

HB 1287, HD1

Testimony

Measure Title: RELATING TO PERSONAL INFORMATION.

Report Title: ID Card; Driver's License

Description: Allows a business to scan an individual's driver's license or identification card to verify age when providing age-restricted goods or services regardless of reasonable doubt of the person's age. Effective January 1, 2100. (HB1287 HD1)

Companion:

Package: None

Current Referral: TEC/CPN

Introducer(s): SOUKI

From: mailinglist@capitol.hawaii.gov
To: [TECTestimony](#)
Cc: ekelley@dcca.hawaii.gov
Subject: Submitted testimony for HB1287 on Mar 27, 2013 09:45AM
Date: Monday, March 25, 2013 3:17:15 PM
Attachments: [HB1287HD1_CCA-OCP_03-27-13_TEC-CPN.pdf](#)

HB1287

Submitted on: 3/25/2013

Testimony for TEC/CPN on Mar 27, 2013 09:45AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Bruce B. Kim	DCCA	Oppose	Yes

Comments: Name and Title of Person Testifying: Bruce B. Kim, Executive Director Office of Consumer Protection Department of Commerce and Consumer Affairs
Committee(s): Technology and the Arts and Commerce and Consumer Protection
Date of Hearing: Wednesday, March 27, 2013, 9:45 a.m. Testimony on House Bill No. 1287, H.D. 1 Please call if you have questions. Thank you. Edna Kelley DCCA-OCP Ph: 586-2636

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION

TO THE SENATE COMMITTEE ON TECHNOLOGY AND THE ARTS

AND

THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

WEDNESDAY, MARCH 27, 2013
9:45 A.M.

TESTIMONY ON HOUSE BILL NO. 1287, H.D. 1
RELATING TO PERSONAL INFORMATION.

TO THE HONORABLE GLENN WAKAI AND
THE HONORABLE ROSALYN H. BAKER, CHAIRS,
AND TO THE HONORABLE CLARENCE K. NISHIHARA AND
THE HONORABLE BRICKWOOD GALUTERIA, VICE CHAIRS,
AND MEMBERS OF THE COMMITTEES:

The Department of Commerce and Consumer Affairs ("DCCA"), Office of Consumer Protection ("OCP") appreciates the opportunity to appear today and testify on House Bill No. 1287, H.D. 1, Relating to Personal Information. My name is Bruce B. Kim and I am the Executive Director of OCP.

OCP opposes House Bill No. 1287, H.D. 1. The bill repeals existing statutory language in HRS § 487J-6(a)(2) requiring that "reasonable doubt" exist before a

merchant may scan a customer's driver's license or Hawaii identification card "to verify the individual's age when providing age-restricted goods or services to the individual where there is reasonable doubt of the individual having reached eighteen years of age or older".

Prior to crossover, the Senate Committee on Technology and the Arts heard this bill's companion, S.B. 1351, and saw fit to defer it without further hearing rather than allow the privacy rights of Hawaii residents to be impacted by the bill.

In response to concerns that information on a person's Hawaii identification card or driver's license could be a source of identity theft with "lasting negative repercussions on the life of the person whose identity is stolen", the legislature adopted Act 191 last year. House Journal (2012), Conf. Committee Report No. 6-12, SB2419, SD2, HD3, CD1, at 1605. Act 191 created a new section in HRS Chap. 487J, Personal Information Protection, making it unlawful to scan the machine-readable zone of an individual's Hawaii identification card or driver's license and to use or retain any information obtained from the scan except in very limited circumstances listed in the statute. Prior to the adoption of Act 191 there were no restrictions whatsoever on the scanning of a person's Hawaii identification card or driver's license or the retention and dissemination of information obtained during such a scan.

Article I, Section 6 of the Hawaii State Constitution states: "The right of the people to privacy is recognized and *shall not be infringed without the showing of a compelling state interest*. The legislature shall take affirmative steps to implement this

right.” (emphasis added). According to the legislative history, the intent of Act 191 was to strike a careful balance between permitting responsible entities to lawfully use an individual’s personal identification information while protecting the privacy interests of individuals.

The purpose of this measure is to protect personal information while providing reasonable access in certain circumstances by allowing the scanning of personal information contained in a Hawaii identification card or driver’s license for limited purposes only.

Privacy concerns arise whenever a business scans the machine-readable zone of an individual’s certificate of identification or driver’s license. By scanning the machine-readable zone of a driver’s license, the business obtains significant personal information, including name, address, date of birth, hair color, eye color, height, weight, gender, license expiration date, organ donor status, driver’s license number, fingerprint, medical information and driver’s classification code. The concerns are that a business could retain this information in a computer or other storage device and sell or disseminate such information to third-parties for marketing, advertising, promotional activities or other purposes without the knowledge or consent of the customer. The information obtained through the scan would also be susceptible to identity theft or other illegal purposes by unscrupulous employees. In prior testimony proponents have stated that their systems only look at the part of the machine-readable zone of a driver license. This is, at best, only partly true. When the machine-readable zone of a license or ID is scanned, the scanner looks at the *entirety* of the machine-readable zone, although the program that uses that data may only concern itself with examining the birth-date

information, given the wide variety of point-of-sale systems used by retailers across the state, a guarantee by one is by no means a guarantee for all.

Any exception to Act 191's general rule banning the unauthorized use or dissemination of personal identification numbers must be limited in nature and scope in the interest of a person's constitutional right to privacy. Act 191 accomplished that by clearly limiting the circumstances in which scanning can occur. OCP is concerned that the bill as drafted reverses the protections agreed to in Act 191 by giving certain businesses unfettered authority to scan every personal identification card or driver's license no matter what the age of the cardholder. The "reasonable doubt" standard sets a common sense limit while prohibiting unrestricted scanning of a person's identification card or driver's license. This reasonable limitation reduces the potential for identity theft and protects a customer's right to privacy while affording businesses the leeway to conduct scanning in situations where the age of the customer is genuinely at issue.

As reflected in the extensive legislative history to Act 191, the law was the product of considerable work and compromise between the legislature and various stakeholders affected by the measure. Those stakeholders included OCP, the Hawaii ACLU, the Dept. of Customer Services of the City and County of Honolulu, AT&T, Verizon, the Retail Merchants of Hawaii, the Retail Equation, and the Consumer Data Industry Association.

The bill would weaken, not strengthen the protections agreed to last session by striking reasonable limits on the scanning of Hawaii identification cards and driver's

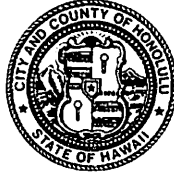
Testimony on House Bill No. 1287, H.D. 1
March 27, 2013
Page 5

licenses established by Act 191.

Thank you for allowing me to testify on House Bill No. 1287, H.D. 1. I would be happy to answer any questions the committee may have.

DEPARTMENT OF CUSTOMER SERVICES
CITY & COUNTY OF HONOLULU
DIVISION OF MOTOR VEHICLE, LICENSING AND PERMITS
ADMINISTRATION
P.O. BOX 30300
HONOLULU, HAWAII 96820-0300

KIRK CALDWELL
MAYOR



SHERI T. KAJIWARA
DIRECTOR DESIGNATE

DENNIS A. KAMIMURA
LICENSING ADMINISTRATOR

March 22, 2013

The Honorable Glenn Wakai, Chair
And Members
Committee on Technology and the Arts
The Honorable Rosalyn H. Baker, Chair
and Members
Committee on Commerce and
Consumer Protection
State Senate
Hawaii State Capitol
514 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Wakai, Chair Baker and Committee Members:

Subject: H.B. No. 1287 HD1, Relating to Personal Information

The City and County of Honolulu has concerns regarding H.B. No. 1287 HD1 which would allow business to scan an individual's driver's license or state identification card.

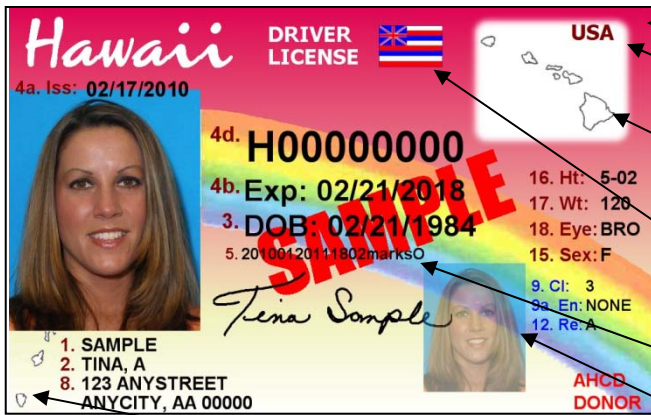
The machine readable bar code printed on the reverse side of these cards contain all the personal information printed on the front of the card. As indicated on the attached fact sheet, Hawaii's cards for individuals under the age of 21 is printed in the vertical format and the dates the individual reaches the ages of 18 and 21 is clearly printed on the face of the card.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis A. Kamimura".

Dennis A. Kamimura
Licensing Administrator

Hawaii Driver License Formats – 2010



Red gradient background with Rainbow or "Permit" based upon card type.

"USA"

Prominent Hawaiian Islands. Each island is a clear window. Visible in upper right for Over 21 and upper left for Under 21.

Hawaiian Flag

Date, Time, Operator, Island

Sheer Image

Non-prominent Hawaiian Islands



Red gradient background with Rainbow or "Permit" based upon card type.

"USA"

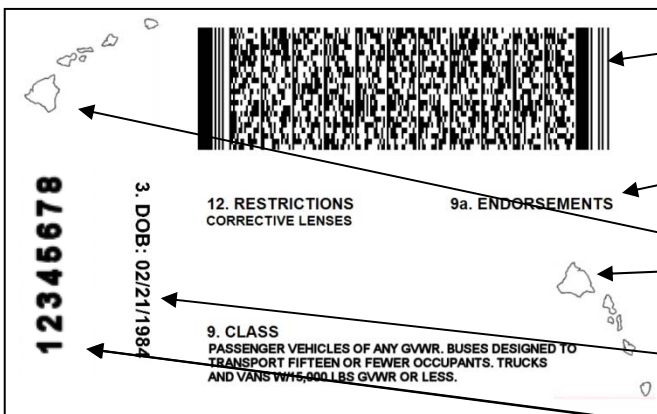
Hawaiian Islands. Each island is a clear window. Visible in upper right for Over 21 and upper left for Under 21.

21st and 18th Birthdays

Sheer Image

Non-prominent Hawaiian Islands

Date, Time, Operator, Island



PDF417 Barcode. Contains all applicant data from front of card.

Restrictions, Endorsements and Class

Hawaiian Islands. Clear windows viewable from the back of the card.

Date of Birth

Sequential Serial Number

Hawaii Driver License Formats – 2010

Hawaii DRIVER LICENSE  

4a. Iss: 02/17/2010

4d. **H00000000**

4b. Exp: 02/21/2018

3. DOB: 02/21/1984

5. 20100120111802marksO

16. Ht: 5-02
17. Wt: 120
18. Eye: BRO
15. Sex: F

9. Cl: 3
9a. En: NONE
12. Re: A

1. SAMPLE
2. TINA, A
8. 123 ANYSTREET
ANYCITY, AA 00000

Tina Sample

AHCD DONOR

Over 21 License

Hawaii DRIVER LICENSE  

4a. Iss: 02/17/2010

4d. **H00000000**

4b. Exp: 02/21/2016

3. DOB: 02/21/1984

5. 20100120111802marksO

16. Ht: 5-02
17. Wt: 120
18. Eye: BRO
15. Sex: F

9. Cl: A
9a. En: PTX
12. Re: A

1. SAMPLE
2. TINA, A
8. 123 ANYSTREET
ANYCITY, AA 00000

Tina Sample

CDL
AHCD DONOR

Over 21 CDL

Hawaii DRIVER LICENSE  

4a. Iss: 02/17/2010

4d. **H00000000**

4b. Exp: 02/17/2011

3. DOB: 02/21/1984

5. 20100120111802marksO

16. Ht: 5-02
17. Wt: 120
18. Eye: BRO
15. Sex: F


9. Cl: 3
9a. En: NONE
12. Re: A

1. SAMPLE
2. TINA, A
8. 123 ANYSTREET
ANYCITY, AA 00000

Tina Sample

AHCD DONOR

Over 21 Permit




12345678

3. DOB: 02/21/1984

12. RESTRICTIONS
CORRECTIVE LENSES

9a. ENDORSEMENTS

9. CLASS
PASSENGER VEHICLES OF ANY GVWR. BUSES DESIGNED TO
TRANSPORT FIFTEEN OR FEWER OCCUPANTS. TRUCKS
AND VANS W/15,000 LBS GVWR OR LESS.



Card Back - All Cards

 **Hawaii** DRIVER LICENSE

4a. Iss: 02/17/2010

21st: 02/21/2011
18th: 02/21/2008

4d. **H00000000**

4b. Exp: 02/21/2014

3. DOB: 02/21/1990

1. SAMPLE
2. TINA, A
8. 123 ANYSTREET
ANYCITY, AA 00000

16. Ht 17. Wt 18. Eye 15. Sex
5-02 120 BRO F

9. Cl: 3 9a. En: NONE 12. Re: A

Tina Sample

AHCD DONOR

5. 20100120111802marksO

Under 21 - License

 **Hawaii** DRIVER LICENSE

4a. Iss: 02/17/2010

21st: 02/21/2011
18th: 02/21/2008

4d. **H00000000**

4b. Exp: 02/17/2011

3. DOB: 02/21/1990

1. SAMPLE
2. TINA, A
8. 123 ANYSTREET
ANYCITY, AA 00000

16. Ht 17. Wt 18. Eye 15. Sex
5-02 120 BRO F

9. Cl: 3 9a. En: NONE 12. Re: A

Tina Sample

AHCD DONOR

5. 20100120111802marksO

Under 21 - Permit

 **Hawaii** DRIVER LICENSE

4a. Iss: 02/21/2010

21st: 02/21/2013
18th: 02/21/2010

4d. **H00000000**

4b. Exp: 02/17/2011

3. DOB: 02/21/1992

1. SAMPLE
2. TINA, A
8. 123 ANYSTREET
ANYCITY, AA 00000

16. Ht 17. Wt 18. Eye 15. Sex
5-02 120 BRO F

9. Cl: 3 9a. En: NONE 12. Re: A

Tina Sample

AHCD DONOR

5. 20100120111802marksO

PROVISIONAL

Under 21 - Provisional

From: mailinglist@capitol.hawaii.gov
To: [TECTestimony](#)
Cc: ahirai@honolulu.gov
Subject: Submitted testimony for HB1287 on Mar 27, 2013 09:45AM
Date: Monday, March 25, 2013 11:45:18 AM
Attachments: [HB1287_HD1_TEC-CPN_Support.pdf](#)

HB1287

Submitted on: 3/25/2013

Testimony for TEC/CPN on Mar 27, 2013 09:45AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Anna C Hirai, Acting Administrator	Honolulu Liquor Commission	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU**

711 KAPIOLANI BOULEVARD, SUITE 600, HONOLULU, HAWAII 96813-5249
PHONE (808) 768-7300 • FAX (808) 768-7311
INTERNET ADDRESS: www.honolulu.gov/liq • E-MAIL: liquor@honolulu.gov



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VICE CHAIR

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JOSEPH V. O'DONNELL
COMMISSIONER

JOSEPH M. MAGALDI, JR.
COMMISSIONER

ANNA C. HIRAI
ACTING ADMINISTRATOR

March 25, 2013

Senator Glenn Wakai, Chair
Senator Clarence K. Nishihara, Vice Chair
Committee on Technology and the Arts

Senator Rosalyn H. Baker, Chair
Senator Brickwood Galuteria, Vice Chair
Committee on Commerce and Consumer Protection

Hearing: Wednesday, March 27, 2013
9:45 a.m., Room 229

Position: HB 1287, HD1 Relating to Personal Information

The Liquor Commission, City and County of Honolulu ("Commission"), supports HB 1287, HD1.

HB 1287, HD1 will help prevent the sale of liquor to minors by deleting the requirement that a business have a reasonable doubt that a customer is less than 18 years old before being able to scan the customer's identification or driver's license to verify the customer's age.

Based upon data obtained through the use of decoy operations in the City and County of Honolulu, there is a persistent failure rate of 25% to 28% by licensees in selling alcohol to customers under the age of 21 years. This non-compliance rate persists even with the use of the Hawai'i Driver's License and Hawai'i State Identification Card with the vertical formats and calendars listing 18th and 21st birthdates for the sale of tobacco and alcohol products. We still see numerous occasions where in spite of these "red flags" errors are made on alcohol sold to persons under the age of 21 years. The above mentioned failure rate is unacceptable.


Further, with the proliferation of fake identification cards through the internet and use of altered identification cards, scanning as opposed to visual inspection will be a more effective method for detecting fakes or altered cards. In particular, the quality of fake identification cards makes visual detection very difficult to anyone but those who are specially trained in spotting the flaws in said identification cards.

Businesses selling liquor, cigarettes, or other age-restricted products should be allowed to scan the identification of all customers for the purpose of verifying age. Requiring a business to have a "reasonable doubt" imposes a vague standard that will only hamper the efforts to prevent the sale of liquor and cigarettes to minors by preventing businesses from applying uniform standards for age verification. In addition, the 18 year old threshold makes no sense when applied to the sale of liquor, which by law is restricted to 21 year olds and older.

Committee on Technology and the Arts
Committee on Commerce and Consumer Protection
March 27, 2013, 9:45 a.m., Room 229
Page 2

Please support the efforts by businesses to prevent the sale of liquor and cigarettes to minors by passing HB 1287, HD1.

Thank you for the opportunity to testify on this matter.

Sincerely,

ANNA C. HIRAI
Acting Administrator

ACH:

From: mailinglist@capitol.hawaii.gov
To: [TECTestimony](#)
Cc: laurenzirbel@gmail.com
Subject: Submitted testimony for HB1287 on Mar 27, 2013 09:45AM
Date: Saturday, March 23, 2013 2:17:30 PM
Attachments: [hb_1287 relating to personal information .doc](#)

HB1287

Submitted on: 3/23/2013

Testimony for TEC/CPN on Mar 27, 2013 09:45AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Zirbel	Hawaii Food Industry Association	Support	Yes

Comments:

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HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)

1050 Bishop St. PMB 235

Honolulu, HI 96813

Fax : 808-791-0702

Telephone : 808-533-1292

DATE: WEDNESDAY, MARCH 27, 2013
TIME: 9:45 a.m.
PLACE: Conference Room 229

TO:
COMMITTEE ON TECHNOLOGY AND THE ARTS
Senator Glenn Wakai, Chair
Senator Clarence K. Nishihara, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair
Senator Brickwood Galuteria, Vice Chair

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

RE: HB 1287 RELATING TO PERSONAL INFORMATION

Position: Strong Support.

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

HFIA supports this measure.

This measure will help prevent the sale of liquor to minors by deleting the requirement that a business have a reasonable doubt that a customer is less than 18 years old before being able to scan the customer's identification or driver's license to verify the customer's age.

Businesses selling liquor, cigarettes or other age-restricted products should be allowed to scan the identification of all customers for the purpose of verifying age. Requiring a business to have a "reasonable doubt" imposes a vague standard that will only hamper the efforts to prevent the sale of liquor and cigarettes to minors by preventing business from applying uniform standards to age verification. In addition, the 18 year old threshold makes no sense when applied to the sale of liquor, which by law is restricted to 21 year olds and older.

Please support the efforts by business to prevent the sale of liquor and cigarettes to minors by passing this measure.

Thank you for the opportunity to provide this testimony.

From: mailinglist@capitol.hawaii.gov
To: [TECTestimony](#)
Cc: blake_yokotake@7-11.com
Subject: Submitted testimony for HB1287 on Mar 27, 2013 09:45AM
Date: Monday, March 25, 2013 3:55:49 PM
Attachments: [HB1287_Testimony_032713.pdf](#)

HB1287

Submitted on: 3/25/2013

Testimony for TEC/CPN on Mar 27, 2013 09:45AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Blake Yokotake	7elevenhawaii.com	Support	Yes

Comments:

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SEVEN-ELEVEN HAWAII, INC.
7-ELEVEN Stores

March 25, 2013

Honorable Glenn Wakai, Chair
Committee on Technology and the Arts
Honorable Rosalyn H. Baker, Chair
Committee on Commerce and Consumer Protection
The Senate
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Re: Testimony in Support of House Bill No. 1287, House Draft 1, relating to personal information

Dear Chair Wakai, Chair Baker and Committee Members:

Seven-Eleven Hawaii, Inc. respectfully submits this testimony in strong support of House Bill No. 1287, House Draft 1, relating to personal information, which is being jointly heard by your Committees on Technology and the Arts, and on Commerce and Consumer Protection on March 27, 2013 at 9:45 a.m.

The purpose of HB 1287, HD 1, is to delete the requirement in section 487J-6(a)(2), Hawaii Revised Statutes, that a business have a reasonable doubt that a customer is 18 years old before being able to scan the customer's Hawaii identification card or driver's license for the purpose of verifying the customer's age when purchasing age-restricted products, such as alcoholic beverages.

We support HB 1287, HD 1, because the existing requirement is unworkable and would hinder the ability of business to effectively enforce the restrictions on the sale of alcohol and tobacco products.

As an initial matter, please keep in mind that a business which scans a customer's identification card or driver license for the purpose of verifying age for the purchase of age-restricted products may **not** store or retain any data from the scan, nor sell such data to any third party. Thus, the scan is solely for the purpose of verifying the age of the customer. In addition, the City and County of Honolulu Licensing Administrator has submitted testimony that the bar code contains the information already contained on the front of the card. Thus, based on the Honolulu Licensing Administrator's testimony, no additional information would be accessed by scanning.

The existing requirement is inappropriate on its face for the sale of alcoholic beverages, for which the required age is 21 years. Under HRS section 487J-6(a)(2), as currently drafted, if a clerk has a reasonable doubt that a customer is over 18 but under 21 years of age, the clerk would be barred from scanning the customer's identification card or driver's license. Plainly, this makes no sense.

In addition, we note that Senate Bill No. 442, Senate Draft 1, relating to intoxicating liquor, would lower the *mens rea* requirement for illegal sales to minor from "knowingly" to

Honorable Glenn Wakai, Chair
Committee on Technology and the Arts
Honorable Rosalyn H. Baker, Chair
Committee on Commerce and Consumer Protection
March 25, 2013
Page 2

“recklessly.” The Senate Committee on Public Safety, Intergovernmental and Military Affairs’ report on SB 442, SD 1 notes:

Your Committee finds that the consumption of liquor by minors continues to be a significant public health issue. The goal of this measure is to ensure that those selling, serving, delivering, or giving intoxicating liquor verify the date of birth of the person receiving the intoxicating liquor, resulting in increased compliance with liquor laws. This measure lowers the standard of care expected from licensees when serving liquor to those of questionable age, from that of knowingly to recklessly, which eases the burden of proof in prosecuting this offense.

Stand. Com. Rep. No. 222 (underscoring added).

Even in the case of sales of tobacco, FDA regulations require retailers to verify the age of purchasers 26 years and younger. *See* 21 Code of Federal Regulations § 1140.14.

Second, imposing a “reasonable doubt” standard regarding age is inherently unworkable. As a retailer with stores in many locations and diverse customer populations, we know first-hand how difficult it is to try to guess the age of customers. We also know through experience that selective requests for identification can sometimes lead to confrontational situations. To address these concerns our policy, prior to HRS section 487J-6(a)(2) becoming effective, was to require universal identification checks. We would prefer to err on the side of caution in order to prevent the sale of alcohol to under-aged minors. While this may cause some inconvenience to older customers, we believe that the public policy goal and legal obligation to not sell alcohol to minor far outweighs that inconvenience. However, universal identification checks are prohibited under HRS section 487J-6(a)(2), forcing us to rely upon the inherently less reliable age assessments made by our clerks. This undermines our efforts to enforce the age-restrictions on the sale of tobacco and, especially, alcoholic beverages.

Third, scanning, as opposed to visible inspection by a clerk, of an identification or driver’s license, is an effective method for distinguishing fake or bogus identification cards or driver’s licenses. As noted in the attached two articles, fake identification cards are readily available and are used by minors to purchase alcohol, with some tragic results. As one of the attached articles states:

Authorities say part of the problem is the phony i.d’s are being made better than ever. Many of them are made in China and shipped to people in the United States. They say it’s very tough to distinguish a real i.d. from a fake one, unless the business has a special scanner.

The inability to scan would make it more likely that minors can successfully use fake identification cards and driver’s licenses to purchase age restricted products.

Honorable Glenn Wakai, Chair
Committee on Technology and the Arts
Honorable Rosalyn H. Baker, Chair
Committee on Commerce and Consumer Protection
March 25, 2013
Page 3

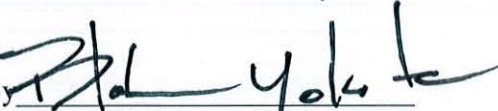
The annual cost of underage drinking in the State of Hawaii has been estimated by the Underage Drinking Enforcement Training Center to be over \$300 million in 2010. In addition to the monetary cost is incalculable pain and suffering. See <http://www.udetc.org/factsheets/HL.pdf> and <http://www.udetc.org/StateInformation.asp?selectstate=HI#uc>. A copy of the UDETC's factsheet on costs to Hawaii is attached.

We ask that the Legislature support efforts to prevent the sale of age restricted products, such as tobacco and alcoholic beverages to under-aged customers. We take this obligation very seriously and we hope that the Legislature will support the efforts of all businesses to rigorously enforce the law in this area.

Thank you for your consideration of our testimony.

Sincerely,

SEVEN-ELEVEN HAWAII, INC.

By 
Blake Yokotake
Human Resources Manager

Encls.

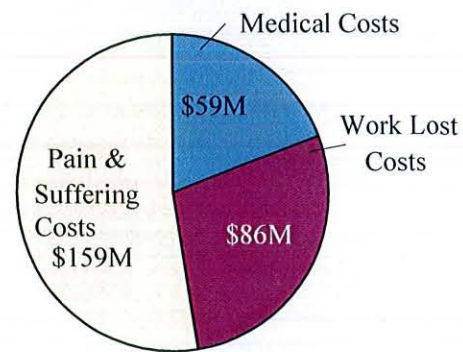
Underage Drinking in Hawaii *The Facts*

Tragic health, social, and economic problems result from the use of alcohol by youth. Underage drinking is a causal factor in a host of serious problems, including homicide, suicide, traumatic injury, drowning, burns, violent and property crime, high risk sex, fetal alcohol syndrome, alcohol poisoning, and need for treatment for alcohol abuse and dependence.

Problems and Costs Associated with Underage Drinking in Hawaii

Underage drinking cost the citizens of Hawaii \$0.3 billion in 2010. These costs include medical care, work loss, and pain and suffering associated with the multiple problems resulting from the use of alcohol by youth.¹ This translates to a cost of \$2,702 per year for each youth in the State or \$4.27 per drink consumed underage. Excluding pain and suffering from these costs, the direct costs of underage drinking incurred through medical care and loss of work cost Hawaii \$145 million each year or \$2.04 per drink. In contrast, a drink in Hawaii retails for \$1.91.

**Costs of Underage Drinking
Hawaii, 2010 \$**



Total: \$0.3 billion

Costs of Underage Drinking by Problem, Hawaii, 2010 \$

Problem	Total Costs (in millions)
Youth Violence	\$109.3
Youth Traffic Crashes	\$69.9
High-Risk Sex, Ages 14-20	\$19.3
Youth Property Crime	\$28.0
Youth Injury	\$23.1
Poisonings and Psychoses	\$2.9
FAS Among Mothers Age 15-20	\$8.6
Youth Alcohol Treatment	\$42.6
Total	\$303.8

Youth violence (homicide, suicide, aggravated assault) and traffic crashes attributable to alcohol use by underage youth in Hawaii represent the largest costs for the State. However, a host of other problems contribute substantially to the overall cost. Among teen mothers, fetal alcohol syndrome (FAS) alone costs Hawaii \$9 million.

Young people who begin drinking before age 15 are four times more likely to develop alcohol dependence

and are two and a half times more likely to become abusers of alcohol than those who begin drinking at age 21.² In 2009, 954 youth 12- 20 years old were admitted for alcohol treatment in Hawaii, accounting for 37% of all treatment admissions for alcohol abuse in the state.³

Alcohol Consumption by Youth in Hawaii

Underage drinking is widespread in Hawaii. Approximately 46,000 underage customers in Hawaii drink each year. In 2009, Hawaii students in grades 9-12 reported:⁴

- 68.6% had at least one drink of alcohol on one or more days during their life.
- 28.6% had their first drink of alcohol, other than a few sips, before age 13.
- 37.8% had at least one drink of alcohol on one or more occasion in the past 30 days.
- 22.4% had five or more drinks of alcohol in a row (binge drinking) in the past 30 days.
- 7.9% had at least one drink of alcohol on school property in the past 30 days.

In 2009, underage customers consumed 6.5% of all alcohol sold in Hawaii, totaling \$136 million in sales (in 2010 dollars). These sales provided profits of \$67 million to the alcohol industry.¹ Ranking states based on the percentage of alcohol consumed underage, with 1 the highest, Hawaii ranked number 45. This percentage is affected by both adult and youth drinking levels.

Annual sales of alcohol consumed by youth in Hawaii averaged \$2,950 per underage customer. Underage customers were heavier consumers than adults. They drank an average of 4.3 drinks per day; in contrast, legal customers consumed only 1.8.

Harm Associated with Underage Drinking in Hawaii

Underage drinking in Hawaii leads to substantial harm due to traffic crashes, violent crime, property crime, unintentional injury, and risky sex.

- During 2009, an estimated 15 traffic fatalities and 214 nonfatal traffic injuries were attributable to driving after underage drinking.
- In 2009, an estimated 3 homicides; 2,900 nonfatal violent crimes such as rape, robbery and assault; and 9,200 property crimes including burglary, larceny, and car theft were attributable to underage drinking.
- In 2007, an estimated 3 alcohol involved fatal burns, drownings, and suicides were attributable to underage drinking.
- In 2009, an estimated 146 teen pregnancies and 3,138 teens having risky sex were attributable to underage drinking.

For comparison with other states, in US rather than state prices, the harm from underage drinking per youth in Hawaii averages \$884. Such comparisons require caution. In part, they may reflect differences in crime and crash rates, problem-reporting to police, and co-occurring drug use.

Produced by the Pacific Institute for Research and Evaluation (PIRE) with funding from the Office of Juvenile Justice and Delinquency Prevention (OJJDP), September 2011.

¹ Levy, D.T., Miller, T.R., & Cox, K.C. (2003). Underage drinking: societal costs and seller profits. Working Paper. Calverton, MD: PIRE.

² Grant, B.F., & Dawson, D.A. (1997). Age at onset of alcohol use and its association with DSM-IV alcohol abuse and dependence: Results from the National Longitudinal Alcohol Epidemiologic Survey. *Journal of Substance Abuse* 9: 103-110.

³ Office of Applied Studies, Substance Abuse and Mental Health Services Administration. Treatment Episode Data Set. (2011). *Substance Abuse Treatment by Primary Substance of Abuse, According to Sex, Age, Race, and Ethnicity, 2009*. Available [On-line]: <http://www.icpsr.umich.edu/icpsrweb/SAMHDA/studies/30462>.

⁴ Center for Disease Control (CDC). (2011). Youth Risk Behavior Surveillance System (YRBSS). Available [On-line]: <http://apps.nccd.cdc.gov/youthonline/App/Default.aspx>.

New generation of fake IDs flinging open doors to underage drinking

By Ashley Halsey III *The Washington Post* *The Denver Post*

Posted:

DenverPost.com

WASHINGTON — When the fleeing motorcycle hit the curb, scraped past a utility pole and hurled 20-year-old Craig Eney to his death, a bogus South Carolina driver's license was in the hip pocket of his jeans.

He spent the final hours of his life using that phony license to buy shots for buddies at two Annapolis, Md., bars — places so popular among underage drinkers that bouncers are stationed outside to check everyone's ID.

Yet scores of young people flash fake licenses and waltz into the bar.

The days when faking driver's licenses was a cottage industry — often practiced by computer geeks in dorm rooms with laminating machines — have given way to far more sophisticated and prolific practitioners who operate outside the reach of the law.

In an era when terrorism and illegal immigration have transformed driver's licenses into sophisticated mini-documents festooned with holograms and bar codes, beating the system has never been easier. Just wire money to "the Chinese guy."

"He's like some sort of genius in China," said a 19-year-old for whom Eney bought shots that night. "Every kid in Annapolis has one of his licenses."

The "Chinese guy" — whose e-mail address is passed around on college campuses and among high school kids — is actually a Chinese company that mails thousands of fake driver's licenses to the U.S.

To the naked eye — even the practiced eye of most bartenders and cops — the counterfeits look perfect. The photo and physical description are real. So is the signature. The holograms are exact copies, and even the bar code can pass unsophisticated scans.

"We're seeing these false IDs being generated from the same source out of China," said Steven Williams, chief executive of Intelllicheck, which supplies detection equipment to federal agencies, law enforcement and businesses.

The IDs have shown up in various states, each carrying a mysterious hidden tip-off in the bar code that points directly to the same Chinese company.

More than just the rage among underage drinkers, the top-flight bogus licenses are a hot item among practitioners of credit-card fraud. But it is among those too young to drink legally that these forgeries take their greatest toll.

Every day between Memorial Day and Labor Day, an average of 16 people ages 20 or younger die on the nation's highways, according to the National Transportation Safety Board. Forty-one percent of 20-year-olds who die in accidents have been drinking.

As Craig Eney prepared to leave the Acme Bar and Grill on Main Street in Annapolis on June 16, his drinking buddies said they thought he was too drunk to ride the bike. But that didn't stop Kelcey Silva, 19, who police say didn't even know Eney. She was sitting on the back of the blue Yamaha when police caught up with it a few minutes later. Silva also died in the accident.

How it works

The shoe box that arrived in the mail from China contained a cheap pair of shoes. "We thought the Chinese guy had ripped us off," said the 19-year-old who shared shots with Eney the night he died.

Until then, the deal had gone smoothly. She made first contact through an e-mail address supplied by an acquaintance. A reply laid out the details. "It was \$300 if you just wanted one" license, she said. "It was \$200 (each) for two and \$75 (each) if you wanted more than 20."

Photos, names, signatures and physical descriptions were e-mailed to the address. Money was collected from friends and wired to an address in China specified in the e-mail.

"You can pick from a list of about 10 states," she said.

The shoe box with postmarks from China arrived in a matter of days. After initial consternation, she flipped over one of the shoes and ripped open the sole. Out tumbled 22 visually perfect driver's licenses.

This spring, federal authorities in Chicago intercepted thousands of fake licenses hidden in jewelry boxes and shoes shipped from China. Border Patrol officials, who made the seizure in Chicago, are cracking down on phony licenses, but the IDs usually come disguised in individually addressed packages, making the task difficult.

Driver's licenses took on a new significance in the aftermath of Sept. 11, 2001, when it was discovered that the hijackers carried several that had been fraudulently obtained.

The "Chinese guy" operation has been linked to a company called PARTiTek in Nanjing, China. When the bar code on the back of the phony licenses is scanned, at the very end of the readout appears "by PARTiTek."

PARTiTek said the bar code is the company's but that it doesn't produce the licenses.

Five weeks after the accident, a bouncer checked driver's licenses outside the Acme Bar and Grill with a new handheld scanner. It was put to the test when a young woman handed him a Maryland license; it looked genuine but was flagged as bogus three times by the scanner.

"I can't let you in," he said, handing the license back.

Moving up the street, she flipped out her cellphone. "I can't get in," she told a friend inside the bar. "It didn't scan."



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Cops go undercover to bust underage drinkers at bars



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CHARLESTON, SC (WCSC) - It's not part of the college curriculum, but for many underage college students, it's an extra curricular activity.

They drink at bars in downtown Charleston.

This past weekend, undercover cops busted several students at bars, including O'Malley's Bar and Grille and La Hacienda restaurant on King Street.

We found the lists of arrests on the Charleston City Police department's Police to Citizen web page.

Bar owners are taking notice.

"As long as it's a forbidden fruit, it's gonna happen, so I think it's always gonna happen," said Kevin Young, a bartender at A.C.'s Bar and Grill on King Street.



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A.C.'s is working with the College of Charleston to warn and convince underage college kids about the consequences of drinking.

A poster in the front window of the business warns about using fake i.d.'s, spells out fines and other potential problems for kids who drink.

Young said for some students, the poster makes them think twice.

"Deterrent, I think it does, I do. I think it does. I think people see it and view it as something okay."

Authorities say part of the problem is the phony i.d.'s are being made better than ever. Many of them are made in China and shipped to people in the United States.

They say it's very tough to distinguish a real i.d. from a fake one, unless the business has a special scanner.

We asked some college students what they think about the underage drinking enforcement.

"It's kind of just sick. They go out there in the bars. They use their fake i.d.'s and it's a heavy ticket too," said College of Charleston senior Trevor Provost.

"Nerve wracking," said freshman John Catalano, who admitted he once had a fake i.d.

A Charleston City Police undercover officer said one big concern he has about underage drinkers is that some get so impaired, they become victims of robberies and other crimes.

The offense of minor in possession of beer or alcohol carries a maximum fine of \$262 dollars in Charleston Municipal Court. Violators also may have their drivers license suspended.

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