



NEW YORK STATE SENATOR

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Online Shopping and Safety

GEORGE WINNER November 24, 2010

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“Cyber Monday,” the day after the traditional Thanksgiving weekend start to the holiday shopping season, begins a flurry of online purchasing that generated nearly \$1 billion worth of spending by Americans in 2009.

That’s an incredible amount, one that also signals an unprecedented exchange of online information. But it also compels this reminder: Don’t overlook the privacy and other public policy issues raised by our ongoing leap into this age of modern technology.

The New York State Senate has held a number of legislative hearings over the years to give creditors, law enforcement officials, computer security experts, and others the opportunity to share their thoughts on mapping out more effective strategies to address a host of privacy concerns. These concerns include one that's become commonly known as "identity theft," arguably the overriding fear underlying our caution in today's online economy.

It's estimated that identity theft costs more than nine million American consumers an estimated \$50 billion annually. According to the Identity Theft Data Clearinghouse, in 2009 New York State ranked eighth in the nation in per capita identity theft complaints. It's clear that the availability of information in computer databases and the rapid growth of Internet commerce have produced a new breed of criminals who abuse technologies to steal consumer information and ruin consumer credit. Indeed, identity theft is considered the No. 1 financial and consumer crime of this era.

The tactics of today's cybercriminals change as fast as our technology. It all serves to highlight the ongoing challenge to keep identity theft laws ahead of identity thieves. New York became the 43rd state in the nation to enact an identity theft law in 2002. But security studies continually point to the overriding reality that we have to update our laws as frequently as cybercriminals update their ability to break them. It's no easy task.

One important new law approved a few years ago enables consumers to place a "security freeze" on their credit reports if they suspect they are victims of identity theft. A security freeze prevents an identity thief from taking out new loans and credit under their victim's name. We've also strengthened New York's identity theft protections by enacting new laws to restrict the ability of employers to use an employee's personal information and to allow identity theft victims to obtain restitution equal to the value of the time they spend fixing the damage, which is substantial.

In fact it takes an estimated average of 14 months for an identity theft victim to discover that his or her identity has been stolen. Identity theft victims then spend at least \$800 and devote more than 175 hours of their own time to clean up their credit reports after an identity theft has occurred, according to the federal General Accounting Office. Additionally, identity theft victims have been subject to other complications, including denial of loan applications, false arrest and criminal records.

In short, it's costly and it's time-consuming. So the first line of defense is for every consumer to be aware of identity theft, how it's committed, and ways to protect against it. The Federal Trade Commission, the nation's lead consumer protection agency, operates a [Web site to promote online safety](#) where you can access a range of tips and information to guard against Internet fraud, better protect personal information, and secure computers.

Information can also be found through the [New York State Consumer Protection Board](#).