debate. This was a unilateral action by the Treasury Department made without any large-scale effort to obtain feedback from the general public.

Since then the public has responded. As of May 24th 2012, the Bring Back Paper Savings Bonds Petition has, collected almost 4000 signatures.

The petition simply states:

_We respectfully ask the Treasury Department to bring back paper US Savings Bonds and restore this American Tradition. We believe that the Treasury Department’s actions to end the ability to buy paper savings bonds on January 1st, 2012 was a mistake. With your help, this mistake can be reversed._

The petition effort was started by bond education site Learn Bonds in the beginning of the year, and quickly joined by SavingsBonds.com. SavingBonds.com turbo-charged the petition effort by launching the Bring Back Paper Savings Bonds website, and launching an e-mail marketing effort.

In April, the organization Consumers For Paper Options expressed support for the petition. Executive Director, John Runyan stated:

“Eliminating paper savings bonds is just the latest example of the government being penny wise, but pound foolish. To save a few million dollars in printing costs, they have lost millions if not billions of dollars in sales to individuals who are not comfortable enough with computers to continue investing in one of the nation’s time honored savings vehicles. With 30% of US Households without internet access, the government would be wise to reinstate paper savings bond sales.”

Those interested in supporting the petition can sign the petition at the Bring Back Paper Savings Bonds website.