Testimony of

The Honorable Orrin Hatch

February 14, 2002

As we recently have been made acutely aware, identity theft has become one of the most critical tools of the criminal trade - of terrorists as well as other criminals. In this information age, identity theft is one of the fastest growing crimes in the United States. Of the 204,000 consumer fraud complaints compiled by the Federal Trade Commission last year, 42% involved identity theft. Recent news reports suggest that as many as 750,000 identities are stolen each year.

This Subcommittee is well aware of how criminals appropriate personally identifiable information, including Social Security numbers, to steal money, credit records, victims' good names, and, in some cases, to commit violent crimes. As a result, victims incur substantial harms, including financial losses, damaged credit histories, and legal problems, which take long periods of time to rectify.

In 1997, Senator Kyl introduced "The Identity Theft and Assumption Deterrence Act." Together we worked with our House counterparts to enact this bill into law. Among other things, the Act made it a crime to transfer or use, without lawful authority, a person's means of identification, including a Social Security number, with the intent to commit a violation of Federal law, or a felony under State or local law.

"The Identity Theft and Assumption Deterrence Act" represented an essential first step in our effort to curb identity theft. But we can, and should, consider additional preventive measures to reduce this pervasive problem. In so doing, however, we must be careful to ensure that such legal reforms do not unduly restrict businesses and financial institutions in their legitimate commercial dealings.

I applaud Senator Feinstein's effort to develop legislation that attempts to balance the privacy rights of consumers with the needs of this nation's businesses, and I am committed to working with her and this Subcommittee to strike the proper balance between these important interests.

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