



Financial Identity Fraud and Identity Theft Protection Act



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Roadmap

- SCDCA Overview
- ID Theft Background
- FIFITPA
- Steps to Take



Department Overview

- Consumer Services & Education
- Public Information
- Consumer Advocate
- Administration
- Legal Division



UP NEXT: ID Theft Background

What is Identity Theft?

- Unlawful use of your personal information
- Every 15 minutes, 200 people become victims of Identity Theft

○ **FTC= \$50 billion losses annually**

- **SC Stats: 2007- 30th**
 - **(2006- 32nd ; 2005- 36th)**



How Does ID Theft Happen?

- You
- Friends and Family
- Lost or Stolen Wallets or Receipts
- Pre-approval Offers
- Dishonest Employees
 - **Skimming**
 - **Banks/ drs. office**
- Hoaxes
 - **Pretending to be Bank of America, etc & need personal info**
- Internet
 - **Phishing for pers'l information**





Identity Theft Consumer Complaint Data

South Carolina

January 1 - December 31, 2007



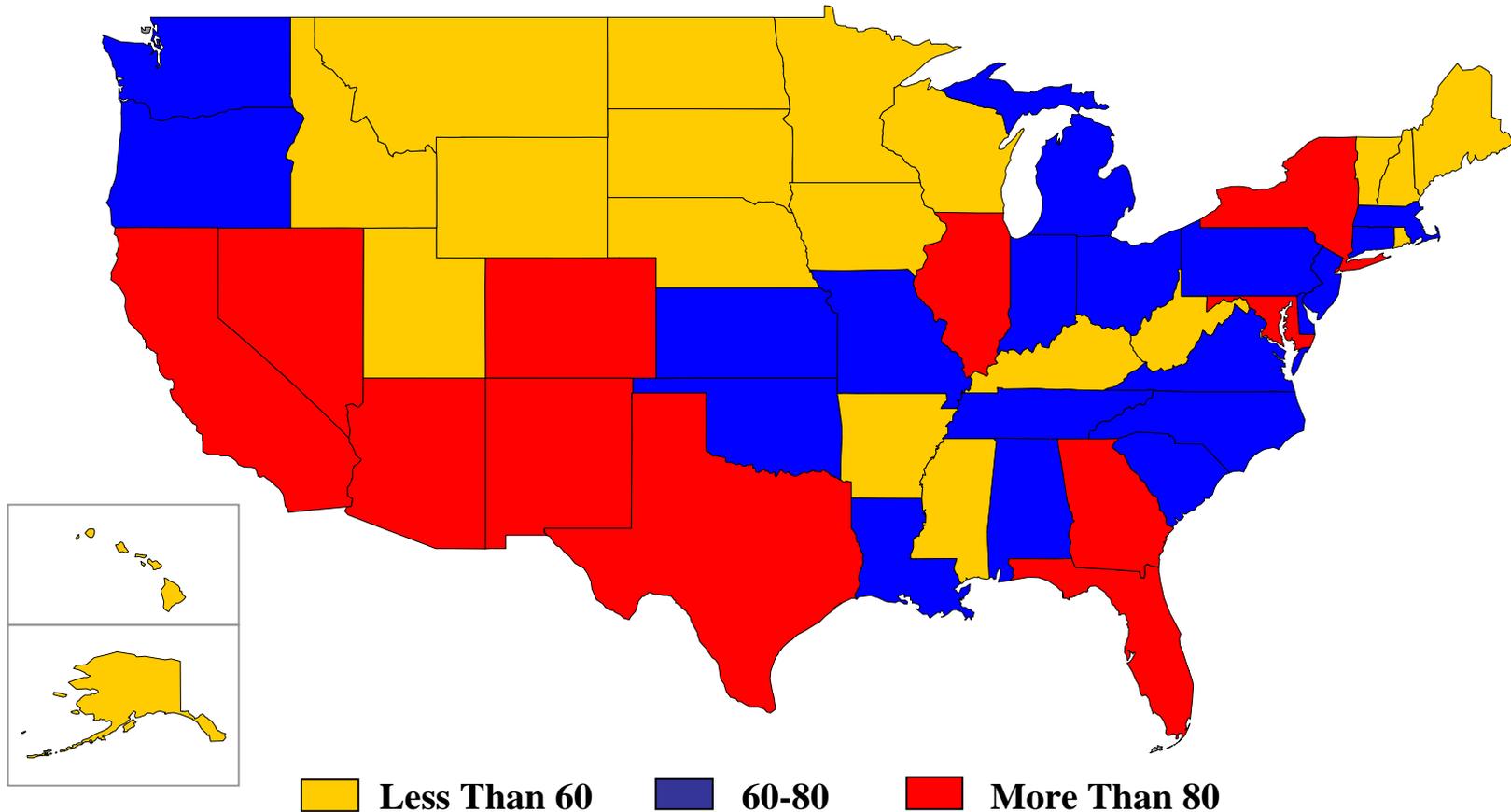
*Federal Trade Commission
Washington, DC*



Figure 4b

Identity Theft Complaints by State (Per 100,000 Population)¹

January 1 – December 31, 2007



¹These data are not based on a survey; the complaint figures presented are derived from self-reported and unverified consumer complaints contained in the FTC's database. Per 100,000 unit of population estimates are based on the 2007 U.S. Census population estimates (Table NST-EST2007-01 - Annual Estimates of the Population for the United States and States, and for Puerto Rico: April 1, 2000 to July 1, 2007). Numbers for the District of Columbia are 784 complaints and 133.2 complaints per 100,000 population.

Figure 4a



Identity Theft Complaints by State (Per 100,000 Population)¹

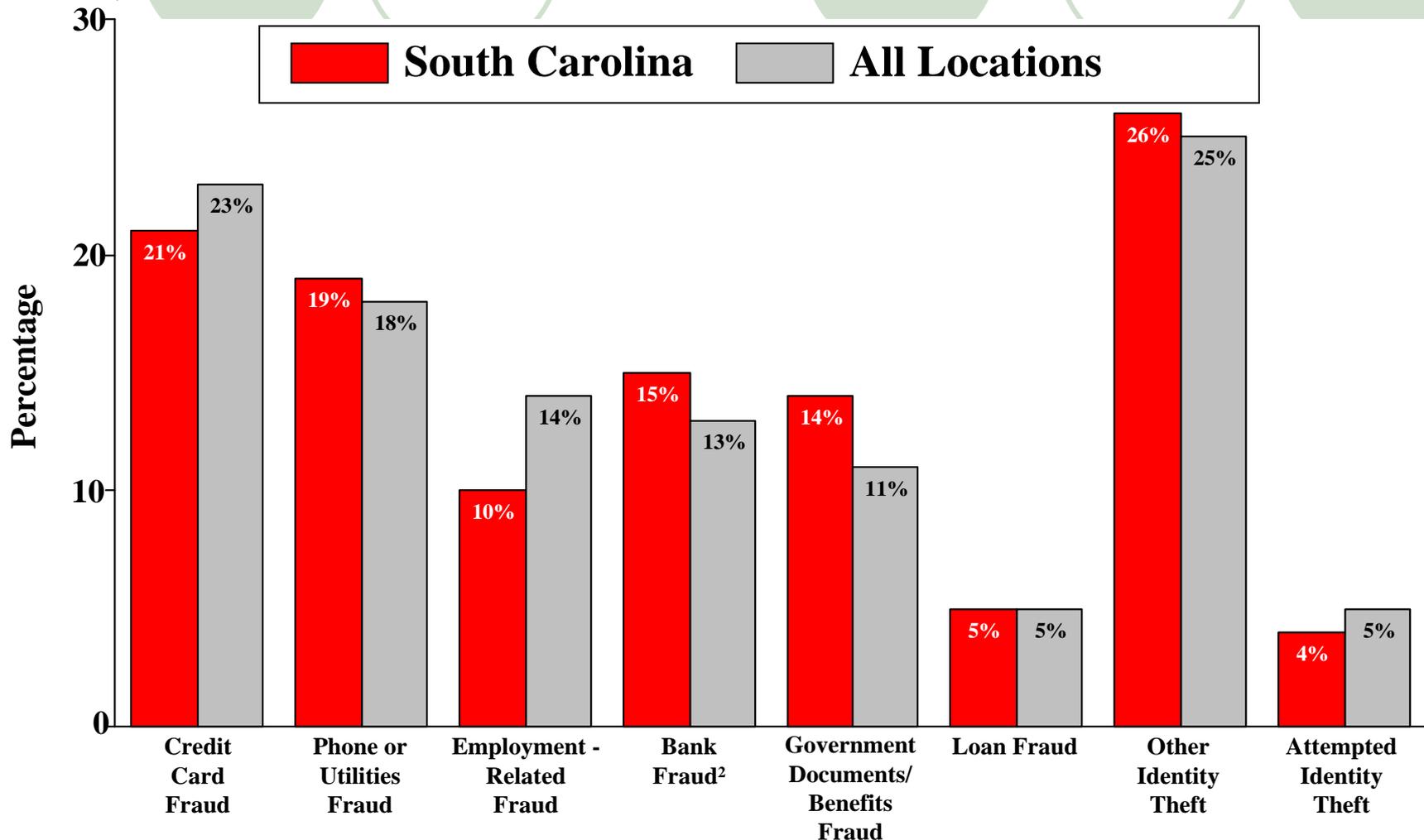
January 1 – December 31, 2007

Rank	Consumer State	Complaints Per 100,000 Population	Number of Complaints	Rank	Consumer State	Complaints Per 100,000 Population	Number of Complaints
1	Arizona	137.1	8,688	26	Indiana	63.4	4,026
2	California	120.1	43,892	27	Ohio	62.6	7,178
3	Nevada	114.2	2,930	28	Louisiana	62.3	2,674
4	Texas	107.9	25,796	29	Kansas	61.0	1,694
5	Florida	105.6	19,270	30	South Carolina	60.6	2,670
6	New York	100.1	19,319	31	Utah	57.8	1,529
7	Georgia	91.6	8,744	32	Mississippi	57.3	1,673
8	Colorado	89.0	4,328	33	Arkansas	56.5	1,601
9	New Mexico	87.5	1,723	34	Rhode Island	56.0	592
10	Maryland	85.8	4,821	35	Minnesota	55.0	2,857
11	Illinois	80.2	10,304	36	Idaho	49.2	737
12	New Jersey	79.0	6,864	37	New Hampshire	48.9	643
13	Washington	76.4	4,942	38	Alaska	47.0	321
14	Pennsylvania	72.5	9,016	39	Hawaii	45.9	589
15	Michigan	70.3	7,079	40	Nebraska	44.7	793
16	Delaware	69.7	603	41	Wisconsin	43.7	2,450
17	Alabama	69.6	3,221	42	Kentucky	43.3	1,836
18	Virginia	69.0	5,319	43	Wyoming	42.5	222
19	Connecticut	68.8	2,409	44	Montana	40.8	391
20	Oregon	68.1	2,552	45	Maine	40.2	530
21	Missouri	67.4	3,962	46	West Virginia	40.2	729
22	North Carolina	67.0	6,069	47	Vermont	38.1	237
23	Massachusetts	66.5	4,292	48	Iowa	35.6	1,063
24	Tennessee	64.7	3,986	49	South Dakota	30.8	245
25	Oklahoma	63.9	2,312	50	North Dakota	28.5	182

¹These data are not based on a survey; the complaint figures presented are derived from self-reported and unverified consumer complaints contained in the FTC's database. Per 100,000 unit of population estimates are based on the 2007 U.S. Census population estimates (Table NST-EST2007-01 - Annual Estimates of the Population for the United States and States, and for Puerto Rico: April 1, 2000 to July 1, 2007). Numbers for the District of Columbia are 784 complaints and 133.2 complaints per 100,000 population.

Figure 1 How Consumers' Information Is Misused¹

January 1 – December 31, 2007



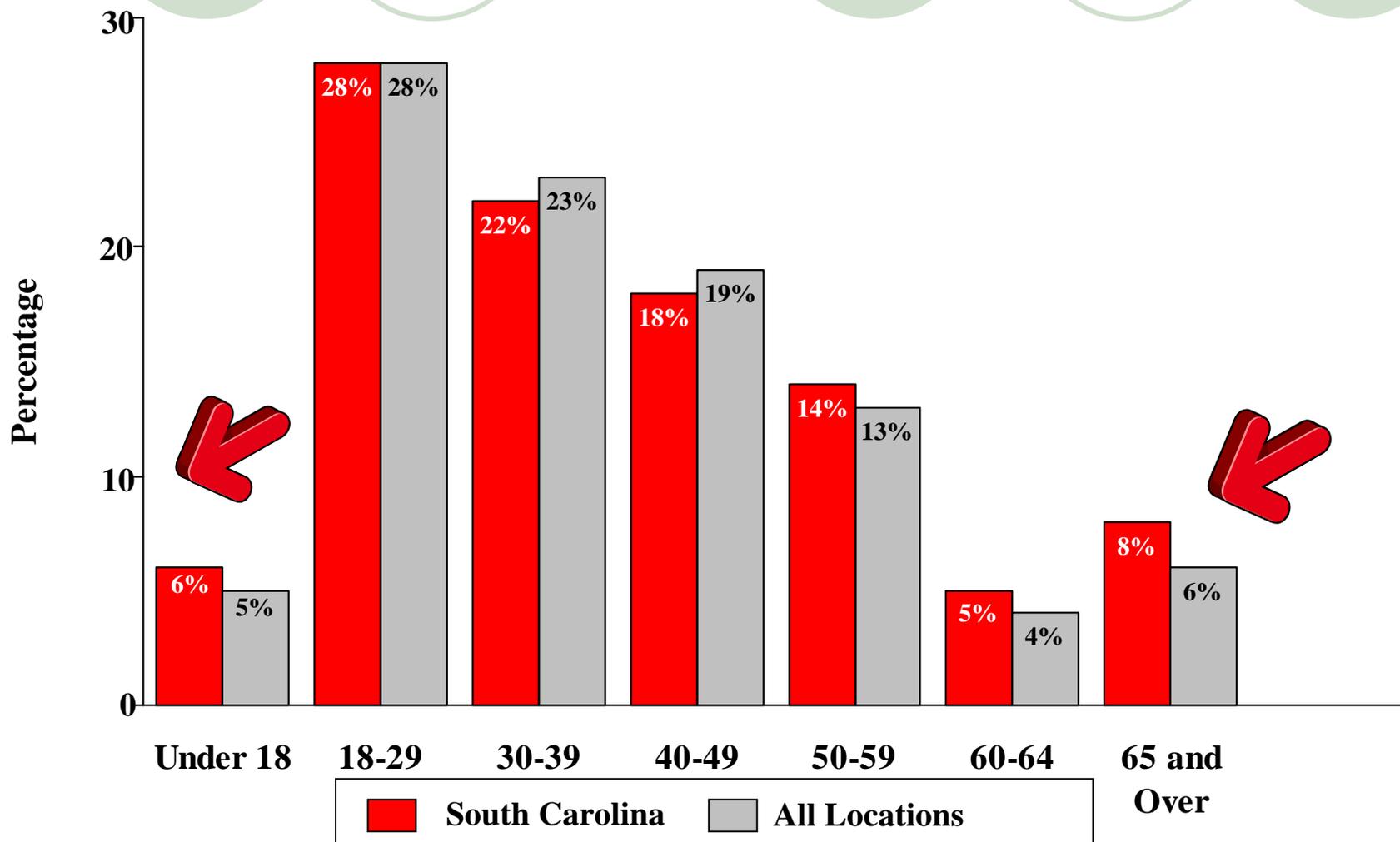
¹These data are not based on a survey; the complaint figures presented are derived from self-reported and unverified consumer complaints contained in the FTC's database. Percentages are based on the total number of complaints in the Identity Theft Data Clearinghouse: 2,670 from South Carolina consumers and 258,427 from consumers in all locations. Note that 16% of identity theft complaints from South Carolina consumers and from consumers in all locations include more than one type of identity theft.

²Includes fraud involving checking and savings accounts and electronic fund transfers.



Figure 3 Complaints by Consumer Age¹

January 1 – December 31, 2007

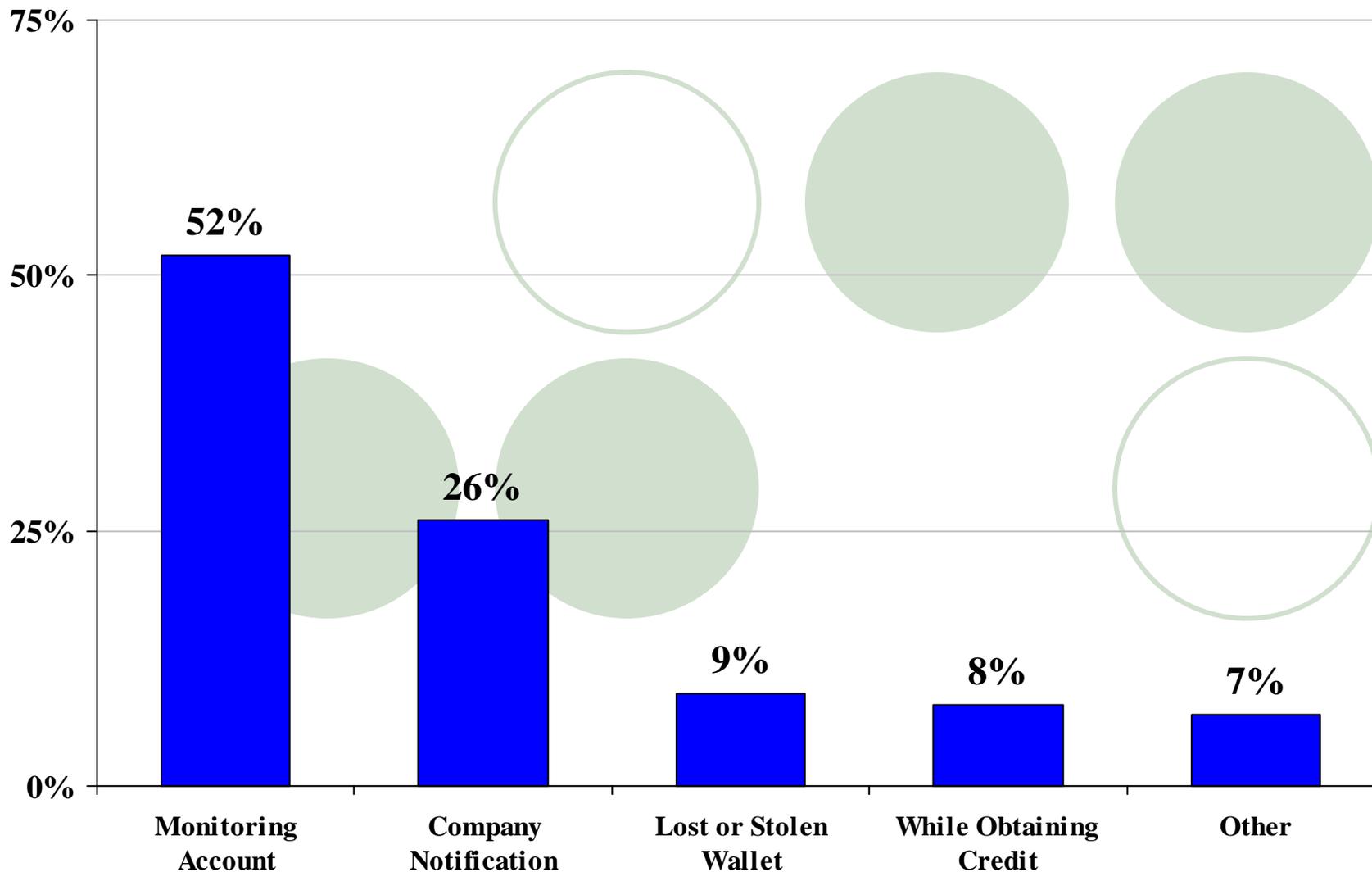


¹These data are not based on a survey; the complaint figures presented are derived from self-reported and unverified consumer complaints contained in the FTC's database. Percentages are based on the number of identity theft complaints where consumers reported their age: 2,500 from South Carolina consumers and 231,576 from consumers in all locations. 96% of consumers from South Carolina and 95% of consumers from all locations who contacted the Federal Trade Commission directly reported their age.



Federal Trade Commission
September 2003

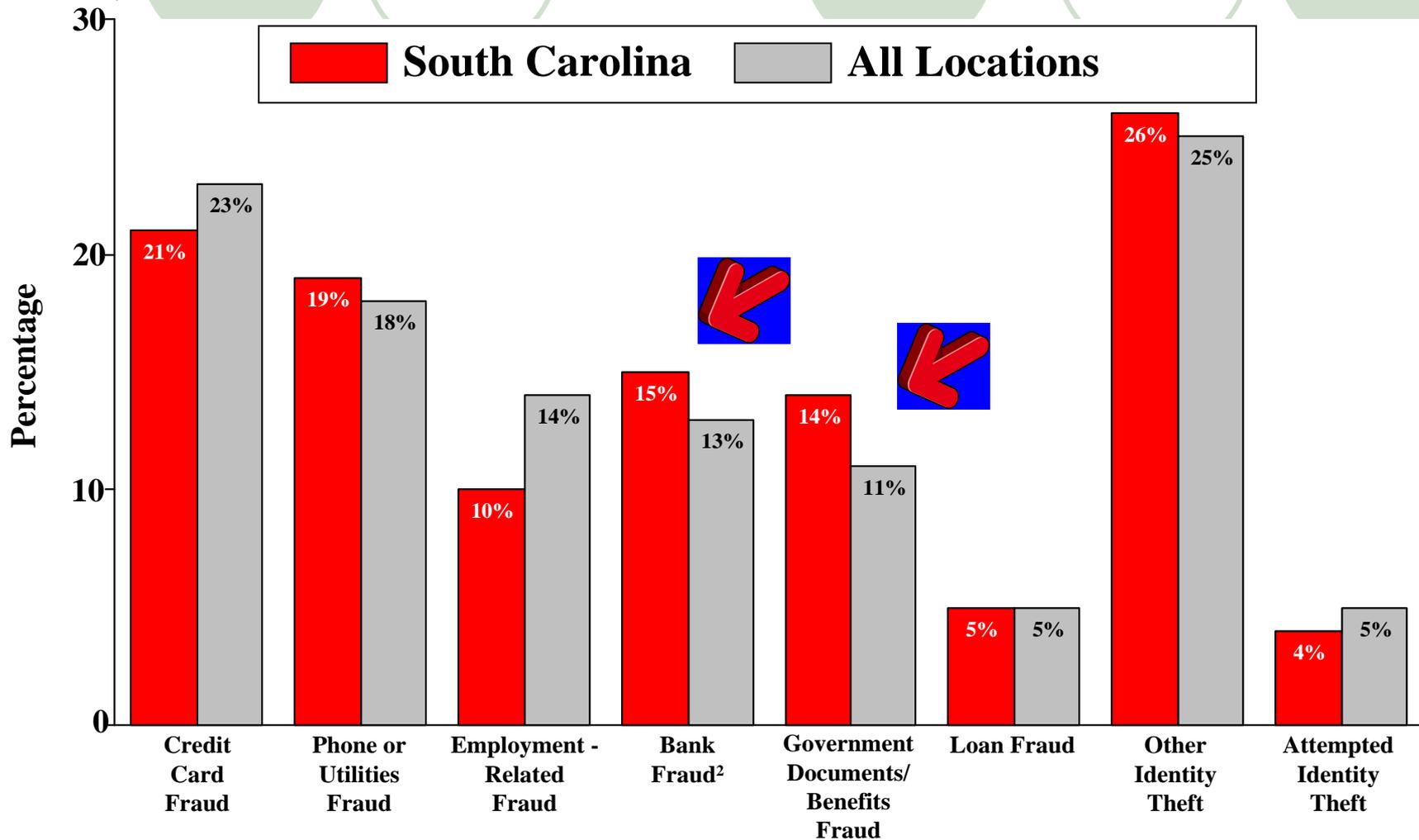
How Victims Discovered ID Theft¹



¹Source: Identity Theft Survey Report conducted by Synovate for the FTC (March-April 2003). Percentages based on respondents who indicated they had been the victim of identity theft within the past five years.

Figure 1 How Consumers' Information Is Misused¹

January 1 – December 31, 2007



UP NEXT: FIFITPA

²Includes fraud involving checking and savings accounts and electronic fund transfers.

Financial Identity Fraud and Identity Theft Protection Act

- Legislative Background
- Consumer Id Theft Protection
- Social Security Numbers
- Records Disposal
- Security Breach
- Other Protections



Legislative Background



- Bills
- Comprehensive Result= S. 453, Act 190
- Current Status
 - *Effective dates ~ December 31, 2008 & July 1, 2009*

Consumer ID Theft Protection

Sections 37-20-110 et seq.

● Important Definitions

○ *Consumer*

● Individual:

- Residing in SC
- Making a transaction for personal, family or household purpose



Consumer ID Theft Protection cont...

● Important Definitions cont...

○ *Consumer Credit Reporting Agency (CRA)*

● Person

- who for \$\$ or dues
- Regularly assembles OR Evaluates
- consumer info
- for the purpose of giving consumer reports to 3rd parties

EQUIFAX

 TransUnion.

experian

Consumer ID Theft Protection cont...

● Important Definitions cont...

○ *Consumer Report*

- Any communication of information by a CRA
- Concerning a consumer's:
 - Creditworthiness,
 - Credit standing
 - Etc.
- Is used or collected to establish eligibility for:
 - Credit or
 - Insurance or
 - Employment, etc



The image shows a screenshot of a credit report interface. The interface is divided into several sections, including 'Account Information', 'Credit History', and 'Credit Score'. The 'Credit History' section is the most prominent, displaying a table with columns for 'Type of Account', 'Status', and 'Balance'. The table lists various accounts such as 'Credit Card', 'Auto Loan', and 'Mortgage'. The 'Credit Score' section is also visible, showing a score of 720. The interface is designed with a blue and white color scheme and includes navigation buttons and a search bar.

Type of Account	Status	Balance
Credit Card	Open	\$1,234.56
Auto Loan	Open	\$12,345.67
Mortgage	Open	\$123,456.78
Student Loan	Open	\$5,678.90
Personal Loan	Open	\$3,456.78
Bank of America	Open	\$1,000.00
Chase	Open	\$2,000.00
Wells Fargo	Open	\$3,000.00
Citigroup	Open	\$4,000.00
Bank of New York	Open	\$5,000.00
Capital One	Open	\$6,000.00
Discover	Open	\$7,000.00
Marriott Rewards	Open	\$8,000.00
Marriott Rewards	Open	\$9,000.00
Marriott Rewards	Open	\$10,000.00
Marriott Rewards	Open	\$11,000.00
Marriott Rewards	Open	\$12,000.00
Marriott Rewards	Open	\$13,000.00
Marriott Rewards	Open	\$14,000.00
Marriott Rewards	Open	\$15,000.00
Marriott Rewards	Open	\$16,000.00
Marriott Rewards	Open	\$17,000.00
Marriott Rewards	Open	\$18,000.00
Marriott Rewards	Open	\$19,000.00
Marriott Rewards	Open	\$20,000.00

Consumer ID Theft Protection cont...

- Security Freeze~

- *In General*

- Freeze- credit report cannot be accessed without consumer's permission
- Available to **ANYONE**
- Submit request to CRA
 - Certified letter or e-mail
- CRA must place within 5 days



Consumer ID Theft Protection cont...

- Security Freeze cont...

- ***Within 10 Days CRA Must:***

- Send consumer written confirmation of request and
- Provide a pin or password.
 - *Pin or password is needed to thaw or lift the freeze and may be requested by the reporting agency when you want to get your credit report*



Consumer ID Theft Protection cont...

○ *While Freeze in Place CRA Must:*

- Notify consumer of personal info changes within 30 days
 - Ie: address, name, social security #
- Notify person requesting a report = frozen



Consumer ID Theft Protection cont...

● Security Freeze cont...

○ To Thaw (temporarily remove freeze)

- Request via e-mail, fax, telephone, etc.
- Can be for a specified time or creditor/ requestor
- CRA must thaw within 15 minutes

○ To Lift

- Request via e-mail, telephone, etc
- CRA must remove within 3 days



Consumer ID Theft Protection cont...

- Security Freeze cont...

- It is **FREE** to:

- Place,
- Temporarily Lift OR
- Remove

A Security Freeze!!!



Consumer ID Theft Protection cont...

- **Points to Remember:**

- You must contact each of the 3 credit reporting agencies to request the freeze

Equifax

www.equifax.com

800-685-1111 or TDD 800-255-0056

P.O. Box 105788, Atlanta, GA 30348

Experian

www.experian.com/freeze

888-EXPERIAN (397-3742) or TDD 800-972-0322

P.O. Box 9554, Allen, TX 75013

TransUnion

www.transunion.com

888-909-8872 or TDD 877-553-7803

P.O. Box 6790, Fullerton, CA 92834

Consumer ID Theft Protection cont...

● Points to Remember cont.:

○ Getting New Credit

- The freeze only affects the opening of new accounts, loans, etc.
- Before you apply for a new loan, credit, etc. you must thaw the freeze (either for the lender or for a specific time)



Social Security Numbers

Section 37-2-180/ 30-2-310



- Among other prohibitions, a public body or a business may not:
 - Make available to the public a person's social security number or six or more digits of the number;
 - Intentionally print or imbed a person's social security number or six or more digits of the number on a card required for access to a product or service;
 - **Require a person to transmit a social security number or six or more digits of the number over the internet UNLESS there is a (1) secure connection or (2) the number is encrypted.**

Social Security Numbers cont...

- **Require a person to use his/her social security number or six or more digits of the *number to access the web* unless a password is also required;**
- Print a person's social security number or six or more digits of the number **on materials mailed** to that person **UNLESS *state or federal law requires*** it;
- ***May not collect a person's social security number or six or more digits of the number UNLESS the body is (1) authorized by law or (2) the collection is imperative to the body performing its duties and responsibilities;***



Social Security Numbers cont...

- When collecting a person's social security number or six or more digits of the number, must separate the number from the rest of the record, ***or as otherwise appropriate, so the number can be easily redacted pursuant to a FOIA request,***
- At a person's request, ***must give a statement of purpose*** for collecting the person's social security number or six or more digits of the number and how it will be used.



Social Security Numbers cont...

- **Exceptions:**

- SS # is included in an application. (*Still cannot be on a postcard or visible on or thru an envelope.*)
- Opening of an account or payment for a product or service authorized by the consumer.
- Person providing the SS# to a governmental authority.



Records Disposal

● Definitions~ Effective 12-31-2008

○ *Personal Identifying Information (PII)*

- Consumer's 1st name or 1st initial
- + last name
- +unencrypted or unredacted:
 - Social security #, or
 - Driver's License #, or
 - Financial account #, credit card, debit card + security code, or
 - Other #s or information to get access to financial accounts



Records Disposal cont...

● Definitions cont...

○ *Business*

- Person conducting business in this State

○ *Disposal*

- discarding records that contain *personal identifying information* OR
- the sale, etc of anything containing



Records Disposal cont...

- Disposal of Records~
 - **Hardware & Storage Media**
 - B4 transfer or disposal must:
 1. *Remove pers'l & confdt'l information*
 - **Record**
 - If PII involved, B4 disposal:
 1. *Shred, erase the PII to make unreadable or undecipherable*



Can hire a 3rd party to dispose of records= ok if compliant

Records Disposal cont...

- Penalties

- Civil Action

- Department

- Consumer

- 3x actual damages/ limit \$1,000 + attorneys fees
- Injunction

- Administrative Action

- Injunctions

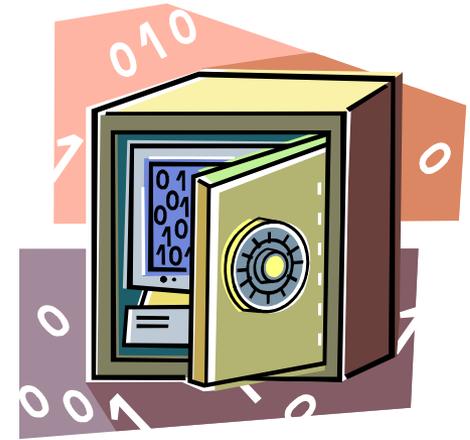
- Fines

Security Breach~ Effective 7-1-2009

● Definitions~

○ **Security Breach**

- *Unauthorized access to AND*
- *Acquisition of:*
 - *Records/ data containing PII*
 - *Illegal use has or is likely to occur*



○ **Breach of the Security of the System**

- *Unauthorized access to AND*
- *Acquisition of:*
 - *Computerized data (where PII isn't encrypted, redacted, etc)*
 - *Illegal use has or is likely to occur*

Security Breach cont...

- **Applies to:**

- Persons conducting business in this State

- **Notification~Section 1-11-490**

- **To Consumer When:**

- Computerized or other data
- containing PII that was not encrypted or redacted
- Was, or is reasonably believed, to have been acquired by an unauthorized person
- When illegal use of the PII occurred, is likely to occur or material risk to person



Security Breach cont...

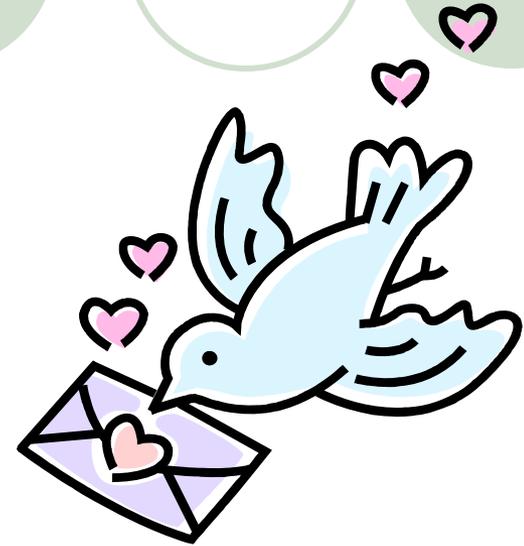
● Notification cont...~

○ **Must be Made:**

- Without delay

● BY:

- Written notice
- Electronic notice (if primary method)
- Telephone notice;
- Substitute Notice: \$250k or 500,000 persons
 - E-mail notice;
 - Webpage notice;
 - Notify statewide media



Security Breach cont...

Sample Security Breach Notification Letter

Date

Organization's Name and Address

Affected Person's Name and Address

Dear (Person's Name):

I am writing to inform you that our organization experienced *(or discovered)* **a security breach on or about** *(date of breach or when breach was discovered)*. **Unfortunately this has resulted in unauthorized access to your personal identifying information, specifically your** *(identify information that was or is reasonably believed to have been acquired)*.

(Organization Name) **is taking this matter very seriously and has** *(describe steps taken to prevent further harm or access to the person's personal identifying information and indicate whether or not law enforcement and/ or the Department of Consumer Affairs was notified of the breach)*. **If you have any questions about this notice, please contact** *(name of contact person)* at *(contact's telephone number)*. **You may also contact the South Carolina Department of Consumer Affairs at 1-800-922-1594 for information on steps you can take to defend yourself against identity theft.**

Sincerely,

Security Breach cont...

- **Notification cont...~**

- **To the Department When:**

- > 1,000 persons affect @ 1 time
- Must also notify national consumer reporting agencies

- **Notice Must Include:**

- Timing,
- Distribution, and
- Content of Notice



Mail To:

Legal Division

RE: Security Breach Notification

South Carolina Department of Consumer Affairs

P.O. Box 5757

Columbia, SC 29250

Security Breach cont...

● Penalties:

○ Private Cause of Action

- Damages,
- Injunction, and
- Attorney's fees

○ Administrative Fines

- Willful violation
- Up to \$1,000 per affected person



Other Protections

- Unlawful to “dumpster dive”

- Misdemeanor
- Felony (intentional)



- Creates crime of “Financial identity fraud”

- Felony (intentional)

- Credit Card Receipts

- *Mirrors Federal Law*

- Business may only print 5 or less digits of a credit/debit card # on consumer’s receipts
 - (doesn’t apply to handheld/imprinting)

Other Protections cont...



● Credit Cards

- Businesses that mail offers to receive a seller or lender credit card must **verify a change of address** if the application returned states an address that is substantially different from the address on the offer.
- A seller/ lender credit card issuer is **prohibited from mailing out additional credit cards** to a new address if the card is requested within 30 days of the address change, unless the change of address is verified by the issuer.

UP NEXT: Steps to Take

How Can You Avoid ID Theft?

- *Minimize Your Risk*

- Shred documents

- Guard your pers'l info: why do they need it? How will they protect it?

- *Protect Your Mail*

- Prescreened offers, cc bills, etc

- Deposit in PO box

- Promptly remove incoming mail

- *Bills*

- Make sure receiving statements on time

- Carefully review



How Can You Avoid ID Theft? Cont...

- *Scams*

- Be wary of promotional offers where personal info is asked for
- Again- hoaxes- only ask for pers'l info in letter form- call bank to verify, etc

- *Opt Out (Pre-Screened Credit Card Offers)*

- Mail

- info on the handout- contacts

- Direct marketing Association
www.dmaconsumers.org/offemaillist.html
- Credit Cards= 1-888-5-OPTOUT

- Telephone

- Do Not Call



How Can You Avoid ID Theft? Cont...

- E-mail

- Again, DMA

- Use firewall

- Use secure browser

- Don't open mail when don't recognize sender



- Protect Your Social Security Number

- **AGAIN**> Guard your pers'l info: why do they need it? How will they protect it?

- Credit Reports

- www.annualcreditreport.com

- free annual report from each

What Should You Do If You're A Victim?

- Immediate Action

- **Step One:**

- Fraud Alert (*different from security freeze*)

- Contact 1- they call the others

- 90 days- can extend to 7 years if victim & fill out ID Theft Report

- Free reports (1 from each/ 2 from each)

- **Creditors must contact you b4 issuing credit**



What Should You Do If You're A Victim?

Cont..

● **Step Two:**

○ Affected Accounts

● Close

- **Via Phone, then mail, certified, return receipt**

● Obtain PINs

- **New accounts- use new PINS and passwords**

● Dispute Fraudulent Charges/ Accounts

- **Ask for fraud dispute form from creditor**
- **If new account opened in your name, ask if accept fraud affidavit**
- **GET A LETTER THAT DISPUTE HAS BEEN CLEARED UP FROM CREDITOR!!!**

● Special Circumstances for Checks

- **Notify bank of forgery**
- **Ask bank to notify check verification service**



What Should You Do If You're A Victim?

Cont..

● **Step Three:**

○ Report to the Police

● **File Police Report & get copy**

● **Step Four:**

○ File a Complaint with the Federal Trade Commission

● **Information sharing to track thieves**

● www.ftc.gov

● www.ftc.gov/idtheft 1-877-IDTHEFT



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Toll Free: 1-800-922-1594

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(FIFITPA Workshop Presentations & Handouts)