Protecting New Yorkers from Identity Theft

Senator David Carlucci
Identity Theft

• According to USA Today, identity theft incidence rates rose 16% between 2015 and 2016, alone.

• 15.4 million Americans were estimated to have been effected, a drastic increase of nearly 2 million people in a single year. That accounts for 1 in 16 adults in the United States.

• In New York, there were 24,157 incidences of identity theft reported in 2015, the fourth highest number in the nation.

• The number of seniors victimized by identity thieves rose from 2.1 million in 2012 to 2.6 million in 2014.
The Cost of Identity Theft

- Identity theft cost consumers $16 billion in 2016 (representing an increase of $1 billion from 2015).
- If that trend continues at the 2016 rate, the annual cost could rise by more than $11 billion during the next decade to a total of over $27.6 billion by 2025.
- According to the New York State Division of Consumer Protection, identity theft is the most common consumer fraud complaint and of particular concern in New York, which has one of the highest per-capita rates of identity theft in the country.
Impact on Seniors

- Seniors are frequently targeted by scammers. A report by the Federal Trade Commission (FTC) indicated that 36%, or more than one-third, of people aged 50 or older are victims of identity theft.

- As the NYS Coalition on Elder Abuse points out, often a greater number of people have access to the personal information of seniors who are frequently unable to restore stolen funds through employment.
Equifax

• The need for action was made strikingly clear by the massive consumer data breach that effected Equifax.
• Equifax, along with TransUnion and Experian, is one of three major credit bureaus.
• The breach compromised the personal information of 145.5 million Americans (or 45% of the population).
• This included 8 million New Yorkers. Data compromised by the breach included social security numbers, driver’s license numbers, birthdays, home addresses, and telephone numbers.
• The cost of this breach was also enormous. The stock market is estimated to have lost $4 billion in value in the wake of the breach. Time Magazine estimates that it could cost Equifax as much as $300 million to mitigate the damage done. The cost to consumers – the most important cost of all – is harder to quantify, but it is safe to say it could run into the billions of dollars.
Senator Carlucci’s 8 Point Plan to Combat Identity Theft
Overview

• The Equifax data has left New Yorker’s at risk. The time for action is no. Senator Carlucci’s 8-point plan takes a comprehensive approach to combating data breaches and identity theft.

1. Expand the Definition of Private Information
2. Give the New York State Department of Financial Services oversight of credit reporting agencies
3. Reduce notification time after a data breach
4. Set Minimum Data Security Standards for all Large Companies
5. Make Credit Freezes Free for all Consumers
6. Provide Free Credit Monitoring to all New Yorkers
7. Free FICO
8. Allow Consumers to “Opt-In” to Sharing Their Personal Information
1. Expanding the Definition of Private Information

We recommend the enactment of S. 6890/A. 8709 by Senator Carlucci and Assemblywoman Fahy, which expands the definition of “private information,” the disclosure of which would trigger state data breach protocols to include birthdates, home addresses, and telephone numbers. It also removes the requirement that credit card, debit card, and bank account numbers be disclosed along with passwords or security codes to be considered a breach.
2. Give New York State Statutory Authority Over Credit Reporting Agencies

We recommend enacting S. 6878 by Senator Comrie, giving the New York State Department of Financial Services (DFS) licensing authority over credit reporting agencies, as well as the ability to review their records.
3. Drastically Reduce Notification Time

We recommend the enactment of S. 6891 by Senator Carlucci, requiring that a preliminary notification that a breach may have occurred be sent to the Attorney General within 24 hours and to all effected parties within 48 hours. We also recommend the enactment of S. 1104A by Senator Valesky, requiring that notification that a breach has occurred be sent to all effected parties and the Attorney General within 45 days.
4. Set Minimum Data Security Standards for All Large Companies

We recommend the reintroduction and enactment of the Data Security Act. This bill sets minimum, flexible data security standards for credit reporting agencies and other entities including reasonable data safeguards, independent audits by licensed auditors, and a safe harbor provision for those who meet heightened federal standards.
5. Making Credit Freezes Free for All Consumers

Under current law, only an initial credit freeze is free, regardless of whether a breach has occurred. However, companies can charge up to a $5 fee to unfreeze or refreeze your credit. We recommend the enactment of S. 6891 by Senator Carlucci, requiring that companies offer free credit freezes and unfreezes to all New Yorkers at any time.

Senator Carlucci will also introduce a bill to automatically freeze the credit of minors.
6. Providing Free Credit Monitoring to All New Yorkers

We recommend the enactment of S. 6912 by Senator Carlucci, requiring that companies that suffer a data breach provide free credit monitoring services to affected parties for one year following a breach.
7. Free FICO

We recommend the enactment of S. 6913 by Senator Carlucci, which would implement a public outreach program to help educate New York consumers about their rights to access their credit report under the federal Equal Credit Opportunity Act, as well as the workings of FICO scores. S. 6914, also by Senator Carlucci, implements a broader education and outreach program to inform consumers about topics such as their rights to notification of a data breach, credit freezes, and credit monitoring, among other topics. Additionally, we call on the federal government to make access to credit reports and FICO scores free in all cases, for all consumers, at any time.
8. Enact S. 5576 Allowing Consumers to “Opt-In” to Any Sharing of Their Personal Information

We recommend the enactment of S. 5576 by Senator Carlucci, requiring internet service providers to provide customers with a copy of their privacy policy and to obtain written and explicit permission from a customer prior to sharing, using, selling or providing any sensitive information to a third party.