



In the News

State laws target identity theft

Multiple states enacted laws at the start of 2006 designed to help prevent identity theft after major security breaches compromised personal data for millions of consumers in 2005, the Washington Times reported.

New and existing state laws require timely notification of information breaches to affected customers, and related legislation allows consumers to freeze their credit reports as a means of identity-theft prevention and protection. But similar federal legislation remains tied up in Congress, which is where consumer groups said it should stay while industry pushes for a tightly focused national breach-notification standard.

Twelve states have credit-freeze legislation, which allows residents to block new creditors from accessing their credit reports and helps prevent identity thieves from opening spending accounts using a stolen name. Consumer groups endorse the states' credit-freeze laws, but want them to apply to all consumers, not just identity-theft victims as some currently do.

More than 20 states have breach-notification laws. There already is near national compliance with California's law, which was the first in the nation when enacted in 2003 to require companies to notify state residents when their unencrypted personal information is reasonably thought to have been compromised, according to the newspaper.

New compliance regulations loom large in 2006

Following the wave of compliance deadlines touching nearly every business sector in 2005, the next two years will see more activity and demand a whole new level of monitoring and record-keeping technology, InfoWorld reported.

In 2006, companies based outside of the United States but publicly traded here must comply with Section 404 of Sarbanes-Oxley. Companies inside and outside the United States with a market capitalization of less than \$75 million will have until July 2007 to comply. A mound of privacy bills are also under consideration on Capitol Hill and may include a requirement for consumers to be able to monitor in real time how their personal information is being used.

Data retention is also at the heart of revisions to the Federal Rules of Civil Procedure. A directive from the European Union called REACH (Registration, Evaluation and Authorization of Chemicals) has deadlines coming in 2006 and 2007 and requires an accounting for about 30,000 chemicals used in industry. The goal is to reduce the amount of hazardous chemicals in the environment, according to InfoWorld.

Governments rethink policies due to move to put public records online

The move to put more public records online has drawn protests from certain quarters, prompting public-sector officials to ponder how to balance open government and the right to privacy, Government Technology reported.

In May 2005, the chief executive of Allegheny County, Pa., agreed to take the names of about 100 federal, state and local judges off a county real-estate Web site at the behest of a federal judge who expressed safety concerns after the husband and mother of U.S. district judge were murdered in their Chicago home. A county council member later introduced legislation to suppress the names of all property owners, not just public officials, and would require that any member of the public seeking the name of a property owner make a formal request via letter or e-mail.

The state of Missouri passed a law in 2005 prohibiting courts and state and local agencies from posting the home address, Social Security number or telephone number of any elected or appointed public official on the Internet without that person's written consent. The law listed 13 categories of officials to be protected, including state legislators, judges, county commissioners, mayors and city council members, police chiefs, sheriffs, and peace officers, among others. Four counties sued the state, saying the law would force them to shut down databases of public information on their Web sites since gaining permission from every relevant public official would be absurdly difficult and expensive.

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Illinois bill would make state shred ID documents

The Illinois legislature is expected to debate a bill in 2006 that would require state government workers to shred documents containing personal information or risk prosecution, the Bloomington (Ill.) Pantagraph reported.

Reporters at another newspaper, the Belleville (Ill.) News-Democrat, sifted through garbage and found Illinois Department of Human Services workers had routinely thrown out records with names, addresses, birth dates and Social Security numbers. In response, Democratic state representatives Bob Flider and Brandon Phelps are proposing making a misdemeanor offense if a state worker tosses such information without shredding it first.

Since the Belleville newspaper's investigation, the agency has begun taking steps to assure sensitive information is safeguarded, a spokesman said. Officials are surveying all 120 field offices to make sure they have shredders that can handle large volumes of documents. The agency also is investigating whether to put locks on all of the dumpsters, and memos have been sent to the field offices outlining what documents are confidential and how they are to be disposed of, the Pantagraph reported.

Arizona legislature considering identity theft protection bill

State legislators in Arizona are moving to force businesses to do more to protect customers and clients from identity theft, the Arizona Daily Star reported.

One measure would mandate companies shred or otherwise erase personal information on documents and electronic files before they throw them out. Violators could be subject to penalties of at least \$10,000 -- more if a firm's failure to comply with the law resulted in losses to individuals greater than that.

Companion legislation would require businesses that have a breach of security to notify not only law enforcement but also customers whose records may have been stolen. Companies that ignore the law could have to pay a fine of up to \$500 for each individual who did not get proper notification, up to \$250,000 per incident.

Proponents of both measures say businesses need to do more to help stem identity theft which has become rampant in Arizona. Last year legislators increased the penalties against those who commit ID theft, but these proposals target where many criminals get the data in the first place, the newspaper reported.