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State of Connecticut

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Banking Committee

March 15, 2018

LOB 1E 2:30 PM

In **SUPPORT** of Senate Bill 472

An Act Concerning Fees for Security Freezes on Credit Reports, Notification of a Consumer's Decision to Place or Remove a Security Freeze on a Credit Report and the Duration of Certain Identity Theft Prevention Services Required after a Data Breach

Chairman Winfield, Chairman Lesser, Chairman Martin, and distinguished members of the Banking Committee, thank you for hearing Senate Bill 616. I am here to testify in **support** of Senate Bill 472, *An Act Concerning Fees for Security Freezes on Credit Reports, Notification of a Consumer's Decision to Place or Remove a Security Freeze on a Credit Report and the Duration of Certain Identity Theft Prevention Services Required after a Data Breach*. My name is Cathy Osten and I represent the 19th Senate District, which includes the Towns of Columbia, Franklin, Hebron, Lebanon, Ledyard, Lisbon, Marlborough, Montville, Norwich, and Sprague.

As many of you know, this bill is in response to the 2017 Equifax data breach, which, according to the New York Times and other reliable sources, resulted in the theft of personal data from as many as 145.5 million Americans. The stolen data included names, social security numbers, birth dates, addresses and driver's license numbers. In addition to this data, it is estimated that over 200,000 credit card numbers were hacked, as well as documents written by consumers that disputed credit assessments. In all, about 44% of Americans were affected.

None of us is immune to data breaches. We are ALL ensnared in a fragile and permeable system that holds enormous power over us. For that reason, the Federal Trade Commission joins other sources of expertise in recommending the credit freeze as an important method of personal data protection. By stopping the issuing of credit reports, freezes prohibit the release of all information held by credit companies in response to illegitimate requests. The consumer is free to lift the freeze when he or she has applied for credit, then reinstate it again. Although a credit freeze will not prevent a thief from hacking into existing credit accounts, it does prevent the fraudulent opening of new accounts.

Data collection giants like Equifax, Transunion, and Experion charge fees in Connecticut for the imposition of credit freezes. This bill would enable the Connecticut consumer to exercise an important preventative at no cost, thus providing a modicum of power to the individual in an age of massive data collection and dissemination. Thank you again for the opportunity to testify in **support** of Senate Bill 472. I look forward to working with the leadership and members of this committee on this bill's passage.