FOR IMMEDIATE RELEASE
March 22, 2007

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Secretary of State Debra Bowen Moves To Safeguard People From Becoming Identity Theft Victims

SACRAMENTO – Secretary of State Debra Bowen today announced the implementation of several new security measures that will protect the privacy of Californians and help them avoid becoming identity theft victims.

The Secretary of State serves as the central filing office for certain financing statements and lien documents as required under the Uniform Commercial Code (UCC). Under the law, those documents are public records, meaning they’re available to anyone who requests and pays for a copy of them. Secretary Bowen, who took office in January, moved quickly to shut off web-based access to the UCC filings after learning that many of the documents contain people’s social security numbers – a key piece of information sought by identity thieves.

“This is yet another place where our laws haven’t kept pace with advances in technology,” said Bowen. “By law, UCC filings are public records, the statutory UCC filing form that people must use has a space available for a social security number, and the Secretary of State is required to accept that form. To make the agency more business-friendly, previous Secretaries of State have made these records available on the Internet. However, until we find a way to remove all but the last four digits of people’s social security numbers from the records in the electronic database, I’ve decided to pull the plug on the system that, until Tuesday, gave people web-based access to these documents.”

Bowen served for 14 years in the Legislature and was a well-known leader in the battle to take social security numbers out of public circulation and give people the tools they need to protect their personal privacy and prevent identity theft.

On Tuesday, Bowen shut down the portions of the Secretary of State’s “UCC Connect” website that allowed anyone to search, view and order UCC documents online. Furthermore, Secretary Bowen has gone beyond the steps taken by other states that have discovered this same problem. As of March 21, Secretary Bowen has:

- Frozen bulk electronic sales of the UCC image database until all but the last four digits of social security numbers can be removed from all existing UCC records.

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Placed a warning on the Secretary of State’s website urging UCC filers to prevent identity theft by not including social security numbers on any UCC forms they file with the Secretary of State.

Begun removing all but the last four digits of social security numbers from all copies and images of incoming UCC documents before they are made available to the public.

Begun removing all but the last four digits of social security numbers from all UCC records requested, including records ordered by mail or in person before they are made available to the public.

Begun exploring technology solutions for removing all but the last four digits of social security numbers from all existing UCC documents on file.

Announced her support for legislation, including AB 1168 (Jones), to require no more than four digits of social security numbers to appear on public records at the state and local level, to change the statutory UCC filing form, and to give the Secretary of State the authority to reject UCC filings that contain social security numbers.

“Making government open, accessible, and Internet-friendly while simultaneously ensuring that people’s privacy is protected isn’t always easy to do,” said Bowen. “Trying to find the right balance between open government and personal privacy is something I wrestled with for 14 years in the Legislature, and it’s something we’re going to continue to deal with for years to come. This is the latest example of a situation in which simply taking public records and putting them online runs counter to the need to protect people’s personal privacy, but it certainly won’t be the last place where government is going to face this challenge.”

Several other states, including New York and Ohio, have encountered similar problems with their web-based UCC systems. While they have shut down the web-based access to records, they still make records with full social security numbers available to the public in paper form and to data brokers who buy public records in bulk. Secretary Bowen has gone further than any other state by directing that all documents held by her office – past and future, electronic and paper – have all but the last four digits of social security numbers removed from them before being released to the public.

The UCC Connect website has been online since 2004 to allow lenders and creditors to easily submit UCC documents electronically, search for existing filings, and place orders for copies of records. Lenders access these records to check whether personal property that is being offered as collateral for a loan may have already been used as collateral for another loan or is otherwise subject to a lien. For the documents to be useful to them, lenders need to have access to at least the final four digits of a social security number to help them verify a person’s identity. UCC documents also serve as official records for when there is a default of a loan or a bankruptcy.

Currently, there are approximately two million UCC filings on record with the Secretary of State and approximately one-third of those UCC documents contain social security numbers.

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