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To: Representative Mario Goico, Chairman, Committee on Veteran, Military, and Homeland Affairs

From: Donna Shelite, Director of Vehicles, Kansas Department of Revenue

Date: January 19, 2012

Subject: SB 9 (2007) Compliance Report

Good Morning Chairman Goico and Members of the Committee. My name is Donna Shelite and I am the Director of Vehicles for the State of Kansas. I am here today to present the Division of Vehicles' annual compliance report for purposes of identity card security and fraud prevention as required by Senate Bill 9 (2007) and K.S.A. 75-5156.

First, I will begin by giving you some background information about me. Second, I will describe the process and information technology improvements the Division implemented in 2011. Third, I will describe the Division's current processes for ensuring Kansas driver's licenses and identification cards are only issued to applicants that provide evidence of lawful presence in the Country as emphasized in SB 9 (2007) and K.S.A. 8-240. Fourth, I will provide some high level statistics regarding the Division's issuance of Kansas identity credentials for calendar year 2011. I will then turn the presentation over to Dean Reynoldson. Mr. Reynoldson manages the Department of Revenue's Identity Security Unit and Office of Special Investigations. Dean will discuss the Department's efforts to confront driver's license fraud. At the completion of the presentation, I will stand for any questions the Committee Chairman or its Members may have.

I was appointed to the position of Director of Vehicles in 2011. However, my first contact with the Division began in 1989 when I was elected Pratt County Treasurer. I proudly served as Pratt County Treasurer for fifteen (15) years. From 2004 till 2011, I worked in the private sector as a project administrator for a computer software company.

Veteran/Military/Homeland Security Comm.

Date: 1/19/2012

Attachment #: 2

In 2011, the Division completed an upgrade to the State's driver's license examination workstations. The new upgrade has improved the security of the State's ID management workflow processes. Those improvements are:

1. Transition to a photo first business model. The process now captures and stores the photograph of DL applicants prior to the completion of the DL/ID application. The significance of the change is that the Division is able to retain the photograph if fraud is involved – even if the application was denied or not completed.
2. Improved back office (supervisor) analysis and detection of potential cases of external and/or internal fraud. There are better tools for ensuring an applicant does not have multiple identities in the Division's database.
3. Improved facial recognition software and hardware to detect and refer cases of multiple identities.
4. Improved ability to refer cases of suspected fraud from workstations to the Identity Security Unit in Topeka.

The Division completed the process of installing new "All in One" PC workstations at all DL issuance locations throughout the State. (187 workstations in total) The new workstations have:

1. Improved Machine readable technology.
2. The ability to scan and index identity source documents such as birth certificates, passports, proof of name, address and residency to a driver's motor vehicle record.
3. Capture of color digital photographs on all driver licenses and nondriver ID cards.
4. Improved hardware & software designed to assist in the detection of fraudulent documents (document authentication scanner)

Couple the above improvements with an increased emphasis on: 1) staff training in fraudulent document recognition for all DL issuance staff; and 2) investigation of suspected fraudulent activity, and I believe the Division's efforts in 2011 have improved the security of State-issued driver's licenses and identification cards.

Ensuring Kansas driver's licenses and identification cards are only issued to applicants proving lawful presence is a two-step process. An original applicant for a Kansas driver's license must provide evidence of lawful presence in order to be approved for a driver's license. The proof will normally consist of a birth certificate or U.S. passport. The documentation is scanned at the time of application. If the applicant is not a U.S. citizen, he or she will need to provide the Division with Federal documentation showing current lawful presence. Upon receipt of the Federal documentation, Department staff will verify the applicant's lawful presence via the U.S. Citizenship and Immigration Services database. The database is commonly referred to as the SAVE database. The number of SAVE verifications performed by the Division grew by over

thirty times between calendar year 2010 and 2011. In calendar year 2010, the Division initiated 156 lawful presence verifications. In calendar year 2011, the Division initiated 4,939 lawful presence verifications.

I have provided the following tables to give the Committee a snapshot of the large volumes of driver's license and identification cards applications processed by Division staff and our county treasurer partners.

Table 1. Kansas Driver's Licenses Issued

Description	CY 2010	CY 2011
Driver's Licenses Issued in CY 2010	576,435	561,355

Table 2. Temporary Driver's Licenses and Identification Cards

Description	CY 2011
Number of Temporary Licenses and Identification Cards Issued.	6,898

Table 3. Conceal and Carry Cards

Description	CY 2011
Number of Concealed and Carry Cards Issued.	41,210

Table 4. Applications Denied for Insufficient Documentation

Description	CY 2011
Estimated Number of applicants denied for lack of documentation, estimated	74,710
Insufficient lawful presence documentation	6,988
Insufficient proof of residency and address	32,794
Insufficient proof of identity documentation	34,928

I thank the Chairman and the Committee for its work in 2007 regarding SB 9. Passage of the 2007 bill into law was a significant milestone to the Division for improving the security of State issued identity credentials. I will now turn the presentation over to Mr. Reynoldson. After the completion of his presentation, I will stand for any questions.