



May 4, 2011

The Honorable Sam Johnson  
Chairman, Subcommittee on Social Security  
U.S. House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Xavier Becerra  
Ranking Member, Subcommittee on Social Security  
U.S. House Committee on Ways and Means  
1106 Longworth House Office Building  
Washington, DC 20515

RE: April 13, 2011 Social Security Subcommittee Hearing on the Role of Social Security Numbers in Identity Theft and Options to Guard Their Privacy – Comments of LifeLock, Inc.

Dear Chairman Johnson and Ranking Member Becerra:

LifeLock, Inc. (“LifeLock”) appreciates the opportunity to respond to the U.S. House Committee on Ways and Means Subcommittee on Social Security’s hearing on “The Role of Social Security Numbers in Identity Theft and Options to Guard Their Privacy,” held April 13, 2011. LifeLock applauds the Subcommittee for its continued efforts with regard to identity theft and personal data protection and deep concern for this important issue. As Ranking Member Becerra noted in his opening statement, this is the 18th hearing the Subcommittee has held on identity theft and the protection of Social Security Numbers since January 2000. The most recent hearing once again reaffirmed the need for comprehensive privacy legislation.

In the current economic climate, federal and state policymakers must remain focused on crimes that prevent a strong recovery. As the fastest growing type of fraud in the United States, identity theft is one of those crimes. Last year, the Congressional Research Service estimated that in 2009 identity theft cost 11.1 million Americans a total of \$50 billion.<sup>1</sup> And according to the Privacy Rights Clearinghouse, since early 2005 more than 500 million records have been compromised due to security breaches.<sup>2</sup> Breaches involving Social Security Numbers continue to be a regular occurrence. With an increasingly globalized world powered by the information economy, Congress must work to reduce opportunities for identity theft, help to mitigate its effects on consumers, and provide tools to investigate and prosecute this crime.

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<sup>1</sup> *Hearing on the Role of Social Security Numbers in Identity Theft and Options to Guard Their Privacy Before the H. Subcomm. on Social Security of the H. Comm. on Ways and Means*, 112th Cong. (statement of Rep. Sam Johnson, Chairman, H. Subcomm. on Social Security).

<sup>2</sup> *Id.*

As you know, in mid-April the Texas Comptroller's Office announced the largest data security breach in state history. In addition, there have been several other massive data security breaches that have exposed the Social Security Numbers of millions of individuals. For example, in 2006, the Department of Veterans Affairs announced a breach of personal information of more than 26 million veterans.<sup>3</sup> Today, the New York Times reported that: "It's become almost a weekly occurrence: another online company letting customers personal and private information leak because of an Internet breach."<sup>3a</sup>

Products, such as those offered by LifeLock, offer consumers significant protection against identity theft. But proactive public policy initiatives that take into account currently available technologies – such as those that proactively help prevent identity theft – are essential. We believe public and private sector organizations must do a better job attacking identity theft, protecting personal data, and having a plan to help consumers in case of a data breach, and we believe that this should be accomplished through public and private sector partnerships. Therefore, we strongly support Chairman Johnson's call for Congress to "get to work on identity theft," and echo Ranking Member Becerra's statement that while Democrats and Republicans may have differing views on the importance of Social Security benefits, the parties "are united in our concern about identity theft."

We urge Congress to require better collection of data about identity theft, rather than relying upon surveys and victim reporting. A variety of organizations have important data about this problem, and this data should be an additional source included in national reporting about the scope of this important problem. This will result in comprehensive information that can be most efficiently used to combat identity theft.

We also commend the Federal Trade Commission ("FTC") on its efforts to update the current privacy framework to meet the privacy challenges of the 21st century, while continuing to support beneficial uses of information and technological innovation. In particular, we strongly applaud the FTC's support of national data breach notification standards requiring organizations to notify affected consumers when their data has been breached and the adoption by Congress of national data security standards.

In addition, LifeLock is supportive of the FTC's suggestions regarding reducing dependence upon Social Security Numbers, including establishing alternative customer authentication standards and implementing national standards regarding the public display of Social Security Numbers, as the continued, prevalent use of Social Security Numbers as identifiers is a significant structural vulnerability exploited by identity thieves today.

## **I. About LifeLock**

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<sup>3</sup> Sidath Viranga Panangala, *Department of Veterans Affairs: Information Security and Information Technology Management Reorganization*, Congressional Research Service Report for Congress, Aug. 14, 2006, available at <http://congressionalresearch.com/RL33612/document.php?study=Department+of+Veterans+Affairs+Information+Security+and+Information+Technology+Management+Reorganization>.

<sup>3a</sup> Nick Bilton, *Holding Companies Accountable for Privacy Breaches*, New York Times, May 4, 2011.

LifeLock is an industry leader in identity theft protection. Since 2005, LifeLock has provided a wide range of services to consumers with respect to privacy protection, including identity theft protection and data breach response services. For example, LifeLock offers products that offer consumers the opportunity to proactively sign up for identity theft protection services that will work in advance to help stop an identity theft before it happens.

The company has a strong focus on educating consumers and working with law enforcement and elected officials to better understand the increasing threats of identity theft. Headquartered in Arizona, LifeLock, in 2010, was ranked 8th on Inc. magazine's 29th Annual Inc. 500 List,<sup>4</sup> a ranking of the nation's fastest-growing private companies. LifeLock also has been recognized by the American Business Awards as having the Best New Product or Service of the Year for the LifeLock Identity Alert® system.<sup>5</sup>

LifeLock works actively with elected officials to help serve as a vocal and effective voice for consumers everywhere to create legislation that helps protect consumers. LifeLock will continue to work relentlessly to educate consumers, support law enforcement, and work closely with government officials to help decrease identity fraud.

## **II. Support for More Comprehensive Data Collection Methods and for the FTC's Proposals to Prevent Misuse of Social Security Numbers**

We believe it is very important that Congress require better collection of data about identity theft, rather than relying upon surveys and victim reporting. Congress should look to the numerous entities that accumulate important data about identity theft as an important additional source of data in accurately reporting about the scope of this important problem. This will result in complete and comprehensive information that can be used to prevent identity theft.

LifeLock also supports the FTC's proposed recommendations to prevent the misuse of Social Security Numbers: (1) establishing national consumer authentication standards to verify customers; (2) creating national standards to reduce the public display of Social Security Numbers; (3) implementing national data security standards that cover use of Social Security Numbers; and (4) implementing national data breach notification standards that require private companies to announce breaches of person information.

First, establishing national, alternative consumer authentication standards would greatly reduce the value associated with Social Security Numbers, given that one of the primary reasons identity thieves steal Social Security Numbers is to authenticate themselves as someone else. If an alternative method of authentication was implemented, identity thieves would have significantly less incentive to steal Social Security Numbers, and a significant structural vulnerability exploited by identity thieves today to steal identities would be fixed.

Second, and related to the point above, reducing the public display of Social Security Numbers would make it significantly more difficult for identity thieves to gain access to Social Security Numbers. This reduction could be accomplished by establishing national standards

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<sup>4</sup> See <http://www.inc.com/inc5000/list>.

<sup>5</sup> See [http://www.stevieawards.com/pubs/awards/403\\_2630\\_20419.cfm](http://www.stevieawards.com/pubs/awards/403_2630_20419.cfm).

regarding the public display of Social Security Numbers and, as discussed above, by establishing alternative authentication methods, thereby reducing consumers' disclosure of Social Security Numbers.

Finally, LifeLock supports both national data security and data breach notification standards. Such national standards will provide consistency across industries regarding how data breaches are treated (rather than varying state-by-state) and the security requirements that must be implemented to protect Social Security Numbers (rather than varying business-to-business). In addition, LifeLock supports focusing on currently available technology to prevent, rather than merely protect against, identity theft in implementing national security requirements. Private industry can work with the FTC and others to best implement these evolving technologies to prevent identity theft.

### III. Summary

Chairman Johnson observes that “the problem of identity theft is not going to be addressed with one piece of legislation.” While this is certainly true, with privacy legislation that includes thoughtful identity theft management provisions, Congress can make significant progress a bipartisan issue.

It is time for action. As stated before, identity theft is the fastest growing type of fraud in the United States—affecting more than 11.1 million victims in 2009—and costs Americans close to \$50 billion annually.<sup>6</sup> The FTC receives 15,000 to 20,000 calls *per week* regarding identity theft.<sup>7</sup>

Chairman Johnson believes “Americans are rightly worried about the security of their personal information.” Assistant Deputy Commissioner Gruber believes “the implications for personal privacy caused by the widespread use of a single identifier [SSN] have generated concern both within the Government and in society in general.” Across the country, people are alarmed. So are we. Therefore, we call on Congress to pass comprehensive privacy legislation in a quick and timely manner, because, as FTC Associate Director Mithal testified, “[i]dentity theft remains a serious problem in this country, causing enormous harm to consumers, businesses, and ultimately our economy.”

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<sup>6</sup> *Supra* note 1.

<sup>7</sup> *Prepared Statement of the Federal Trade Commission Before the Subcommittee on Social Security of the House Committee on Ways and Means on Protecting Social Security Numbers from Identity Theft*, April 13, 2011, available at <http://www.ftc.gov/os/testimony/110411ssn-idtheft.pdf>.

#### **IV. Conclusion**

We thank you for considering our views and are eager to work with you in a constructive fashion to help the Subcommittee achieve its goal of better protecting consumers from the serious problem of identity theft.

Respectfully submitted,

A handwritten signature in black ink that reads "Clarissa Cerda". The signature is written in a cursive style and is positioned above a light gray rectangular box.

Clarissa Cerda  
Senior Vice President, General Counsel & Secretary  
LifeLock, Inc.