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Codey Signs Identity Theft Prevention Into Law

Bills help protect Social Security numbers, "good name" of state residents

(TRENTON) – Acting Governor Richard J. Codey today signed A4001/S1914, A2768 and A2769/S2617, bills that give consumers safeguards against identity theft.

“At the end of the day, New Jersey residents should feel assured that they are working for their families – not shameless impersonators who have targeted their nest egg,” said Codey. “A good name is always worth protecting.”

Codey signed the bills during a public ceremony at the Governor’s Outer Office in the State House. Bill sponsors who joined the Acting Governor included Assembly members Bonnie Watson Coleman (D-Mercer), Reed Gusciora (D-Mercer), Joseph Vas (D-Middlesex) and Senators Shirley K. Turner (D-Mercer), Byron M. Baer (D-Bergen), Joseph F. Vitale (D-Middlesex) and Andrew R. Ciesla (R-Monmouth, Ocean). Other bill sponsors include Assemblymen Joseph Cryan (D-Union), Jeff Van Drew (D-Cape May, Cumberland), John S. Wisniewski (D-Middlesex), Neil M. Cohen (D-Union), Patrick Diegnan Jr. (D-Middlesex), Brian Stack (D-Hudson) and Senators Stephen M. Sweeney (D-Gloucester, Cumberland, Salem), Fred H. Madden (D-Camden, Gloucester) and Walter J. Kavanaugh (R-Somerset).

Bills A4001/S1914 – the “New Jersey Identity Theft Prevention Act” – would provide the following safeguards:

- Allow consumers to request that a reporting agency place a security freeze on their consumer credit report
- Affirm an individual's right to file and receive a copy of a police report concerning suspected identity theft
- Require any company that lawfully collects and maintains computerized records containing consumer’s personal information to notify affected consumers in the event that personal data is compromised
- Limit use of a consumer's Social Security number as an identifier and prohibit public display and usage of the number on printed materials except where required by law
- Require businesses to destroy records containing a customer’s personal information

that is no longer needed

The law will go into effect Jan. 1, 2006.

"The risk of identity theft continues to rise as weaknesses in data reporting and storage are exploited on a daily basis," said Watson Coleman. "Recent media headlines concerning lost information and security breaches affecting millions of consumers clearly illustrate why we need to take a stand and protect consumers against the fastest growing threat to their financial security and quality of life."

"So many people in our country don't know the power of their own Social Security numbers, but in the wrong hands, the economic impact can be extensive and lasting," said Turner. "Identity theft is insidious, invasive, and indiscriminate, striking at the young and old with equal voracity and in some cases causing irreparable damage to one's credit history. However, with greater oversight on how our identifying information is being handled in New Jersey, and the appropriate legal tools to prove a consumer's innocence, we can protect New Jersey's residents from identity theft."

"Particularly in light of the CitiGroup, North Jersey and BJ's incidents, we must provide New Jersey's consumers with the tools they need to protect themselves and the business community with guidelines to follow so they can prevent these devastating financial crimes," said Cryan.

"New incidents of security breaches and lost consumer data are constantly being reported in the media," said Gusciora. "We have an obligation to provide New Jersey residents and businesses with every tool possible to safeguard sensitive personal and credit information from unscrupulous individuals."

"The security of Social Security numbers and credit information is no laughing matter," said Vas. "As technology improves a would-be thief's chances of stealing someone's identity, we should empower consumers and businesses with a new and improved law to help mitigate the situation."

"With the spread of e-commerce and the passage of vulnerable identifying information over unsecured data lines, identity theft has grown from a minor occurrence to a lucrative criminal trade," said Vitale. "New Jersey needs to take every appropriate action to ensure that the innocent are not held culpable for the actions of an imposter. Under these new guidelines, it will be harder for criminals to steal someone's identity, and easier for innocent consumers to protect their good names."

"Identity theft is now the fastest-growing financial crime in our country, with nearly ten million Americans victimized in 2003 alone," said Kim Ricketts, Director of the Division of Consumer Affairs, the agency charged with enforcement of this statute. "The Identity Theft Prevent Act the Governor is signing today is the most comprehensive and easy-to-use identity theft prevention law in the nation, and I applaud Governor Codey for giving consumers the tools they need to protect their financial well-being."

Bill A2768 will expand the state's identity theft laws to include the selling, manufacturing possession or exhibiting of false birth certificates. The new measure will make it a second-degree crime to sell, offer to sell, or possess with the intent of selling a forged birth certificate. Convictions will be punishable by up to 10 years in prison and \$150,000 in fines. The statute for forging a birth certificate would be consistent with punishment for manufacturing a false driver's license or other government documents. The law will go into effect immediately.

Bills A2769/S2617 will protect consumers from having their credit or ATM card information unwittingly taken from them. The new measure will prohibit the unauthorized use of scanning devices or re-encoders to access or scan the encoded information on any ATM, debit, credit or other payment card. The bill would also make it a crime to use a re-encoder to place the information encoded on the magnetic strip onto a different card without permission. A re-encoder is a device that places encoded information from the magnetic strip of a payment card onto the magnetic strip or stripe of a different payment card. The law will go into effect immediately.

"Anyone who gets their hands on a re-encoder can become an identity thief; it could be a gas station attendant or a server at your favorite restaurant," said Sweeney. "By banning re-encoders we are working to help eliminate identity theft while saving consumers millions of dollars in fraudulent debt."

"Consumers deserve to be able to shop without the fear of identity theft," said Madden. "This law will help combat credit card fraud by making it more difficult for thieves to use re-encoders to steal identities, and help give consumers peace of mind while they are shopping."

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