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Senate protects consumers in wake of data breaches *SB 1551 responds to concerns following Equifax data breach*

SALEM – Over the past several months, the Equifax data breach has made headlines with its far-reaching effect on nearly half of Americans. Today, the Oregon Senate took action to protect consumers whose secure information is compromised due to data breaches.

Senate Bill 1551 – which passed with a 29-0 vote on the Senate floor today – is a consumer protection bill in direct response to last fall’s Equifax data breach that compromised the private information of 145 million Americans. Rep. Paul Holvey, D-Eugene, has introduced a similar bill in the House of Representatives.

“Consumers protecting themselves when their personal data is compromised should be as easy and inexpensive as possible,” said Sen. Floyd Prozanski, D-Eugene, who carried the bill on the Senate floor. “When there is a data breach, credit freezes should be granted right away, at no cost, to help people protect themselves from financial hardship due to identity theft. With passage of Senate Bill 1551, we will update and strengthen Oregon’s Consumer Identity Theft Protection Act, which I spearheaded in 2007.”

Atlanta-based Equifax is a credit reporting agency that calculates credit scores based on information they have about consumers. Credit scores are crucial to a consumer’s ability to secure funds for large purchases such as a home or a car.

In September, the company reported that it was hacked and the data breach lasted from mid-May through July. The company’s records include social security numbers, birth dates, addresses and in some instances driver’s license numbers for around 145 million Americans. That accounts for nearly half of all Americans. The hackers also stole credit card numbers of

about 209,000 people and other documents. According to the Oregon Department of Justice, the breach jeopardized 1.7 million social security numbers in Oregon.

A slow and incomplete response from Equifax angered people all over the country, leaving consumers to wonder what, if anything, they could do to protect themselves. Recent headlines have suggested the breach was even worse than consumers knew at the time. Currently, there is a class-action lawsuit against Equifax in U.S. District Court in Atlanta over the company's handling of the data breach.

Under Senate Bill 1551, consumers will be able to place a credit freeze with each credit reporting agency for free at any time for any reason. The removal of a freeze, or temporary lifting of a freeze, also is free. A credit freeze is considered to be one of the best ways to prevent further damage when identify theft is suspected. A credit freeze secures a vulnerable account and prevents anyone from establishing credit on the frozen account.

Consumers will receive notice of breach no more than 45 days after it is discovered, unless it takes longer to investigate and stabilize the system.

Companies that offer free credit monitoring services, or other services to mitigate damage done by data breach, may not ask for a consumer's payment information when offering the free services. If those companies would like to offer additional services to consumers, for a fee, the offer must be clear, separate and distinct from the free services, giving consumers an opportunity to decide whether additional for-free services are necessary without fear of losing out on free credit monitoring services.

"No company should be able to make money by helping someone protect themselves because that company didn't adequately protect the consumer's data," Prozanski said. "This bill will ensure consumers have adequate tools and protections in place in the unfortunate circumstance that this type of massive breach happens again."

The bill now goes to the House of Representatives for consideration.

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