

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2157
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 Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology, to which was referred S.B. No. 2157 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC COMMERCE AND IDENTITY THEFT,"

beg leave to report as follows:

The purpose of this measure is to appropriate funds for an expanded law enforcement effort to compile a uniform identity theft complaint tracking system, to support an increase in community outreach programs, and to fund a study on the nexus between methamphetamine use and identity theft.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Honolulu Police Department, the Hawaii Bankers Association, and the Hawaii Financial Services Association.

Furthermore, your Committees received testimony in support of S.B. No. 2160 from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Judiciary, the Honolulu Police Department, the Hawaii Bankers Association, and the Hawaii Financial Services Association. The Legislative Reference Bureau submitted comments on S.B. No. 2160. Amendments to S.B. No. 2157 incorporate the contents of S.B. No. 2160.



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 in the state of Hawaii.

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. Taken in conjunction with the identity theft initiatives proposals from Department of Commerce and Consumer Affairs, the Senate's developing package of identity theft bills takes a major step forward in bringing the business, law enforcement and government communities together to effectively track and combat identity theft crimes in Hawaii.

The Task Force has designated the Department of the Attorney General to pursue three methods to combat identity theft in Hawaii: First was a uniform tracking system allowing law enforcement agencies in Hawaii to track identity theft cases in a variety of ways. A uniform system of tracking cases will ultimately assist state law enforcement personnel comprehend the depth and scope of identity theft and provide a more effective and efficient response to the growing problem. Since identity theft may stem from or contribute to commission of other electronic crimes, the uniform tracking system should also incorporate electronic crimes. Funding is needed to establish a uniform system of tracking cases.

Second, increasing the number of identity theft community outreach programs available for the public is a cost-effective way to deter identity theft in the State. Funding is needed to support current awareness programs and retain experienced media or public relations firms to develop television, print, and radio public service announcements.

Finally, Hawaii's drug epidemic is viewed by law enforcement as a major contributor to identity theft related crimes. Understanding the relationship between those who illegally use drugs and identity theft will aid law enforcement and the public



in better understanding how to address and respond to the increasing problem of identity theft. In particular, funding is needed to support a study on the nexus between methamphetamine use and identity theft.

Your Committees have amended this measure to appropriate specific amounts to compile a uniform identity theft complaint tracking system; to support an increase in community outreach programs; and to fund a study on the nexus between methamphetamine use and identity theft to help prevent further occurrences of identity theft in the State.

Your Committees have also amended this measure by inserting language from S.B. No. 2160 to include the provisions relating to the Hawaii Anti-Phishing Task Force. 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 have amended this measure to:

- (1) Change the name of the Hawaii Anti-Phishing Task Force to the Identity Theft Task Force;
- (2) Expand the responsibilities of the task force;
- (3) Add additional members;
- (4) Designate the Office of the Auditor to provide support services by appropriating \$200,000 to the Office of the Auditor; and
- (5) Extend the life of the task force from June 30, 2006 to December 31, 2007.

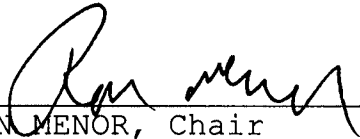
As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2157, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2157, 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 Commerce,
Consumer Protection, and
Housing and Media, Arts,
Science, and Technology,



CAROL FUKUNAGA, Chair



RON MENOR, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Media, Arts, Science and Technology
(Bills and Resolutions)

Measure:* SB 2157	Committee Referral: CPA/MAT, JEW/WAM	Date: 2/14/2006		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
FUKUNAGA, Carol (C)	✓			
IGE, David Y. (VC)	✓			
ENGLISH, J. Kalani				✓
IHARA, Jr., Les				✓
HOGUE, Bob	✓			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y Ige</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.