

Rec'd 2/4/20



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 34

DATE: January 29, 2020

SPONSOR: Senator Kagan

ASSIGNED TO: Finance

CONTACT PERSON: Kathleen Boucher (kathleen.boucher@montgomerycountymd.gov)

POSITION: SUPPORT (Office of Consumer Protection)

Consumer Protection – Scanning or Swiping Identification Cards and Driver's Licenses – Prohibition

Montgomery County's Office of Consumer Protection supports SB 34 as an important first step in defending against the unauthorized proliferation of consumer personal identifying information.

Montgomery County's Office of Consumer Protection is a law enforcement agency established over 40 years ago to investigate and resolve consumer complaints. Each year, we receive thousands of telephone calls and written complaints from consumers seeking information and assistance. Included in these complaints and calls are consumers impacted by data breaches and identity theft.

According to Javelin Strategy & Research 2019 Identity Fraud Study, approximately 14.4 million individuals were victimizedⁱ by identity fraud resulting in approximately \$14.7 billion in losses.ⁱⁱ

With each year comes more data breaches. The Equifax data breach where 145 million consumers were compromised dominated 2017.ⁱⁱⁱ Yet in 2018, hackers stole nearly half a *billion* personal records.^{iv} In 2019, one hack resulted in the theft of 22 million unique passwords.^v

The main issue is that businesses continue to collect and store more and more data in a single place.^{vi} This excessive storage is exacerbated by the length of time that data is stored (well beyond its utility to the underlying business) and by the fact that businesses collect data that consumers do not even know is being collected, e.g., facial recognition technology,^{vii} social media,^{viii} biometrics, etc.

This bill is an important first step. Thank you for your time and please feel free to contact me for any additional information.

ⁱ <https://www.javelinstrategy.com/coverage-area/2019-identity-fraud-study-fraudsters-look-for-new-targets-and-victims-bear-brunt>

ⁱⁱ <https://www.digitalcommerce360.com/2019/04/09/card-not-present-fraud-decreases-but-online-account-take-over-fraud-increases-in-2018/>

ⁱⁱⁱ <https://gizmodo.com/the-great-data-breach-disasters-of-2017-1821582178>

^{iv} <https://www.nbcnews.com/business/consumer/you-ve-been-breached-hackers-stole-nearly-half-billion-personal-n966496>

^v <https://mashable.com/article/collection-1-password-breach/#.KKOFVOjauOb>

^{vi} <https://www.javelinstrategy.com/coverage-area/2019-identity-fraud-study-fraudsters-look-for-new-targets-and-victims-bear-brunt>

^{vii} <http://nymag.com/intelligencer/2018/10/retailers-are-using-facial-recognition-technology-too.html> (facial recognition used by retailers)

^{viii} Cf. <https://www.businessinsider.com/ftc-confirms-that-it-is-investigating-facebook-2018-3> (FTC investigating Facebook in wake of Cambridge Analytica scandal)