

# CHAPTER V

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## NC Identity Theft Act

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*Raleigh, NC*

**NORTH CAROLINA**  

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**BAR ASSOCIATION**  
seeking liberty + justice

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# North Carolina Department of Justice

NCBA CLE



## THE NORTH CAROLINA IDENTITY THEFT ACT

**Hugh Harris**  
Outreach & Policy Counsel  
Public Protection Section  
North Carolina Department of Justice



## What information is on these devices?

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Client files  
Work Passwords  
Client Amazon account  
Addresses  
Emails  
Excel Spreadsheets  
Media  
Employment  
Your SSN  
Client's SSN  
Client's work stuff  
Client's work email  
Client's work titles  
Client's work phone numbers  
Client's salary information  
Client's core information



# Affect

Emails to co-workers

Client email to Bank; wire money

SSN

Breach

Plan?



# Overview

Key Definitions

Social Security Number

Statistics

Security Breach

Destruction of Records

Prevention



# Key Definition: Business

NCBA CLE



N.C.G.S. § 75-61(1)

N.C.G.S. Chapter 132 Public Records Law. & N.C.G.S. § 132-1.10(c1)



# Key Definition: Business

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Sole proprietorship, partnership, corporation, association, or other group, however organized and **whether or not** organized to operate at a profit.

N.C.G.S. § 75-61(1)

N.C.G.S. Chapter 132 Public Records Law. & N.C.G.S. § 132-1.10(c1)



# Definition: Consumer

Individual



N.C.G.S. § 75-61(2)



# Key Definition: Encryption

The use of an algorithmic process to transform data into a form in which the data is rendered unreadable or unusable without use of a confidential process or key.



N.C.G.S. § 75-61(8)



# Key Definition: Person

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Any  
individual



N.C.G.S. § 75-61(9)



# Definition: Person

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Partnership, corporation, trust, estate, cooperative, association, government, or governmental subdivision or agency, or other entity.

N.C.G.S. § 75-61(9)



# Definition:

## Personal information

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Person's first name or first initial and last name in combination with identifying information as defined in **G.S. 14-113.20(b)**.

N.C.G.S. § 75-61(10)



## Identifying Information

### N.C.G.S. § 14-113.20(b)

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- SSN or EIN.
- DL #, State ID Card, or Passport #.
- Checking/Savings account #.
- Credit/Debit Card #.
- Personal ID (PIN) Code.
- Electronic ID #, Electronic Mail Names or Addresses, Internet Account #, or Internet ID Names.





# Identifying Information

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- Digital signatures.
- Any other numbers or information that can be used to access a person's financial resources.
- Biometric data.
- Fingerprints.
- Passwords.
- Parent's legal surname prior to marriage.

N.C.G.S. § 14-113.20(b)



## Key Definition: Redaction

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Unreadable data or truncated so the last four digits of the identification number is accessible as part of the data.

██████ VERY IMPORTANT ██████ READ ██████  
████████ MESSAGE . THE KEY TO LIFE IS ██████████  
AND ██████ AND . BUT HERE IS MY ██████████  
██████ 7128 OR ██████ YET ██████ MY CHECKING  
ACCOUNT # ████████████████████

N.C.G.S. § 75-61(13)



# Security Breach

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Any incident of unauthorized access to and acquisition of **unencrypted** and **unredacted** records or data containing **personal information**.

N.C.G.S. § 75-61(14)



# Security Breach

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Unauthorized access to and acquisition of **encrypted** records or **data** containing **personal information** with the confidential process or key shall constitute a security breach.

N.C.G.S. § 75-61(14)



# Security Breach

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**EXCEPTION** for employees or agents of the business who are doing their jobs.



N.C.G.S. § 75-61(14)



ILLEGAL USE

DATA

FIRST NAME OR FIRST  
INITIAL

AND

LAST NAME

In combination with identifying information as defined in G.S. 14-113.20(b).



# Social Security Number

N.C.G.S. § 75-62



## Social Security Number Protection: Obligations

A business **may not**:

Make SSN public.

Print a SSN on any card to access products or services.

Require use of SSN on a website, unless secure/encrypted.

N.C.G.S. § 75-62



## A Business may not:

Require SSN to access a Website, unless a password, PIN, or other authentication is also required.

SSN on materials being mailed to individual, unless state or federal law requires this.

Sell, lease, loan, trade, rent, or otherwise intentionally disclose SSN to third party.

N.C.G.S. § 75-62



## EXEMPTIONS

Application, enrollment process,  
Internal verification/administrative  
purposes;

Opening an account or payment;

- Investigate or prevent fraud, background checks, Court order, warrant, subpoena,
- Federal, state, or local government entity;  
and
- SSN redacted.

N.C.G.S. § 75-62



# 2017 NC DOJ STATISTICS

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**1,022** data breaches reported to the North Carolina Department of Justice (NCDOJ) between January 1, 2017 and December 31, 2017.

North Carolina Department of Justice Security Breach Report 2017



NCBA CLE

Last year, more than 5.3 million North Carolinians are estimated to have been affected by data breaches.

North Carolina Department of Justice Security Breach Report 2017



Now what?



## Security Breaches:

Any business that owns or licenses personal information in any form (digital, paper, or otherwise) of NC residents **SHALL** provide notice there has been a **security breach** to...

N.C.G.S. § 75-65



# NOTICE

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Inform the affected Consumer

No unreasonable delay

N.C.G.S. § 75-65 (a)



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Consistent with the legitimate needs of  
law enforcement,

Time to determine the contact information,

Determine scope of the breach and restore  
reasonable integrity, security, confidentiality of  
data system.

N.C.G.S. § 75-65 (a)





Attorney General  
**Josh Stein**

Top Issues | Crime | Consumer | News and Events | Protect Yourself | Public Protection | About DOJ

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**REPORT A SECURITY BREACH**

Under [North Carolina law](#), businesses and organizations must notify the Attorney General of a security breach.

Please provide the following information:

- \* Indicate the type of breach:
- \* Name of the business or organization:
- \* Address:
- \* Apt/Suite/Building:
- \* City:
- \* Entity Type:

Security Breach Information

Report a Security Breach

Real ID Theft Stories

Medical Identity Theft

Stop Telemarketers

Avoid Consumer Scams

Public Protection

About DOJ

Get Help & Find Answers

Received a Security Breach letter? Help for ID Theft Victims Security Breach Information

Take Action

Freeze Your Credit

News and Events

Attorney General Josh Stein Sues U.S. Department of Education for Abandoning Student Protections

Attorney General Josh Stein Urges the Federal Government to Take Action

N.C.G.S. § 75-65 (f)



## Three major reporting agencies

When...

More than 1,000 persons were given notice

N.C.G.S. § 75-65 (f)



# METHODS OF NOTICE

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- Letter/Mail
- Email - when consumer consents;
- Telephone.



N.C.G.S. § 75-65 (e)



## Substitute Notice

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Email;  
Web page;  
Media.

### ONLY when:

1. Cost exceeds \$250k, or
2. 500,000 plus consumers, or
3. Business does not have sufficient contact information.

N.C.G.S. § 75-65(e)(4)



## CONTENT OF THE NOTICE

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Description of the incident;  
Type of personal information breached;  
Description of your efforts to avoid  
further unauthorized access to personal  
information;

N.C.G.S. § 75-65(d)



## DESTRUCTION OF PERSONAL INFORMATION RECORDS

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N.C.G.S. § 75-64



# Destruction of personal information records

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Any business that conducts business in North Carolina and any business that maintains or possesses personal information of a resident of NC

N.C.G.S. § 75-64(a)



## MUST

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Take reasonable measures to protect against unauthorized access to or use of the Information in connection with

OR

After DISPOSAL

N.C.G.S. § 75-64(a)



# Reasonable measures

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## MUST INCLUDE:

Implementing/monitoring compliance with policies which require:

1. Burning, pulverizing, or shredding papers containing personal information
2. Destruction or erasure of electronic media containing personal information
3. Procedures relating to disposal and destruction of this personal information as an official policy in the writings of the business entity.

N.C.G.S. § 75-64(b)



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# Security Breach



**Google+**

Stolen laptop prompts data breach concern for  
10,000 pharmacy customers

**Equifax**

**Facebook**

**Target**

**UBER** One year delay in reporting a security breach; Nationwide settlement 148 million; 3.6 million to NC

**Yahoo** 3 billion accounts had emails and other personal information stolen

<https://www.ncdoj.gov/News-and-Alerts/News-Releases-and-Advisories/Attorney-General-Josh-Stein-Asks-Google-for-Answer.aspx>

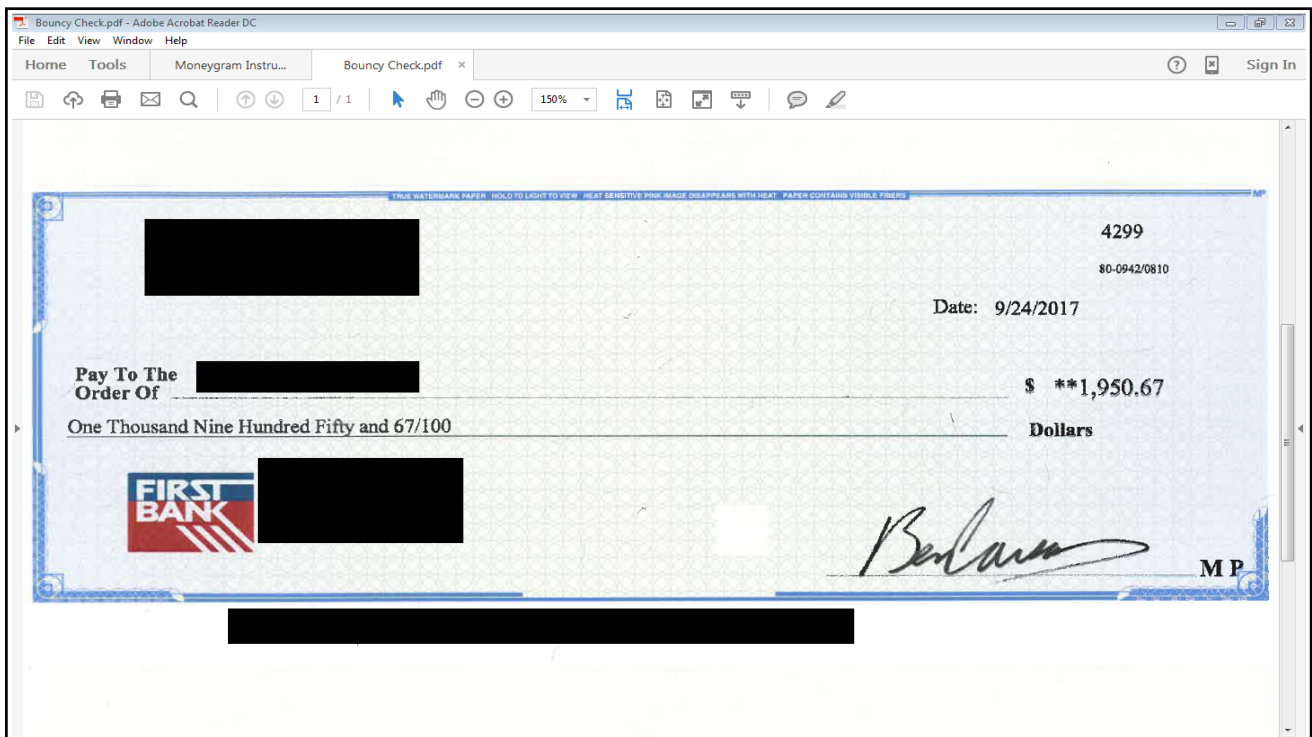


# Scams & Frauds



Spouse gets a call from  
the electric company while you leave









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# ARE YOU VULNERABLE?

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## Vulnerable Consumers



# Are you vulnerable?

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Financial liquidity with easy access  
Want to be a “Decision Maker” Again  
“Obsessions”  
Loneliness/Isolation  
Depression  
Med Cycles  
Chronic illness  
Physical impairments  
Mild cognitive impairment





## ❖ LONELINESS

Vulnerable consumers



## ONLINE SWEETHEART





## ❖ FINANCIAL PLEASURE



YOU WON!

Examples





## ❖ FEAR

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Vulnerable consumers



## GRANDPARENT SCAM

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Examples





## JURY DUTY

### Examples



## MILITARY

- Affinity Fraud- I'm just like you
- Charge fees for assisting you in applying for, obtaining, or coordinating military or veterans' benefits.
- Easy access to loans-advanced loan scams
- Wire fraud; wire transfer; gift cards
- Military family members



Will filing a complaint with the Consumer Protection Division of the Attorney General's Office have an effect on my military record?

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Complaints with our office will not be forwarded to your chain of command unless you request us to do so.

Additionally, all complaints filed with our office are subject to North Carolina's Public Records Act, N.C. Gen. Stat. § 132-1 et seq.



What if I have a problem with a merchant who is located on base?

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File a complaint with our department.

All merchants must comply with North Carolina State laws, including those located on military bases.



What if I'm stationed in North Carolina but I have an issue with a merchant, debt collector or scam artist in a different state?

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Call our office at 1-877-5-NO-SCAM toll-free within North Carolina and ask to speak to one of our Consumer Protection Specialists. They'll listen to your situation and try to determine where you should go to get the situation addressed.



# TOP 5 TIPS

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Prevention



#1 TOO GOOD TO BE TRUE

#2 DON'T PAY IN ADVANCE

#3 PROTECT YOUR INFORMATION

#4 PAY WITH YOUR CREDIT CARD

#5 DO YOUR RESEARCH

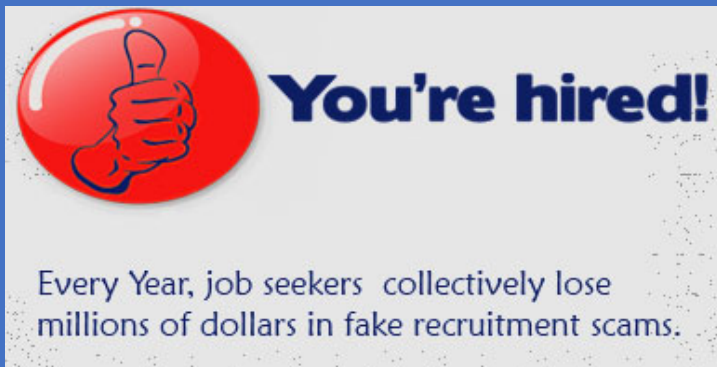


# HOME REPAIR

## Prevention







## ONLINE RECRUITMENTS

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### Prevention



## BE CAREFUL ON SOCIAL MEDIA

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### Prevention





# DON'T RUSH TO SIGN

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## Prevention



# NCDOJ.GOV/Security Freeze

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## Prevention



# Security Freeze

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- Through each consumer reporting agency
- By phone, mail, web site
- PIN for each agency
- Permanent
- Free

N.C.G.S. § 75-63



# Active Duty Alerts

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- Contact one consumer reporting agency
- Verify your identity before issuing credit
- Designate a representative to act on your behalf
- One year



# Leasing & Renting Property

- SCRA-Service Members Civil Relief Act
- Vacation Rentals
- Eviction



**DO NOT CALL**

Shyhqwrq#



Permanent Change in Station

## HOUSE/APARTMENT

DEPLOYMENT FOR AT LEAST  
90 DAYS



## TERMINATE THE LEASE

- Copy of official military orders
- Commanding officer



# NC DOJ Military Consumer Guide

[www.ncdoj.gov/Files/Consumer/Military/2018-Military-Consumer-Guide\\_110218updated.aspx](http://www.ncdoj.gov/Files/Consumer/Military/2018-Military-Consumer-Guide_110218updated.aspx)



## Attorney General Josh Stein Leads Coalition to Urge CFPB to Protect Military Service members from Financial Exploitation

NC AG along with 33 attorneys general continue protecting military service members against predatory lenders under the Military Lending Act (MLA). The attorneys general urge the CFPB to reconsider its reported decision to stop examining lenders to ensure they are complying with the MLA.

<http://ncdoj.gov/Files/News/CFPBLetter-reMLA.aspx>

October 23, 2018



## Attorney General Josh Stein Investigates Jeweler Targeting Servicemembers in Fayetteville, Jacksonville

Attorney General Josh Stein today issued a Civil Investigative Demand to Harris Jewelry, a jewelry store that has retail stores near, and in some cases on, military bases around the country – including stores in Fayetteville near Fort Bragg and Jacksonville near Camp Lejeune.

<http://ncdoj.gov/Files/News/CFPBLetter-reMLA.aspx>

October 29, 2018



### TO FILE A CONSUMER COMPLAINT

- [ncdoj.gov/complaint](http://ncdoj.gov/complaint)

### TO SIGN UP FOR INFORMATION & SCAM ALERTS:

- [ncdoj.gov/alertsignup](http://ncdoj.gov/alertsignup)

### TO CALL THE CONSUMER PROTECTION DIVISION:

- 1-877-5-NO-SCAM (566-7226) En Espanol (919) 716-0058

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## NC DOJ RESOURCES





# NORTH CAROLINA DEPARTMENT OF JUSTICE

Public Protection Section

919-716-6400  
NCDOJ.GOV



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# QUESTIONS?

