

Presentation to ID theft Interim Committee - December 2, 2008

Comments of William L. Brauch, Director-Consumer Protection Division, Iowa Attorney General's Office

1. Thank you on behalf of AG Miller. Introduce Investigator Susan Kerr, who specializes in identity theft and has given scores of presentations on identity theft over the past 10 or so years to Iowa consumers, businesses and professionals, and government agencies.

2. Preventing and deterring ID theft has long been a priority for AG Miller.

A. Actions taken

1) We participated in various multistate cases involving privacy security breaches by private companies to help ensure affected consumers got the information they needed to protect themselves.

2) We have focused on children's privacy, having settled a multistate case wherein we deterred a bankruptcy trustee from selling a child-customer list of a bankrupt Internet-based toy retailer: Toysmart.com, and settled two cases involving the private data of junior high and high school students to prevent two non-profits, National Research Center for College and University Admissions and Educational Research Center of America from selling private student data for commercial purposes without parental notice and opt out.

3) As I mentioned, we've provided scores of public presentations to business, professionals, and consumer groups on ID theft.

B. Long been a very active member of the Privacy Working Group of the National Association of Attorneys General.

C. Our office prefiled Iowa's ID theft law.

D. Our office provided significant input on the two bills passed last year relating to credit freezes and security breach notice, which were part of a bill we prefiled in 2002.

3. We appreciate this Committee's focus on privacy of information controlled by government. And, we appreciate all the Ombudsman is doing in this area.

4. In that respect, the AG's office is in a unique position in that we literally wear 5 different hats.

A. Enforce privacy laws.

B. Handle and store public documents.

C. Advise government agencies.

D. Educate the public.

E. We make policy proposals to the legislature, Congress and state and federal agencies.

5. As government, we have a special obligation to protect our constituents' personal information

that goes beyond that which applies to the business world.

A. We are not selling the data and should not sell the data for a profit.

B. The public expects us to protect them from harm, not be the source of harm.

C. For our part, the AG's office is very careful with data. We don't produce any public record that would contain an SS# or a credit card number. Consumers sometimes include them with documents they supply with consumer complaints, but we redact that information before providing copies in response to open records requests.

D. We help government agencies that have incurred data breaches deal with the situation.

6. I wore a policy hat as a member of Gov. Vilsack's Privacy Task force, formed in 2001, with report issued in 2002 - focus on health and financial data and private collection and use. But addressed government collection and use at end of report. I read aloud points 9(a), (c), (d), and (f) [found on pages 27-28 of the Report]. Here is a link to the full report:
http://www.idph.state.ia.us/common/pdf/publications/IA_privacy_TF.pdf

7. Government's information handling practices need to be uniform, reasonable, fair and understandable. To the extent federal law might impose some requirement, it should serve as the minimum, with Iowa providing greater protection if we deem it necessary. But, the level of protection given should not vary by state agency, county, or city which possesses the data. We must standardize, and we must make protection of the personal financial information of our constituents a significant priority.

E. These are my recommendations:

1. We must ensure that no agency posts Social Security numbers, credit card numbers, or other financial account numbers on line - ever.

2. Agencies must only ask for Social Security numbers, credit card numbers, or other financial account numbers if absolutely necessary to deliver a service.

3. Government must flag information of this sort that is provided voluntarily to ensure it is not made publicly available. We must not act with the presumption that the information is not there. Instead, we should presume it might be there and act accordingly.

4. We must remember that every level and unit of government may possess personal financial information of government employees and must treat that information with great care.

5. We must ensure that training on data handling practices is made a part of training for employees in all agencies at all levels of government who handle this information.

6. Finally, we must figure out what we have in the way of individuals' personal financial

data and take reasonable steps to ensure it is not accessible to the public.

F. The federal government is currently reviewing its data handling practices. Here is a link to the report. <http://www.ftc.gov/os/2008/10/081021taskforcereport.pdf>

I read aloud the recommendations 1, 3, 4 and 5 and the listed subparts of those recommendations, found on page 9 of the document.

G. Conclusion

Finally, thank you again, for your kind invitation and interest in our views. I want to also remind Iowans that, with the newly-enacted privacy breach law, we all have it within our power to freeze our credit reports to help ensure we are not victims of ID theft. We stand ready to help the legislature on this important issue of identity theft in any way that we can.