THE SENATE TWENTY-SIXTH LEGISLATURE, 2011 STATE OF HAWAII

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S.C.R. NO.3

FEB 1 6 2011

## SENATE CONCURRENT RESOLUTION

REQUESTING A COMPREHENSIVE STUDY ON THE RESULTS AND IMPACT OF ACT 10, SESSION LAWS OF HAWAII 2008, AS WELL AS OTHER INFORMATION SECURITY PROPOSALS.

WHEREAS, identity theft affects millions of American each year and costs more than \$54 billion annually; and

WHEREAS, breaches in the security of personal information 4 are a leading source of identity theft; and

7 WHEREAS, in December 2007, the Office of the Auditor issued a report entitled "Hawai'i Identity Theft Task Force Report" 8 that, among other things, made certain recommendations regarding 9 10 safequards to protect personal information; and 11

WHEREAS, the Legislature passed Act 10, Session Laws of 12 Hawaii 2008, which established the Information Privacy and 13 Security Council to implement the recommendations of the Hawai'i 14 Identity Theft Task Force and to identify and recommend to the 15 Legislature best practices to assist government agencies in 16 improving security and privacy programs relating to personal 17 information; and 18

WHEREAS, an analysis has not been conducted to determine 20 whether Act 10 and the recommendations made by the Information 21 22 Privacy and Security Council have been implemented or if they have been effective; and 23

25 WHEREAS, current law primarily focuses on prevention of security breaches and penalties for organizations that fail to 26 provide timely and adequate notice to persons affected by the 27 security breach, but it provides very little in the way of 28 remedies for affected persons; now, therefore, 29

BE IT RESOLVED by the Senate of the Twenty-sixth 31 Legislature of the State of Hawaii, Regular Session of 2011, the 32



## S.C.R. NO. 31

House of Representatives concurring, that the Auditor is 1 requested to conduct a comprehensive study to determine whether 2 the recommendations of the Hawai'i Identity Theft Task Force 3 Report of 2007 have been implemented and on the results and 4 impact of Act 10, Session Laws of Hawaii 2008, to determine 5 whether the recommendations by the Auditor and the Information 6 Privacy and Security Council regarding the handling of private 7 information by government agencies have been implemented and the 8 9 impact thereof; and

11 BE IT FURTHER RESOLVED that the Auditor is requested to 12 perform an analysis, similar to those performed pursuant to 13 section 26H-6, Hawaii Revised Statutes, of the following 14 proposals to provide remedial measures for persons affected by a 15 breach of their personal information:

- (1) Require an organization that has permitted a security breach to conduct, at the organization's expense, an independent audit, to be made available to the public upon completion, to reassure the public and Legislature that the organization has fulfilled any promises to take remedial action and comply with industry standards;
- (2) Establish an agency or work with an existing national non-profit organization to track Hawaii identity theft and fraud trends, to help determine the actual effect of breaches and to provide information regarding any trends to the public;
- (3) Establish a centralized trust account from which affected persons of information breach or identity fraud may draw, to be funded by a fee assessed on any organization that is liable for a security breach; and
  - (4) Apply Hawaii's Uniform Deceptive Trade Practices Act to state agencies that perform services that are typically performed by private companies, such as universities; and

41 BE IT FURTHER RESOLVED that the Information Privacy and 42 Security Council is requested to cooperate with and provide 43 information and assistance to the Auditor, upon request; and



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2 BE IT FURTHER RESOLVED the Auditor is requested to submit 3 findings and recommendations to the Legislature, including any proposed legislation, no later than twenty days prior to the 4 5 convening of the Regular Session of 2012; and 6

7 BE IT FURTHER RESOLVED that certified copies of this 8 Concurrent Resolution be transmitted to the Auditor and the 9 members of the Information Privacy and Security Council.

OFFERED BY:

Will Syro Rung & Bala

Miller Karde



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