

**Prepared Statement of Edith Ramirez
Senate Commerce Committee
March 26, 2014**

Chairman Rockefeller, Ranking Member Thune, and members of the Committee, I appreciate the opportunity to present the Federal Trade Commission's testimony on data security.

Under your leadership, Chairman Rockefeller, this Committee has led critical efforts in Congress to protect consumers' privacy and data security. From the recent examination of the data broker industry and its impact on consumers to proposing data security requirements for industry, you and members of the Committee have sought to advance the same goals as the FTC. I want to thank you for your leadership.

As this Committee is well aware, consumers' data is at risk. Recent data breaches remind us that hackers seek to exploit vulnerabilities in order to access and misuse consumers' data in ways that can cause serious harm to consumers and businesses. These threats affect more than just payment card data. For example, breaches in recent years have also compromised Social Security numbers, account passwords, health data, and information about children. This occurs against the backdrop of identity theft, which has been the FTC's top consumer complaint for the last 14 years.

For example, whereas a decade ago it would have been difficult and expensive for a company to track an individual's precise location, smartphones have made this information readily available. And, as the growing problem of child identity

The FTC alleged that TJX engaged in a number of practices that, taken together, were unreasonable, such as allowing network administrators to use weak passwords; failing to limit wireless access to in-store networks; not using firewalls to isolate computers processing cardholder data from the Internet; and not having procedures to detect and prevent unauthorized access to its networks, such as procedures to update antivirus software.

In addition to our enforcement efforts, the Commission also undertakes policy initiatives to promote privacy and data security, such as workshops on mobile security issues and child and senior ID theft. And for those consumers who may have been affected by recent breaches, the FTC has posted