

BRIAN E. FROSH
Attorney General

WILLIAM D. GRUHN
Chief
Consumer Protection Division

ELIZABETH F. HARRIS
Chief Deputy Attorney General



CAROLYN QUATTROCKI
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Fax No.

Writer's Direct Dial No.
(410) 576-6307

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TO: The Honorable Delores G. Kelley, Chair
Senate Finance Committee

FROM: Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation, Legislation and Policy

RE: Senate Bill 639 – Consumer Protection – Security Questions and Measures
– LETTER OF INFORMATION

The Consumer Protection Division of the Office of the Attorney General hereby submits the following regarding Senate Bill 639, sponsored by Senator Kagan, which would prohibit a business or a unit of State or local government from using a person's mother's maiden name as a security measure to access an account. While a violation by a business would be a violation of Maryland's Consumer Protection Act, SB 639 provides that a person may report a violation by a unit of State or local government to the Consumer Protection Division.

Although the Division appreciates SB 639's intent of trying to protect Maryland citizens from identity theft by limiting the use of a security measure that isn't in-fact secure, reporting violations by governmental units to the Division would provide only an illusory remedy. The Division has no authority over State and local governmental units. While the Division mediates complaints against businesses, there is no precedent for mediating complaints against other governmental units. Although governmental units report data breaches to the Division, the purpose is so that the Division has the information it needs to provide consumers affected by the breach with assistance in protecting themselves. The Division has no authority to take enforcement or any other action against the governmental agency that experienced the data breach.

Accordingly the Consumer Protection Division respectfully requests that the Senate Finance Committee strike subsection (D), page 2, lines 24-26 when considering Senate Bill 639.

cc: Members, Senate Finance Committee
The Honorable Cheryl Kagan