



Legislation Text

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Res. No. 1548

Resolution calling on the United States Congress to pass The Data Accountability and Trust Act, which protects consumers by requiring reasonable security policies and procedures to safeguard computerized data containing personal information and provides for a nationwide notice in the event of a security breach.

By Council Members Vallone Jr., Brewer, Gerson, Liu, Nelson and White, Jr.

Whereas, A growing number of incidents involving the loss of information from computer hard drives and unauthorized access to databases containing personal information occurred recently; and

Whereas, As computers become more common and a greater number of organizations use computer systems to transfer large amounts of information, the likelihood of fraud or theft increases; and

Whereas, According to the United States Government Accountability Office, the Federal Trade Commission (FTC) reported in 2005 that identity theft represented 40% of all consumer fraud complaints over the last three years; and

Whereas, Internet credit card fraud continues to be a major concern for consumers and merchants; and

Whereas, An increased number of safeguards should be implemented to protect the public from data and identity theft; and

Whereas, H.R. 958, also known as The Data Accountability and Trust Act (DATA), currently pending in the United States House of Representatives, seeks to help protect consumers by increasing security policies for data containing personal information; and

Whereas, DATA provides procedures notifying the FTC and affected individuals of security breaches that compromise personal information; and

Whereas, DATA requires the FTC to promulgate regulations requiring each person engaged in interstate

commerce that owns or possesses electronic data containing personal information to establish security policies and procedures; and

Whereas, DATA authorizes the FTC to require a standard method or methods for destroying obsolete nonelectronic data in order to protect individuals against identity theft; and

Whereas, DATA would place new requirements on specific companies known as information brokers that specialize in collecting personal data; and

Whereas, Information brokers will be required to implement effective security measures to protect sensitive information under DATA and they will also be prohibited from falsely representing themselves to obtain personal data from prospective consumers; and

Whereas, If personal information is compromised and there is a reasonable risk of identity theft to the individual to whom the personal information relates, DATA will require information brokers to notify the affected consumers; and

Whereas, DATA will therefore help ensure the protection of consumers' information by creating new procedures to thwart fraudulent activities and identity theft; now, therefore, be it

Resolved, That the Council of the City of New York calls on the United States Congress to pass The Data Accountability and Trust Act, which protects consumers by requiring reasonable security policies and procedures to safeguard computerized data containing personal information and provides for a nationwide notice in the event of a security breach.

WJH
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