

Callers to the hotline receive telephone counseling from specially trained personnel who provide general information about identity theft and help guide victims through the steps needed to resolve the problems resulting from the misuse of their identities. Victims are advised to: (1) contact each of the three national consumer reporting agencies to obtain copies of their credit reports and request that a fraud alert be placed on their credit reports;⁽⁷⁾ (2) contact each of the creditors or service providers where the identity thief has established or accessed an account, to request that the account be closed and to dispute any associated charges; and (3) report the identity theft to the police and get a police report, which is very helpful in demonstrating to would-be creditors and debt collectors that the consumers are genuine victims of identity theft.

Counselors also advise victims having particular problems about their rights under relevant consumer credit laws including the Fair Credit Reporting Act,⁽⁸⁾ the Fair Credit Billing Act,⁽⁹⁾ the Truth in Lending Act,⁽¹⁰⁾ and the Fair Debt Collection Practices Act.⁽¹¹⁾ If the investigation and resolution of the identity theft falls under the jurisdiction of another regulatory agency that has a program in place to assist consumers, callers also are referred to those agencies.

The FTC's identity theft website, located at www.consumer.gov/idtheft, provides equivalent service for those who prefer the immediacy of an online interaction. The site contains a secure complaint form, which allows victims to enter their identity theft information for input into the Clearinghouse. Victims also can read and download all of the resources necessary for reclaiming their credit record and good name. One resource in particular is the FTC's tremendously successful consumer education booklet, Identity Theft: When Bad Things Happen to Your Good Name.

The 26-page booklet, now in its fourth edition, comprehensiheditil, n Ddi.ihee2ig19(ho 6h(i)13(m)-3()-3(s)-)13(di)-1(4(s)-3()113(c)-3(t)

enforcement departments across the country to instruct officers on identity theft, investigative resources, and assisting victims; and (2) redesigning of the FTC's website to include a section for law enforcement with tips on how to help victims as well as resources for investigations. The FTC will launch the new website this summer.

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services because it failed to: (1) implement procedures needed to prevent or detect unauthorized access; (2) monitor the system for potential vulnerabilities; and (3) perform appropriate security audits or investigations.

The Commission's order against Microsoft contains strong relief that will provide significant protections for consumer information. First, it prohibits any misrepresentations about the use of and protection for personal information. Second, it requires Microsoft to implement a comprehensive information security program similar to the program required under the FTC's Gramm-Leach-Bliley Safeguards Rule, which is discussed below. Finally, to provide additional assurances that the information security program complies with the consent order, every two years Microsoft must have its program certified by an independent professional that it meets or exceeds the standards in the order. The provisions of the order will continue for 20 years and the Commission is systematically monitoring compliance.

Microsoft is an important case because the settlement required that the company adhere to its security promises even in the absence of a known breach of the system. The Commission found even the potential for injury actionable when sensitive information and security promises were involved, and when the potential for injury was significant. This determination is an extremely important principle. It is not enough to make promises about protecting personal information, and then just hope that nothing bad happens or, if it does, that nobody finds out. Fulfilling privacy promises requires affirmative steps to ensure that personal information is appropriately protected from identity theft and other risks to consumers' personal information.

The Microsoft case followed a similar case the Commission settled earlier last year against Eli Lilly.⁽²²⁾ The Lilly case also involved alleged misrepresentations regarding the security provided for sensitive consumer information -

Identity theft and large scale security breaches place substantial costs on individuals and businesses. The

13. See ID Theft: When Bad Things Happen to Your Good Name: Hearing Before the Subcomm. on Technology, Terrorism and Government Information of the Senate Judiciary Comm. 106th Cong. (2000) (statement of Mrs. Maureen Mitchell, Identity Theft Victim).

14. Adam Clymer, Officials Say Troops Risk Identity Theft After Burglary, N.Y. Times, Jan. 12, 2003, § 1 (Late Edition), at 12.

15. Kathy M. Kristof and John J. Goldman, 3 Charged in Identity Theft Case, LA Times, Nov. 6, 2002, Main News, Part 1 (Home Edition), at 1.

16. Charts that summarize 2002 data from the Clearinghouse can be found at www.consumer.gov/idtheft and www.consumer.gov/sentinel.

17. The Commission testified last year in support of S. 2541, the Identity Theft Penalty Enhancement Act of 2002, which would increase penalties and streamline proof requirements for prosecution of many of the most harmful forms of identity theft. See Testimony of Bureau Director J. Howard Beales, Senate Judiciary Committee, Subcommittee on Terrorism, Technology and Government Information (July 11, 2002). S. 2541 has been reintroduced in the 108th Congress as S. 153.

18. The referral program complements the regular use of the database by all law enforcers from their desk top computers.

19. 15 U.S.C. § 45.

20. 16 C.F.R. Part 314, available online at <http://www.ftc.gov/os/2002/05/67fr36585.pdf>.

21. The Commission's final decision and order in the Microsoft case is available at <http://www.ftc.gov/os/2002/12/microsoftdecision.pdf>. The Commission's complaint is available at <http://www.ftc.gov/os/2002/12/microsoftcomplaint.pdf>.

22. The Commission's final decision and order against Eli Lilly is available at <http://www.ftc.gov/os/2002/05/elilillydo.htm>. The complaint is available at <http://www.ftc.gov/os/2002/05/elilillycmp.htm>.

23. Financial Institutions and Customer Data: Complying with the Safeguards Rule, available at <http://www.ftc.gov/bcp/edu/pubs/business/idtheft/bus54.shtm>.

24. Additional information about the workshops are available at <http://www.ftc.gov/bcp/workshops/technology/index.html>.

25. Additional information about the workshop is available at <http://www.ftc.gov/bcp/workshops/infoflows/index.html>.