



**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**  
**Office of Consumer Protection**

## **DCCA News Release**

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GOVERNOR

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### **HAWAII REACHES AGREEMENT WITH CHOICEPOINT OVER SECURITY BREACH**

HONOLULU – The State of Hawai`i, through its Office of Consumer Protection, along with 43 other states, announced a settlement with ChoicePoint to resolve allegations that the company failed to adequately maintain the privacy and security of consumers' personal information that was in its control.

ChoicePoint provides identification and credential verification services to businesses, government and non-profit organizations. The company, among other things, collects, maintains, and distributes consumers' personal information.

In February 2005, ChoicePoint announced that criminals posing as legitimate businesses gained access to consumers' personal information in their database. In the wake of these crimes, ChoicePoint mailed more than 145,000 notices to consumers across the country whose information may have been viewed or acquired by the criminals.

The states had alleged the company failed to adequately protect consumers' personal data. Previously, in January 2006, ChoicePoint settled its case with the Federal Trade Commission (FTC), and paid \$10 million in penalties and \$5 million in consumer redress.

As part of this settlement, ChoicePoint will make significant, ongoing changes in the way that the company credentials new customers who have access to personally identifiable information. For the first time, a data broker has agreed to safeguard publicly available information using the same credentialing methods as it uses to safeguard financial information that is protected by law. Certain sensitive publicly available information, including Social Security numbers, will now receive greater protection.

ChoicePoint will also pay \$500,000 to the states. Hawai'i will receive \$5,500.00 of this payment for use to fund consumer education and enforcement of the consumer protection laws.

"This case should serve as a reminder that any company holding personal information must maintain it in a safe and secure environment in order to safeguard it from unauthorized access," warned Stephen Levins, executive director for the State Office of Consumer Protection. "ChoicePoint's failure to do so allowed criminals access to thousands of Americans' personal information."

Redress pursuant to the FTC Order is available for out-of-pocket expenses for identity theft that resulted from the ChoicePoint breach. The deadline to submit a redress claim form to the FTC is June 22, 2007. If consumers meet the eligibility requirements for redress, they can complete the redress form and submit that for consideration. More information is available at:

[www.ftc.gov/bcp/online/cases/choicepoint/index.shtm](http://www.ftc.gov/bcp/online/cases/choicepoint/index.shtm).

Examples of expenses for which consumers may be reimbursed:

- Unauthorized charges on existing accounts NOT covered by bank or credit card company
- Money paid on new accounts opened in consumer's name
- Money paid to a debt collector on new accounts opened in consumer's name
- Cost of ordering new checks
- Cost to file or receive copy of police report
- Notary fees
- Costs associated with correcting unauthorized charges and/or disputing incorrect information – telephone calls; mail, fax, photocopy charges; hourly fees for internet access; travel expenses.

Joining Hawai'i in today's settlement are: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin and the District of Columbia.

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