Lawmakers Promise Action on Identity Theft

WASHINGTON (Reuters) - U.S. lawmakers on Thursday sought more control over data brokers like ChoicePoint Inc. (NYSE:CPS - news) after criminals gained access to tens of thousands of names and personal details in the company's database.

Several Democratic lawmakers said they would introduce legislation to limit the activities of data profilers, who sell Social Security (news - web sites) numbers and other consumer information to business and government clients.

"Our system of protecting people's identity is virtually nonexistent in this country," said Sen. Charles Schumer (news, bio, voting record), a Democrat from New York.

Key Republicans said they would look into the issue.

Pennsylvania Sen. Arlen Specter (news, bio, voting record) said his Senate Judiciary Committee (news - web sites) would hold hearings, while the chairman of the House of Representatives Energy and Commerce Committee said his staff was conducting an investigation.

"I intend to discover methods by which data security can be strengthened against internal hackers and other identity thieves," Texas Rep. Joe Barton (news, bio, voting record) said.

ChoicePoint said it supported some regulation.

"We welcome the opportunity to participate in any national discussion on the responsible use of information," spokesman Chuck Jones said.

The flurry of activity during a week when Congress is not in session
underlined the impact of a recent security breach at ChoicePoint that has left at least 145,000 consumers vulnerable to identity theft.

A resident of Nigeria was sentenced to 16 months in prison last week for accessing ChoicePoint consumer profiles under a fake business name. Investigators say he acted as part of a wider ring engaged in identity theft, which involves criminals assuming the identity of others to commit crimes.

The incident has focused a spotlight on data profilers like ChoicePoint, Acxiom Corp. (Nasdaq: \texttt{ACXM - news}) and Reed Elsevier Plc's (REL.L) LexisNexis, which assemble detailed dossiers on U.S. residents for sale to employers, landlords, government agencies and other clients.

Schumer said he was drafting legislation that would restrict the sale of consumer profiles.

At a press conference, Schumer displayed profiles of Vice President Dick Cheney (\texttt{news - web sites}), celebrity Paris Hilton and other well-known figures that included Social Security numbers, birthdates and other sensitive information.

The information was available to anyone who subscribed to the legal research service Westlaw, he said.

"Westlaw seems to be going out of its way to make identity theft easy," Schumer said.

A spokesman for Westlaw, a division of Thomson Corp., (Toronto: \texttt{TOC.TO - news}) said the service has not led to any cases of identity theft. Aside from government agencies, only nine business clients, predominantly insurance companies, have access to the database, the spokesman said.

Florida Democratic Sen. Bill Nelson (\texttt{news, bio, voting record}) urged the Federal Trade Commission to give consumers greater control over how their personal information is used, along the lines of rules that govern credit bureaus and medical-information providers.

California Democratic Sen. Dianne Feinstein (\texttt{news, bio, voting record}) has also introduced legislation that would require companies to let consumers know when they may be at risk because of an intrusion.

ChoicePoint's Jones said the company supports such a law, as well as independent oversight for the industry and increased penalties for the misuse of data.

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