

HOUSE BILL REPORT

SSB 5939

As Reported by House Committee On:
Financial Institutions & Insurance

Title: An act relating to providing police reports to victims of identity theft.

Brief Description: Requiring police reports to be given to victims of identity theft.

Sponsors: Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Fairley, Delvin, Kohl-Welles, Rockefeller, Oke, Rasmussen and Shin).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 3/24/05, 3/29/05 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House Committee)**

- Requires police and sheriff's departments to provide, to a consumer so requesting, a copy of any police report filed by the consumer claiming to be a victim of identity theft.
- Clarifies that the police reports which consumers must provide to consumer reporting agencies, in order to permanently block the agency from reporting information the consumer identifies as being the result of identity theft, are reports that the consumers, themselves, have filed with the police and not reports generated by the police.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass as amended. Signed by 10 members: Representatives Kirby, Chair; Ericks, Vice Chair; Roach, Ranking Minority Member; Newhouse, O'Brien, Santos, Serben, Simpson, Strow and Williams.

Staff: CeCe Clynch (786-7168).

Background:

"Identity theft" is defined, by the Federal Trade Commission (FTC), as "someone appropriating your personal information without your knowledge to commit fraud or theft." Identity theft is a crime. The criminal laws of Washington provide that "no person may

knowingly obtain, possess, use, or transfer a means of identification or financial information of another person, living or dead, with the intent to commit, or aid or abet, any crime." With 5,654 complaints reported in Washington in 2004, this state is eighth among the states in the per capita reporting of identity theft.

Consumer credit reports contain personal information such as name, address, former address, and social security number. They also include information on bill paying habits, credit history, and public record information on finances such as bankruptcies, liens, and court judgments. The three primary consumer credit reporting agencies - Equifax, Experian, and Transunion - obtain much of their information from national credit card, automobile finance, and student loan companies which report to these three primary agencies regularly. Other, smaller entities which extend credit to consumers provide information as well, though not always on a regular basis.

Individuals, businesses, and government agencies may request a credit report for evaluating credit card, loan, mortgage, and small business financing applications, as well as for decisions regarding employment and the rental or leasing of dwellings. Fair and accurate credit reports are critical to efficient and accurate evaluations.

Current Washington law permits a victim of identity theft to permanently block a consumer credit reporting agency from reporting information the consumer identifies as being the result of identity theft. Federal law contains similar blocking provisions available to identity theft victims. In order to take advantage of these laws, however, a consumer must provide a copy of a filed police report evidencing the consumer's claim to be a victim of identity theft. Some consumers report a reluctance on the part of some police departments to provide a police report.

Summary of Amended Bill:

Washington's Fair Credit Reporting Act is amended to require that, upon request by the consumer, all police and sheriff's departments in Washington provide to the consumer a copy of the police report, filed by the consumer, claiming to be a victim of the crime of identity theft. It is specifically provided, however, that nothing in the section is to be construed to require a law enforcement agency to investigate reports of identity theft.

Amended Bill Compared to Substitute Bill:

A clarification is made to the language to indicate that the term "police report" refers to a report filed with the police by a consumer claiming to be a victim of identity theft and not a report generated or authored by the police.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Sometimes small police departments do not have the staff time or expertise to investigate a report of identity theft, so the language indicating that investigation is not mandated is necessary. It should also be noted that just because there is a police report does not mean that the incident has been investigated or that the police concur that there has been a theft or that the person reporting the incident has been a victim of identity theft. The Legislature should be aware that there is a national task force currently at work on exploring the concept of national online reporting of identity theft. The idea is that the victim could file a report online and then print the report out and have the local police department stamp the report with an incident number. Currently, the Washington State Patrol has two detectives working with four representatives from the Department of Licensing on a cooperative team devoted to the issue of identity theft. Although they work diligently, there are only these two detectives for the whole state and their responsibilities are numerous. Consumers need police reports to supply to the consumer reporting agencies and this will help those consumers obtain the reports without requiring police agencies to investigate each and every reported incident.

Testimony Against: None.

Persons Testifying: James McMahan, Washington Association of Sheriffs and Police Chiefs; John Martin, Washington State Patrol; and Cliff Webster, Consumer Data Industry Association.

Persons Signed In To Testify But Not Testifying: None.