

Honolulu, Hawaii

MAR 22 2006

RE: H.B. No. 3244
H.D. 1
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Media, Arts, Science, and Technology and Commerce, Consumer Protection, and Housing, to which was referred H.B. No. 3244, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO IDENTITY THEFT,"

beg leave to report as follows:

The purpose of this measure is to prevent further occurrences of electronic commerce-based crimes in the State by supporting the efforts of the Hawaii Anti-Phishing Task Force by:

- (1) Changing the name of the Hawaii Anti-Phishing Task Force;
- (2) Extending the life of the task force;
- (3) Expanding the responsibilities of the task force;
- (4) Adding additional member to the task force; and
- (5) Appropriating funds.

Your Committees received testimony in support of this measure from the Department of the Attorney General; the Department of Commerce and Consumer Affairs; the Judiciary; the Department of the Prosecuting Attorney, County of Maui; the Hawaii Bankers Association; the Hawaii Financial Services Association; and the



Consumer Data Industry Association (CDIA). The Legislative Reference Bureau submitted comments.

Your Committees have amended this measure by deleting its contents and inserting language from S.B. No. 2157 S.D.1. In addition to the task force provisions, S.B. No. 2157 S.D.1 appropriates funds to the Department of the Attorney General for a uniform identity theft complaint tracking system, an increase in community outreach programs, and a study on the nexus between methamphetamine use and identity theft.

In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. By reviewing Hawaii's and other jurisdictions' activities, policies, directives, and laws relating to the prevention, monitoring, and enforcement of electronic commerce-based crimes, the Task Force determined that identity theft was a more pervasive and serious problem than was previously recognized. Its recommendations have focused primarily on providing law enforcement with better tools to prosecute identity theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records.

In the course of its discussions, the Task Force decided to broaden its focus from phishing scams to the more pervasive problem of identity theft, which encompasses phishing and other electronic commerce-based crimes. Therefore, your Committees find that changing its name to the Identity Theft Task Force, extending its life to December 31, 2007, adding additional members, and expanding its responsibilities will allow the Task Force to continue to make recommendations on how the State can combat further occurrences of identity theft. Moreover, your Committees find that appropriating funds to the Office of the Auditor for support services will provide the Task Force the additional support it needs to continue its work.

Your Committees further find that the Task Force designated the Department of the Attorney General to pursue three methods to combat identity theft in Hawaii, which funding is needed to implement. Funding is needed to:

- (1) Establish a uniform system of tracking cases, which will ultimately assist state law enforcement personnel to



comprehend the depth and scope of identity theft and provide a more effective and efficient response to the growing problem;

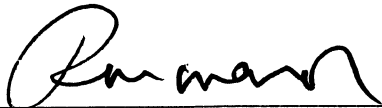
- (2) Support current identity theft community outreach programs, and retain experienced media or public relations firms to develop television, print, and radio public service announcements; and
- (3) Support a study on the nexus between methamphetamine use and identity theft because understanding the relationship between the two will aid law enforcement and the public in better understanding how to address and respond to the increasing problem of identity theft.

The Judiciary and Hawaii Financial Services Association recommend and your Committees recognize that the list of designated Task Force members may need clarification. In light of the submitted testimony, clarification is needed in specifying the proper title or office of each member, allowing all individual members or organizations to designate a representative, and maintaining a consistent list of members by ensuring that organizations or areas members represent do not overlap with each other. Your Committees believe that the Committee on Judiciary and Hawaiian Affairs and the Committee on Ways and Means should continue further discussion on this matter.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3244, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3244, H.D. 1, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Media, Arts,
Science, and Technology and
Commerce, Consumer Protection,
and Housing,



RON MENOR, Chair



CAROL FUKUNAGA, Chair



