



Identity Theft

The issue of identity theft is one that continues to concern California's banking industry. As the reported incidences of identity theft grow, so does the concern of the consumers it affects and, sometimes, devastates. Though the California Bankers Association (CBA) believes this to be an insidious crime, we also believe that there are steps that can be taken to minimize its occurrence and also its impact.

Industry Outreach Efforts

Members of the CBA are committed to being an integral part of helping consumers through the various phases of dealing with ID theft, whether it is in the area of prevention or recovery. To that end, the CBA has implemented the following components of an educational campaign to assist consumers:

- The **"Preventing ID Theft" brochure** was designed to provide consumers with meaningful tips on how to keep themselves from becoming victims of ID theft. But, it also offers some initial steps to take if a consumer becomes a victim. These brochures were specifically designed for distribution in bank branches, are full-color and very easy-to-read. These brochures were endorsed by the California Association of Unionized Safety Employees (CAUSE), the Pacific Research Institute, and the Alliance for Fair Information Practices and were reviewed and approved by the State of California's Office of Privacy Protection.
- The **"Preventing ID Theft" statement stuffer** is the latest addition to the CBA ID Theft Prevention campaign. Presented in English, Spanish and Cantonese, the statement stuffer provides prevention and recovery tips for consumers. This statement stuffer contains language that puts California's bank into full compliance with SB 168 (Bowen), which requires all banks to notify their customers of their privacy rights.
- CBA, through its ID Theft Task Force, is in the process of negotiating with various service providers to bring an **industry-supported victims' assistance center** to fruition in California. Ideally, this center would provide victims of ID theft with a single contact point to initiate contact with creditors to notify them of the theft, to work with credit reporting agencies, and also to receive additional assistance on an as-needed basis.
- CBA is working with the California District Attorneys Association to develop ways in which law enforcement and the banking industry can work together to further educate the public on this important issue and also implement strategies to address the gap between the number of ID thefts perpetrated in California and the number of those thefts which are actually investigated and/or prosecuted.

Legislative focus

California's banking industry realizes, however, that the solution to the problem of ID theft does not reside with industry alone, but rather would require a collaborative effort. That is why CBA remains committed to working with legislators on meaningful ID theft legislation, just as it did when it joined with members of the Legislature, law enforcement and consumer groups to pass AB 156 (Murray) that made California the first state to make identity theft a crime in 1997. Examples of additional meaningful pieces of ID theft legislation which CBA has worked on include:

- **AB 245 (Wyland) - Chapter 478, Statutes of 2001**
Changes identity theft from a misdemeanor to a felony, and removes the previous requirement that the information used unlawfully was acquired without consent.
- **SB 125 (Alpert) - Chapter 493, Statutes of 2001**
Entitles individuals who discover an unauthorized individual has applied for a loan, credit card, or bank account in his or her name, to receive a copy of the application and any information related to the application.
- **SB 168 (Bowen) - Chapter 720, Statutes of 2001**
Requires credit reporting bureaus to accept security alerts from consumers via a toll-free telephone number, allows consumers to impose a renewable security freeze on their credit file and prohibits using an individual's Social Security number in certain ways, including public posting or requiring it for access to products or services.
- **AB 1155 (Dutra) - Chapter 907, Statutes of 2002**
Authorizes courts to impose a fine of \$25,000 on an individual who is convicted of a felony for conspiring to commit identity theft and makes it a misdemeanor for any person to obtain or assist another person in obtaining a driver's license, identification card, vehicle registration certificate or other official DMV document to which that person is not entitled.
- **SB 1239 (Figueroa) – Chapter 860, Statutes of 2002**
Provides a victim of identity theft the right to block fraudulent information and to receive a free credit report once a month for up to 12 consecutive months.
- **SB 1254 (Alpert) - Chapter 254, Statutes of 2002**
Expands the definition of "personal identifying information" that applies under identity theft statutes and provides that every person who, with the intent to defraud, acquires, transfers, or retains possession of another person's information is guilty of a crime punishable by imprisonment and fine. Requires entities to provide free copies of applications and forms used to open fraudulent accounts to identity theft victims and to law enforcement.
- **SB 1617 (Karnette) - Chapter 862, Statutes of 2002**
Establishes an activation process for substitute credit cards where consumers are required to contact the card issuer to activate the credit card before it can be used.

CBA will continue to support legislation that would:

- Make the crime of ID theft a felony;
- Impose much stronger penalties on ID thieves; and
- Encourage and fund the investigation and prosecution of ID thefts by law enforcement.