

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 2256

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2256 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose of this bill is to deter the use of "phishing," "spyware," and other methods of fraudulently gaining information about a computer user or control of a person's computer, by:

- (1) Establishing the offenses of unauthorized installation of software, fraudulent inducement to install software, and inducement for unlawful use of computer;
- (2) Allowing the Attorney General or the county prosecuting attorney to seek up to \$2,500 per violation of the law; and
- (3) Authorizing private action to recover \$5,000 per violation or triple the amount of damages caused, whichever is greater.

Three concerned citizens testified in support of this measure.

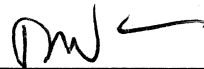


Your Committee heard testimony that phishing and the use of spyware, activities targeted by this bill, are not uncommon events. Phishing involves the use of fraudulent websites and electronic mail to obtain a victim's personal, financial, or account and password information. Spyware is software installed on a computer through methods such as electronic mail or pop-up ads, without the user's knowledge or consent. Spyware may be used to obtain information about the victim through the victim's computer use, or may disable or control the victim's computer.

Your Committee finds that there is a sufficient risk to consumers from spyware and other forms of malicious software, and as such, protections are necessary.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2256 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



