

Identity Theft Task Force
(Established by Act 140, Session Laws of Hawai'i 2006)
State of Hawai'i
www.state.hi.us/auditor

Minutes of Meeting

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawai'i Revised Statutes.

Date: Wednesday, November 1, 2006

Time: 10:00 a.m.

Place: State Capitol
415 South Beretania Street
Conference Room 309
Honolulu, Hawai'i

Present: Chair Gary Caulfield, Financial Services Industry
Vice Chair Marvin Dang, Financial Services Industry
Senator Carol Fukunaga, President of the Senate's Designee
Representative Jon Riki Karamatsu, Speaker of the House of Representatives Designee
Nathan Kim, The Judiciary
Paul Kosasa, Retail and Small Business Community
Stephen Levins, Director of the Office of Consumer Protection
Senator Ron Menor, President of the Senate's Designee
Representative Colleen Meyer, Speaker of the House of Representatives Designee
Carol Pregill, Retail and Small Business Community
Robert Takushi, Consumer and Business Organizations
Tom Terry, United States Postal Service
Sharon Wong, Department of Accounting and General Services
Christopher D.W. Young, Department of the Attorney General

Todd Nerlin for Rick Walkinshaw, United States Secret Service Electronic Crimes Unit

Marion M. Higa, State Auditor, Office of the Auditor
Russell Wong, IT Coordinator, Office of the Auditor
Jayna Muraki, Special Projects Coordinator, Office of the Auditor
Sterling Yee, Assistant Auditor, Office of the Auditor
Pat Mukai, Secretary, Office of the Auditor

Absent: Clayton Arinaga, County Police Departments Designee
Lt. Andrew Castro, Honolulu Police Department's Criminal Investigation Division
Darwin Ching, Department of Education
Craig De Costa, Hawai'i Prosecuting Attorneys Association
Ronald Johnson, United States Attorney for the District of Hawai'i Designee
David Lassner, University of Hawai'i
Tim Lyons, Consumer and Business Organizations
Mel Rapozo, Hawai'i State Association of Counties Designee
Rick Walkinshaw, United States Secret Service Electronic Crimes Unit

Call to Order: Chair Caulfield called the meeting to order at 10:09 a.m. at which time quorum was established

Chair's Report: Announcements, introductions, correspondence, and additional distribution
Chair Caulfield thanked Vice Chair Dang for emailing the article which simplifies what happened over the past during the Legislature and the prior task force. Chair Caulfield also thanked Representative Karamatsu for providing the refreshments.

Minutes of previous meeting

Vice Chair Dang moved to approve the minutes of the September 29, 2006 meeting as distributed, seconded by Member Takushi. It was voted on and unanimously carried to approve the minutes

Auditor's Report: State Auditor Higa briefed the task force on the status of the consultant contract. The deadline was Thursday, October 26, 2006. Although four potential consultants picked up specifications, no proposals were received. In accordance with the procurement law, the office contacted one of the potential consultants who expressed interested. We're considering a modified timetable with the task force issuing a progress report around Christmas and a more substantive report in January or February.

Policy Issues: Membership - substitutions

Mr. Wong indicated the task force should clarify membership and substitutions for quorum and voting purposes. The contact list we distributed at the last meeting is the list of current membership for quorum purposes. Some of the members are specifically identified in Act 140 while others are designees of an appointing authority. For the record, when a designee changes, the appointing authority should notify the task force.

Senator Fukunaga suggested that it would probably help for such a large group to have a specific meeting scheduled that we agree upon--anything that we can do to help ensure the broadest participation possible.

Chair Caulfield asked how other task forces may have dealt with this problem. State Auditor Higa indicated that the 2050 Sustainability Task Force, which has 23 members, adopted a policy of no substitutions because it was hard to keep track of what was happening if people were coming in and out representing different organizations. The Act was interpreted by the group to mean once an appointed authority appointed someone, that seat belonged to that person unless we heard otherwise from the appointing authority. Unless it was a permanent change in the appointment, the substitute was not counted for quorum purposes and not allowed to vote. Vice Chair Dang asked if there were any policies regarding absences. State Auditor Higa said after three unexcused absences in a row, the appointing authority was alerted.

Chair Caulfield recommended that the task force not allow substitutes for quorum purposes, but allow them to come to the meeting. Also, after three unexcused absences the appointing authority should be informed.

Senator Fukunaga asked if it would it be possible for us to establish a policy on informational briefings. If we have a quorum to begin the informational briefing but lose quorum, could we have a policy that we will not halt the briefing. State Auditor Higa indicated from preliminary discussions with OIP that it would not be allowed. This is something the Legislature may want to take up and have further discussions with OIP.

Vice Chair Dang moved that the Task Force adopt a policy that substitutes will not be counted toward a quorum or allowed to vote, and that if a member has three unexcused absences in a row, the appointing authority will be notified. Senator Fukunaga seconded. The motion unanimously passed.

Public testimony – time allowed

Mr. Wong indicated Les Kondo from OIP talked about this briefly at the last meeting. The

Sunshine Law requires the task force to allow anyone to provide oral testimony on agenda items. Anyone from the public could speak on agenda items but you may limit the time that they have to something reasonable. One of the times he mentioned was three minutes. Representative Meyer stated three minutes is totally inadequate. Vice Chair Dang suggested a policy limiting time to three minutes but with the Chair having discretion to extend depending on the situation. Vice Chair Dang moved to limit the amount of time for individuals to present public testimony to three minutes and give the Chair the discretion to extend the time for individual testimonies. The motion was seconded by Member Pregill and carried unanimously.

Meeting Schedule: Discussion on the meeting schedule was taken out of order. Chair Caulfield suggested meeting at least once a month going forward. After discussion on the day of the week and time, it was decided to meet on the first Thursday of the month at 9:00 a.m. The next meeting will be on Thursday, December 7th at 9:00 a.m.

Discussion/Interaction: Discussion on identity theft investigative, enforcement, and educational efforts by members' organizations and task forces

Tom Terry, U.S. Postal Service

Member Terry briefed the task force on the work of the Hawai'i Identity Theft Task Force (HITTF), an informal working group. The group's mission is to attack financial fraud and ID Theft in the State of Hawai'i. The networking and sharing of information among law enforcement, financial institutions, retailers and prosecutors help to identify groups that are committing financial fraud and identity theft crimes. The HITTF also has an annual training conference to help members in their jobs in investigating financial fraud and identify theft fraud.

Public education is very important and the group is trying to determine the best way to educate the public, whether through newsletters, speaking to groups, appearing in the schools, or some other means.

On the West Coast, identity thieves are computer savvy. They're able to make counterfeit checks and counterfeit state ID's using templates available on websites. It's not in Hawai'i yet, but we will start to see it build.

From a prosecution standpoint, at the federal level, stiffer prison sentences are imposed if you're identified as an organizer. The recently passed law in Hawai'i making it a Class C felony to simply possess someone else's information is very good.

Christopher Young, Department of the Attorney General

In 2002, the Attorney General's office received a federal grant to start the Hawai'i High Technology Crime Unit because computer crimes were on the rise and there were no state or county assets or equipment to do forensics. The grant was used to set up the state's only computer forensics lab that services state and county agencies. The lab is currently funded by grants, but we're seeking permanent funding. We've spent between \$200,000 and \$300,000 to purchase equipment, and training costs between \$40,000 and \$50,000 per forensic examiner. The unit is made up of one investigator, a forensic examiner, and an attorney.

A second federal grant funds the Internet Crimes Against Children Task Force. The Internet Crimes Unit has two investigators, a forensic examiner, and one attorney.

The High Tech Task Force includes the following agencies. State agencies: Attorney General, Department of Public Safety, Department of Commerce and Consumer Affairs, Department of Taxation, and Department of Human Services. County agencies: County

Police Departments and County Prosecutors. Federal agencies: U.S. Attorney's Office, Federal Bureau of Investigation (FBI), U.S. Secret Service, U.S. Immigration, Naval Criminal Intelligence, U.S. Postal Service, U.S. Air Force, and U.S. Internal Revenue Service.

The task force tries to provide equipment and training to all four counties so that they can use our labs to do forensics. We give them basic equipment to clone drives and seize evidence and we provide as much forensics training as we can so hopefully, they can set up their own computer forensics lab. The FBI has a Cyber-Crime Squad, ICE – Immigration Customs Enforcement, and ICAC – Internet Crimes Against Children.

The resources available in the state are very limited, and there's a growing concern among law enforcement on how to keep up. The real issue is resources and dedicated resources to the issue of identity theft. Hopefully, this task force will be helpful at least from the law enforcement perspective in addressing resource issues and providing the tools for law enforcement.

The Anti-Phishing Task Force discovered that local law enforcement is not tracking identity theft as a distinct crime. It may be reported as a theft, burglary, or computer intrusion case, not as an identity theft case, making it difficult to quantify. We are trying to get the four police departments to have a unified reporting system.

Representative Meyer asked what the operating cost is for the forensics lab. Member Young said he would have to get the numbers. Because technology is changing so quickly, costs include routine updates of hardware and software, as well as personnel costs. He believes the grants may continue for another two to three years. The number of personnel currently funded is not sufficient to cover the state.

Senator Menor asked if Member Young intends to ask the task force to include as part of its recommendations providing additional state resources to law enforcement efforts and if there will be a request as part of the administrative executive budget for the attorney general's office. Member Young stated he would have to check what's in the Attorney General's budget request, but the Attorney General's Office would recommend that the task force include in its recommendations the need to permanently fund these positions.

Chair Caulfield asked for suggestions for discussion at future meetings. Member Levins suggested having Member Kim discuss the Judiciary's perspective on confidential, personal information.

Senator Fukunaga suggested representatives on the task force from ICSD, UH, and DOE because of their large data collections. Member Young stated it would be important to understand how ICSD protects information and its policies on use of the information. Other suggestions included the Bureau of Conveyances and the Office of Information Practices to discuss privacy under HRS 92F.

Chair Caulfield initiated discussion on setting up smaller investigative task forces. The sub task forces: 1) cannot make decisions; 2) cannot be larger than the number of members required for a quorum; and 3) can invite other parties to present information. The establishment of the smaller task forces will be placed on the agenda for the next meeting.

Member Young suggested a task force to look at legislation and one to look at providing public information. Senator Fukunaga suggested examining the integration between public sector and private sector. We also want to hear from the private sector and other entities as to what they're going through. Member Kosasa suggested that coming up with best practices would be very helpful for a lot of the smaller businesses.

Chair Caulfield entertained a motion to adjourn the meeting, seconded by Member Young. It was voted unanimously to adjourn the meeting.

Next Meeting: date: Thursday, December 7, 2006
 time: 9:00 a.m.
 address: to be determined

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 11:25 a.m.

Reviewed and approved by:

Russell Wong
IT Coordinator

December 7, 2006

[X] Approved as circulated.

[.....] Approved with corrections; see minutes of _____ meeting.

ID Theft/110106