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#### 8. Sec. 45.48.080 Violations

Sets out fines for violations of 45.48.010-45.48.090 by a governmental agency that is an information collector, and information collectors who are not governmental agencies. Defines "governmental agency".

#### 9. Sec. 45.48.090 Definitions

Defines the following terms: breach of the security; information collector; information distributor; information recipient; and personal information.

### Article 2. Credit Report and Credit Score Security Freeze

#### 1. Sec. 45.48.100 Security freeze authorized

Rights of consumers to prohibit release of their personal information.

#### 2. Sec. 45.48.110 Placement of security freeze

Sets out procedures for a consumer to request a consumer credit reporting agency to freeze their information.

#### 3. Sec. 45.48.120 Confirmation of security freeze

Describes the responsibility of the consumer credit reporting agency to notify the consumer when a security freeze has been placed.

#### 4. Sec. 45.48.130 Access and actions during security freeze

Describes how a consumer can allow access to their information by a third party when a security freeze is in place; how an insurer is to treat a consumer's application if a security freeze prevents access to the consumer's information, and what changes are allowed when a security freeze is in place, and notification requirements. Defines "official information" and "technical change".

CS Page 7 – Line 15 delete certified mail as a requirement for a consumer when requesting that access be provided to a third party when a security freeze is in place.

Page 8 – Lines 12 and 24 inserting credit and credit score for consistency.

Page 9 – Line 13 delete internet, electronic mail or another electronic method.

5. Sec. 45.48.140 Removal of security freeze

Sets out procedure for removing a security freeze, how the request for the freeze is to be made, how the consumer credit reporting agency shall respond, and what identifiers are necessary to remove the freeze.

6. Sec. 45.48.150 Prohibition

Sets out guidelines for reporting to third parties when a security freeze is in place.

7. Sec. 45.48.160 Charges

Charges to a consumer regarding security freezes.

CS Page 10 – Line 21 this change would allow a consumer credit reporting agency to charge a fee to lift a freeze . They must provide two lifts per calendar year for free and provide written notice that there is a fee of \$2.00 per request after the first two that are free.

8. Sec. 45.48.170 Notice of rights

Additional notices to be given when a consumer is provided a summary of rights under the Fair Credit Reporting Act (FCRA).

9. Sec. 45.48.180 Notification after violation

Describes the notice required if a consumer credit reporting agency violates a security freeze.

10. Sec. 45.48.190 Resellers – CS New Section Page 13, Lines 5-7

Requires that a consumer credit reporting agency acting as a reseller shall honor a security freeze that is placed by another consumer reporting agency.

11. Sec. 45.48.200 Violations and penalties

Describes the rights of a consumer who suffers damages as a result of a breach of their personal information.

12. Sec. 45.48.210 Exemptions

Lists exemptions to the use of credit information when a security freeze is in place.

**13. Sec. 45.48.290 Definitions**

Defines the following terms: account review; consumer; consumer credit reporting agency; reseller of consumer information; security freeze; third party.

**Article 3. Consumer Credit Monitoring; Credit Accuracy**

**1. Sec. 45.48.300 Required disclosure**

Right of a consumer to a copy of their personal information.

**2. Sec. 45.48.310 Information to be disclosed**

Describes the information to be disclosed.

**3. Sec. 45.48.320 Cost of disclosure**

Sets out the fees to the consumer for the information.

**4. Sec. 45.48.330 Form of disclosure**

Lists the ways a consumer may request the information.

**5. Sec. 45.48.340 Timing of disclosure**

Sets out timeframe for the information to be provide to the consumer.

**6. Sec. 45.48.350 Credit accuracy**

Describes procedures to follow if inaccurate information is reported and distributed.

**Article 4. Protection of Social Security Number**

**1. Sec. 45.48.400 Use of social security number**

Sets out guidelines for handling a person's social security number.

**2. Sec. 45.48.410 Request and collection**

Sets out prohibitions and exemptions for requesting or collecting an individual's social security number.

**3. Sec. 45.48.420 Sale, lease, loan, trade, or rental**

Prohibitions and exemptions regarding third party use of social security numbers.

4. Sec. 45.48.430 Disclosure

Prohibitions and exemptions regarding disclosure of social security numbers to third parties.

5. Sec. 45.48.440 Interagency disclosure

Describes when and to whom disclosure is authorized.

6. Sec. 45.48.450 Exception for employees, agents, & independent contractors

Describes when and to whom disclosure is authorized.

7. Sec. 45.48.460 Employment-related exception

Describes when use of a social security number should not be restricted.

8. Sec. 45.48.470 Agency regulations

Procedures for adopting regulations necessary for a state agency to carry out their duties and responsibilities.

9. Sec. 45.48.480 Penalties

Rights of the state and individuals against persons that knowingly violate these sections.

**Article 5. Disposal of Records**

1. Sec. 45.48.500 Disposal of records

This sets out the measures to be followed when disposing of records which contain personal information.

2. Sec. 45.48.510 Measures to protect access.

Describes the measures that may be taken to comply with Sec. 45.48.500 (above).

3. Sec. 45.48.520 Due diligence

Lists procedures that if performed show due diligence.

4. Sec. 45.48.530 Policy and procedures

A business or governmental agency shall adopt written policies and procedures relating to records disposal.

5. Sec. 45.48.540 Exemptions

Compliance to these sections is not required if a government agency or business is required by federal law to act in another way, or the business is subject to and in compliance with GLBA, or FCRA.

6. Sec. 45.48.550 Civil penalty

Liability to the state by an individual, business, or governmental agency for violations of these sections.

7. Sec. 45.48.560 Court action

An individual damaged by a violation of these sections may file a civil action.

8. Sec. 45.48.590 Definitions

Defines the following terms: business; conducts business; possesses; dispose; governmental agency; personal information; records.

CS Page 25 – Line 19, insert the word “information” in place of “directory”. Clears up the intention that information that is publicly available is not included in the definition of “records”.

**Article 6. Factual Declaration of Innocence after Identify Theft, Right to file Police Report Regarding Identity Theft**

1. Sec. 45.48.600 Factual declaration of innocence after identity theft

Describes the conditions that should exist in order for an individual to petition the superior court for a determination of innocence of a crime involving the theft of their identity.

2. Sec. 45.48.610 Basis for determination

Lists the type of information that may be made part of the record for the court to make a determination of factual innocence.

3. Sec. 45.48.620 Criteria for determination; court order

Sets the criteria that the court may use to determine a victim's factual innocence.

4. Sec. 45.48.630 Orders regarding records

Describes what the court may order regarding the disposition of incorrect records regarding a victim of identity theft.

5. Sec. 45.48.640 Vacation of determination

States that a court order may be vacated if there has been a misrepresentation of the material.

6. Sec. 45.48.650 Court form

Development of a form to be used under 45.48.620

7. Sec. 45.48.660 Data base

This section allows the establishment and maintenance of a data base of victims of identity theft, and who has authorization to the information.

8. Sec. 45.48.670 Toll-free telephone number

Establishes a toll-free number that accesses the information in the data base established in 45.48.660.

9. Sec. 45.48.680 Right to file police report regarding identity theft

Sets out rights of an individual to file a police report if they suspect they are a victim of identity theft, and the responsibility of a law enforcement agency to make the report even if they do not have jurisdiction.

10. Sec. 45.48.690 Definitions

Defines the following terms: crime, department, identity theft, perpetrator, and victim.

**Article 7. Consumer Credit Header Information**

1. Sec. 45.48.700 Consumer credit header information

Sets out what information a consumer credit reporting agency may share with others, and describes what information is contained in "credit header information".

## **Article 8. Truncation of Card Information**

### **1. Sec. 45.48.750 Truncation of card information**

Describes limits on a business regarding the printing of credit or debit card numbers and the exceptions depending on whether the receipt is produced electronically or is handwritten or imprinted. This section also sets out the civil actions that an individual may take if a business knowingly violates this section. Defines credit, credit card, debit card and knowingly.

CS Page 28 The changes made in this Section changed the card numbers allowed on a receipt or other physical record from five to four.

It added language that states a person may not sell a device that prints more than the last four digits of a credit or debit card on the consumer or merchant copy. Provides for an effective date of January 1, 2009. Removes class A misdemeanor for violations.

## **Article 9. General Provisions**

### **Sec. 45.48.990 Definitions**

Provides definitions of terms.

### **Sec. 45.48.995 Short Title**

Gives Alaska Personal Information Protection Act as the short title of this legislation, amends AS 45.50.471(b) by adding a new paragraph (52), amends the uncodified law of the State of Alaska by adding a new section, and provides for an immediate effective date under AS 01.10.070(c).

**adn.com**  
Anchorage Daily News

## Identity thieves may have hit Alaska

**CHOICEPOINT: Information clearinghouse breach could have compromised privacy of 251.**

By RICHARD RICHTMYER  
Anchorage Daily News

(Published: February 24, 2005)

Identity thieves who scammed information clearinghouse ChoicePoint Inc. may have obtained the personal information -- including names, addresses and Social Security numbers -- of 251 Alaskans.

The security breach, which ChoicePoint has known about since last fall but made public only this month, involves more than 145,000 consumers nationwide, the company said.

The scope of the fraud and the lapse in ChoicePoint's security underscore how vulnerable consumers are and highlight weaknesses in Alaska laws to protect against identity theft, said Steve Cleary, executive director of the Alaska Public Interest Research Group.

State lawmakers are considering toughening identity-theft penalties. Cleary's group is urging them to go even further to help Alaskans guard against being ripped off when their personal information falls into the wrong hands.

ChoicePoint is sending letters to all the affected consumers, notifying them they may be at risk. They should all be delivered within 10 days, said Chuck Jones, a spokesman for the Georgia-based company.

The company will offer affected consumers free credit reports and credit-monitoring service for a year, and it is setting up a single point of contact where they can place security alerts on their credit files maintained by all three major credit reporting companies: Experian, Trans-Union and Equifax, Jones said.

Identity theft occurs when someone steals your personal information, such as a Social Security number and date of birth, and uses it to commit fraud.

There has been one confirmed case of identity theft resulting from the incident, and Jones said investigators have determined that the suspects have tried to defraud at least 750 others. He would not say where they live, referring specific questions about the investigation to officials at the Los Angeles County Sheriff's Department, who did not return phone calls Wednesday.

ChoicePoint was formed in 1997 as a spin-off of Equifax. It makes money by selling information in its massive database of personal information to a wide range of businesses, including corporations conducting pre-employment background checks and insurance companies assessing the risk of potential clients.

The company discovered last fall that it had opened up portions of its database to scam artists in the Los Angeles area who were posing as legitimate businesses. ChoicePoint alerted the county sheriff's department, which began an investigation. It delayed notifying consumers at the request

of authorities, who didn't want to jeopardize their investigation, Jones said.

News of the security breach broke last week as some 35,000 Californians began receiving notification that their personal information might have been compromised. That is the only state that requires such notification, according to the U.S. Public Interest Research Group.

The company began notifying the rest of the affected consumers after the attorneys general of dozens of other states, including Alaska, jointly sent a letter to ChoicePoint's top lawyer demanding that the company notify potential victims in their states as well.

Jones said the company initially notified Californians only because it thought the fraud had been isolated to that state, not because of the state law requiring it to do so.

AkPIRG's Cleary didn't buy that argument. "It just doesn't seem plausible," he said.

State lawmakers this session already are considering a bill that would make identity theft in Alaska a felony rather than a misdemeanor offense.

AkPIRG is urging them to add two measures to that bill that would protect Alaskans against identity theft if a security breach similar to the one that happened at ChoicePoint happens again, Cleary said.

The group has submitted legislation, modeled on other state laws, to members of the House Judiciary Committee, which is working on the identity-theft bill.

It would require companies that keep personal information on file to notify consumers if it knows their information is at risk of being compromised, similar to the requirement in California's law. It also would allow consumers more control over who can access their credit reports, which the group said is similar to laws in California, Louisiana, Texas and Vermont.

Staff members for Rep. Tom Anderson, R-Anchorage and the bill's sponsor, and Judiciary Committee chairwoman Lesli McGuire, R-Anchorage, said they hadn't had a chance to review AkPIRG's proposal, which they received Wednesday morning, and couldn't comment on its merits.

Daily News reporter Richard Richtmyer can be reached at [richtmyer@adn.com](mailto:richtmyer@adn.com) or 257-4344.

#### Identity crisis?

If you think you might be a victim of identity theft, the best way to check is to look at your credit report.

- A recent change in federal laws requires that each of the major credit reporting bureaus provide free of charge one credit report per year to any consumer who asks for it. They're available at [www.annualcreditreport.com](http://www.annualcreditreport.com), or by phone, toll-free, at 1-877-322-8228.
- A quick review of your credit report will enable you to detect fraudulent credit-card accounts and loans taken out by identity thieves. If you find something amiss on any one of the three reports, contact the credit reporting bureau and place a security alert on your file. That will warn the bureaus to look for fraudulent credit applications submitted in your name and require lenders to contact you personally before extending any credit.

• Here are the toll-free numbers of the major credit reporting bureaus to call if you suspect you're an identity theft victim: Equifax: 1-800-525-6285 Experian: 1-888-397-3742 TransUnion: 1-800-680-7289

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The article "[14 tips to avoid identity theft](#)" is by reformed con artist Frank W. Abagnale, subject of the movie "Catch Me If You Can."

This [Federal Trade Commission page](#) has more advice for consumers looking to avoid identity theft.



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**CS FOR HOUSE BILL NO. 65( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

**BY****Offered:****Referred:**

**Sponsor(s): REPRESENTATIVES COGHILL AND GARA, Hawker, Lynn, Samuels, Fairclough, Ramras,  
Kawasaki, Kerttula**

**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to breaches of security involving personal information, credit report  
2 and credit score security freezes, consumer credit monitoring, credit accuracy,  
3 protection of social security numbers, care of records, disposal of records, identity theft,  
4 furnishing consumer credit header information, credit cards, and debit cards, and to the  
5 jurisdiction of the office of administrative hearings; amending Rule 60, Alaska Rules of  
6 Civil Procedure; and providing for an effective date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 \* **Section 1.** AS 40.21.110 is amended to read:

9       **Sec. 40.21.110. Care of records.** Except for public records lawfully in the  
10 possession of a person other than the state, public records of existing or defunct  
11 agencies of the state, territorial, and Russian governments in Alaska are the property  
12 of the state and shall be created, maintained, preserved, stored, transferred, destroyed  
13 or disposed of, and otherwise managed in accordance with the provisions of this

1 chapter and AS 45.48.500 - 45.48.530. Records shall be delivered by outgoing  
 2 officials and employees to their successors, and may not be removed, destroyed or  
 3 disposed of, except as provided in this chapter and AS 45.48.500 - 45.48.530.

4 \* **Sec. 2.** AS 44.64.030(a) is amended by adding a new paragraph to read:

5 (35) AS 45.48.080(c) (breach of security involving personal  
 6 information).

7 \* **Sec. 3.** AS 45 is amended by adding a new chapter to read:

8 **Chapter 48. Personal Information Protection Act.**

9 **Article 1. Breach of Security Involving Personal Information.**

10 **Sec. 45.48.010. Disclosure of breach of security.** (a) If a person owns or uses  
 11 personal information that includes personal information on a state resident, and a  
 12 breach of the security of the information system containing the personal information  
 13 occurs, the person shall, after discovering or being notified of the breach, disclose the  
 14 breach to each state resident whose personal information was subject to the breach.

15 (b) An information collector shall make the disclosure required by (a) of this  
 16 section in the most expeditious time possible and without unreasonable delay, except  
 17 as provided in AS 45.48.020 and as necessary to determine the scope of the breach and  
 18 restore the reasonable integrity of the information system.

19 **Sec. 45.48.020. Allowable delay in notification.** An information collector  
 20 may delay disclosing the breach under AS 45.48.010 if an appropriate law  
 21 enforcement agency determines that disclosing the breach will interfere with a  
 22 criminal investigation. However, the information collector shall disclose the breach to  
 23 the state resident in the most expeditious time possible and without unreasonable delay  
 24 after the law enforcement agency informs the information collector in writing that  
 25 disclosure of the breach will no longer interfere with the investigation.

26 **Sec. 45.48.030. Methods of notice.** An information collector shall make the  
 27 disclosure required by AS 45.48.010

28 (1) by a written document sent to the most recent address the  
 29 information collector has for the state resident;

30 (2) by electronic means if making the disclosure by the electronic  
 31 means is consistent with the provisions regarding electronic records and signatures

1 required for notices legally required to be in writing under 15 U.S.C. 7001 et seq.  
2 (Electronic Signatures in Global and National Commerce Act); or

3 (3) if the information collector demonstrates that the cost of providing  
4 notice would exceed \$150,000, that the affected class of state residents to be notified  
5 exceeds 300,000, or that the information collector does not have sufficient contact  
6 information to provide notice, by

7 (A) electronic mail if the information collector has an  
8 electronic mail address for the state resident;

9 (B) conspicuously posting the disclosure on the Internet  
10 website of the information collector if the information collector maintains an  
11 Internet site; and

12 (C) providing a notice to major statewide media.

13 **Sec. 45.48.040. Notification of certain other agencies.** (a) If an information  
14 collector is required by AS 45.48.010 to notify more than 1,000 state residents of a  
15 breach, the information collector shall also notify without unreasonable delay all  
16 consumer credit reporting agencies that compile and maintain files on consumers on a  
17 nationwide basis and provide the agencies with the timing, distribution, and content of  
18 the notices.

19 (b) This section may not be construed to require the information collector to  
20 provide the consumer reporting agencies identified under (a) of this section with the  
21 names or other personal information of the state residents whose personal information  
22 was subject to the breach.

23 (c) This section does not apply to an information collector who is subject to 15  
24 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act).

25 (d) In this section, "consumer reporting agency that compiles and maintains  
26 files on consumers on a nationwide basis" has the meaning given in 15 U.S.C.  
27 1681a(p).

28 **Sec. 45.48.050. Exception for employees and agents.** In AS 45.48.010 -  
29 45.48.090, the good faith acquisition of personal information by an employee or agent  
30 of an information collector for a legitimate purpose of the information collector is not  
31 a breach of the security of the information system if the employee or agent does not

1 use the personal information for a purpose unrelated to a legitimate purpose of the  
2 information collector and does not make further unauthorized disclosure of the  
3 personal information.

4 **Sec. 45.48.060. Waivers.** A waiver of AS 45.48.010 - 45.48.090 is void and  
5 unenforceable.

6 **Sec. 45.48.070. Treatment of certain breaches.** (a) If a breach of the security  
7 of the information system containing personal information on a state resident that is  
8 maintained by an information recipient occurs, the information recipient is not  
9 required to comply with AS 45.48.010 - 45.48.030. However, immediately after the  
10 information recipient discovers the breach, the information recipient shall notify the  
11 information distributor who owns the personal information or who licensed the use of  
12 the personal information to the information recipient about the breach and cooperate  
13 with the information distributor as necessary to allow the information distributor to  
14 comply with (b) of this section. In this subsection, "cooperate" means sharing with the  
15 information distributor information relevant to the breach, except for confidential  
16 business information or trade secrets.

17 (b) If an information recipient notifies an information distributor of a breach  
18 under (a) of this section, the information distributor shall comply with AS 45.48.010 -  
19 45.48.030 as if the breach occurred to the information system maintained by the  
20 information distributor.

21 **Sec. 45.48.080. Violations.** (a) If an information collector who is a  
22 governmental agency violates AS 45.48.010 - 45.48.090 with regard to the personal  
23 information of a state resident, the information collector

24 (1) is liable to the state for a civil penalty of up to \$500 for each state  
25 resident who was not notified under AS 45.48.010 - 45.48.090, but the total civil  
26 penalty may not exceed \$50,000; and

27 (2) may be enjoined from further violations.

28 (b) If an information collector who is not a governmental agency violates  
29 AS 45.48.010 - 45.48.090 with regard to the personal information of a state resident,  
30 the violation is an unfair or deceptive act or practice under AS 45.50.471 - 45.50.561.  
31 However, the information collector is not subject to the civil penalties imposed under

1 AS 45.50.551 but is liable to the state for a civil penalty of up to \$500 for each state  
2 resident who was not notified under AS 45.48.010 - 45.48.090, except that the total  
3 civil penalty may not exceed \$50,000.

4 (c) The Department of Administration may enforce (a) of this section against a  
5 governmental agency. The procedure for review of an order or action of the  
6 department under this subsection is the same as the procedure provided by AS 44.62  
7 (Administrative Procedure Act), except that the office of administrative hearings  
8 (AS 44.64.010) shall conduct the hearings in contested cases and the decision may be  
9 appealed under AS 44.64.030(c).

10 (d) In this section, "governmental agency" means a state or local governmental  
11 agency, except for an agency of the judicial branch.

12 **Sec. 45.48.090. Definitions.** In AS 45.48.010 - 45.48.090,

13 (1) "breach of the security" means unauthorized acquisition, or  
14 reasonable belief of unauthorized acquisition, of personal information that  
15 compromises the security, confidentiality, or integrity of the personal information  
16 maintained by the information collector; in this paragraph, "acquisition" includes  
17 acquisition by

18 (A) photocopying, facsimile, or other paper-based method;

19 (B) a device, including a computer, that can read, write, or  
20 store information that is represented in numerical form; or

21 (C) a method not identified by (A) or (B) of this paragraph;

22 (2) "information collector" means a person who owns or uses personal  
23 information in any form if the personal information includes personal information on a  
24 state resident;

25 (3) "information distributor" means a person who is an information  
26 collector and who owns or licenses personal information to an information recipient;

27 (4) "information recipient" means a person who is an information  
28 collector but who does not own or have the right to license to another information  
29 collector the personal information received by the person from an information  
30 distributor;

31 (5) "personal information" means information in any form on an

1 individual that is not encrypted or redacted, or is encrypted and the encryption key has  
2 been accessed or acquired, and that consists of a combination of

3 (A) an individual's name, address, or telephone number; in this  
4 subparagraph, "individual's name" means a combination of an individual's

5 (i) first name or first initial; and

6 (ii) last name; and

7 (B) one or more of the following information elements:

8 (i) the individual's social security number;

9 (ii) the individual's driver's license number or state  
10 identification card number;

11 (iii) the individual's account number, credit card  
12 account number, or debit card account number;

13 (iv) account passwords or personal identification  
14 numbers or other access codes.

15 **Article 2. Credit Report and Credit Score Security Freeze.**

16 **Sec. 45.48.100. Security freeze authorized.** A consumer may prohibit a  
17 consumer credit reporting agency from releasing all or a part of the consumer's credit  
18 report or credit score without the express authorization of the consumer by placing a  
19 security freeze on the consumer's credit report.

20 **Sec. 45.48.110. Placement of security freeze.** (a) To place a security freeze, a  
21 consumer shall make the request to the consumer credit reporting agency

22 (1) by certified mail to the address designated by the consumer credit  
23 reporting agency to receive security freeze requests; or

24 (2) as allowed by (b) of this section.

25 (b) A consumer may make a request under (a) of this section by telephone or  
26 by fax, the Internet, or other electronic media if the consumer credit reporting agency  
27 has developed procedures for using the telephone or an electronic medium to receive  
28 and process the request in an expedited manner.

29 (c) A consumer credit reporting agency shall place a security freeze within  
30 five business days after receiving a request under (a) or (b) of this section and proper  
31 identification from the consumer.

1           **Sec. 45.48.120. Confirmation of security freeze.** (a) Within 10 business days  
2 after a consumer makes the request under AS 45.48.110, a consumer credit reporting  
3 agency shall send a written confirmation of the placement of the security freeze to the  
4 consumer. The confirmation must also inform the consumer that the consumer credit  
5 reporting agency may charge, as allowed by AS 45.48.160(b), a fee for third-party  
6 access during the security freeze.

7           (b) At the same time that the consumer credit reporting agency sends a  
8 confirmation under (a) of this section, the consumer credit reporting agency shall  
9 provide the consumer with a unique personal identification number, password, or  
10 similar device to be used by the consumer when the consumer authorizes the release of  
11 the consumer's credit report or credit score under AS 45.48.130.

12           **Sec. 45.48.130. Access and actions during security freeze.** (a) While a  
13 security freeze is in place, a consumer credit reporting agency shall allow a third party  
14 access to a consumer's credit report or credit score if the consumer requests that the  
15 consumer credit reporting agency allow the access.

16           (b) To make a request under (a) of this section, the consumer shall contact the  
17 consumer credit reporting agency by mail at the address designated by the consumer  
18 credit reporting agency to receive security freeze requests or as allowed by (c) of this  
19 section, authorize the consumer credit reporting agency to allow the access, and  
20 provide the consumer credit reporting agency with

21                   (1) proper identification to verify the consumer's identity;

22                   (2) the unique personal identification number, password, or similar  
23 device provided under AS 45.48.120(b); and

24                   (3) the proper information necessary to identify the third party to  
25 whom the consumer credit reporting agency may allow the access or the time period  
26 during which the consumer credit reporting agency may allow the access to third  
27 parties who request the access.

28           (c) In addition to making the request by mail, a consumer may make a request  
29 under (a) of this section by telephone or by fax, the Internet, or other electronic media  
30 if the consumer credit reporting agency has developed procedures for using the  
31 telephone or an electronic medium to receive and process the request in an expedited

1 manner.

2 (d) A consumer credit reporting agency that receives a request from a  
3 consumer under (b) or (c) of this section shall comply with the request immediately  
4 after receiving the request by telephone or by an electronic medium or within three  
5 business days after receiving the request by mail.

6 (e) If a security freeze is in place, a consumer credit reporting agency may not  
7 release the credit report or credit score to a third party without the prior express  
8 authorization of the consumer.

9 (f) If a security freeze is in place on a consumer's credit report and credit score  
10 and if a third party applies to a consumer credit reporting agency to provide the third  
11 party with access to the consumer's credit report or credit score, the consumer credit  
12 reporting agency and, except as provided for insurers under (g) of this section, the  
13 third party may treat the third party's application as incomplete unless the consumer  
14 authorizes the access under (a) of this section.

15 (g) If an insurer requests access to a consumer's credit report and credit score  
16 on which a security freeze is in place, unless the consumer authorizes access under (a)  
17 of this section, the insurer may, notwithstanding AS 21.36.460,

18 (1) treat the consumer's application as incomplete;

19 (2) decline the consumer's application if the consumer does not lift the  
20 security freeze for the insurer after a request by the insurer or the insurer's agent;

21 (3) treat the consumer as if the consumer has a neutral credit rating;

22 (4) exclude the use of credit information as a factor and use only  
23 underwriting criteria; or

24 (5) treat the consumer in a manner that is otherwise approved by the  
25 division of insurance.

26 (h) If a security freeze is in place, a consumer credit reporting agency may not  
27 change the consumer's official information in the consumer's credit report and credit  
28 score without sending a written statement of the change to the consumer within 30  
29 days after the change is made. A consumer credit reporting agency is not required to  
30 send a written statement if the consumer credit reporting agency makes a technical  
31 change in the consumer's official information. If a consumer credit reporting agency

1 makes a change, other than a technical change, in a consumer's address, the consumer  
2 credit reporting agency shall send the written statement to the consumer at both the  
3 new address and the former address. In this subsection,

4 (1) "official information" means name, birth date, social security  
5 number, and address;

6 (2) "technical change" means changing spelling, transposing numbers  
7 or letters, abbreviating a word, or spelling out an abbreviation.

8 (i) This section is not intended to prevent a consumer  
9 credit reporting agency from advising a third party that requests access  
10 to a consumer's credit report or credit score that a security freeze is in  
11 effect.

12 (j) The procedures used by a consumer credit reporting agency for  
13 implementing the provisions of this section may include the use of telephone,  
14 facsimile, or electronic means if making the disclosure by the electronic means is  
15 consistent with the provisions regarding electronic records and signatures required for  
16 notices legally required to be in writing under 15 U.S.C. 7001 et seq. (Electronic  
17 Signatures in Global and National Commerce Act).

18 **Sec. 45.48.140. Removal of security freeze.** (a) Except as provided by  
19 AS 45.48.130, a consumer credit reporting agency may not remove a security freeze  
20 unless

21 (1) the consumer requests that the consumer credit reporting agency  
22 remove the security freeze under (b) of this section; or

23 (2) the consumer made a material misrepresentation of fact to the  
24 consumer credit reporting agency when the consumer requested the security freeze  
25 under AS 45.48.110; if a consumer credit reporting agency intends to remove a  
26 security freeze on a consumer's credit report under this paragraph, the consumer credit  
27 reporting agency shall notify the consumer in writing before removing the security  
28 freeze.

29 (b) A consumer credit reporting agency shall remove a security freeze  
30 immediately after receiving a request for removal from the consumer who requested  
31 the security freeze.

1 (c) To make a request under (b) of this section, the consumer shall contact the  
2 consumer credit reporting agency by certified mail or as allowed by (d) of this section,  
3 authorize the consumer credit reporting agency to remove the security freeze, and  
4 provide the consumer credit reporting agency with

5 (1) proper identification to verify the consumer's identity; and

6 (2) the unique personal identification number, password, or similar  
7 device provided under AS 45.48.120(b).

8 (d) In addition to certified mail, a consumer may make a request under (b) of  
9 this section by telephone or by fax, the Internet, or other electronic media if the  
10 consumer credit reporting agency has developed procedures for using the telephone or  
11 an electronic medium to receive and process the request in an expedited manner.

12 **Sec. 45.48.150. Prohibition.** When dealing with a third party, a consumer  
13 credit reporting agency may not suggest, state, or imply that a consumer's security  
14 freeze reflects a negative credit score, history, report, or rating.

15 **Sec. 45.48.160. Charges.** (a) Except as provided by (b) or (c) of this section, a  
16 consumer credit reporting agency may not charge a consumer to place or remove a  
17 security freeze, to provide access under AS 45.48.130, or to take any other action,  
18 including the issuance of a personal identification number, password, or similar device  
19 under AS 45.48.120, that is related to the placement of, removal of, or allowing access  
20 to a credit report or credit score on which a security freeze has been placed.

21 (b) If a consumer makes more than two access requests during a calendar year,  
22 a consumer credit reporting agency may charge the consumer \$2 for each additional  
23 access request made by the consumer during that calendar year. In this subsection,  
24 "access request" means a request made by the consumer under AS 45.48.130 to allow  
25 third-party access to the consumer's credit report or credit score on which a security  
26 freeze has been placed.

27 (c) If a consumer fails to retain a personal identification number, password, or  
28 similar device issued under AS 45.48.120, a consumer credit reporting agency may  
29 charge the consumer up to \$5 for each time after the first time that the consumer credit  
30 reporting agency issues the consumer another personal identification number,  
31 password, or similar device because the consumer failed to retain the personal

1 identification number, password, or similar device.

2 **Sec. 45.48.170. Notice of rights.** When a consumer credit reporting agency is  
3 required to give a consumer a summary of rights under 15 U.S.C. 1681g (Fair Credit  
4 Reporting Act), a consumer credit reporting agency shall also give the consumer the  
5 following notice:

6 **Consumers Have the Right to Obtain a Security Freeze**

7 You may obtain a security freeze on your credit report and  
8 credit score at no charge to protect your privacy and ensure that credit  
9 is not granted in your name without your knowledge. You have a right  
10 to place a "security freeze" on your credit report and credit score under  
11 state law (AS 45.48.100 - 45.48.290).

12 The security freeze will prohibit a consumer credit reporting  
13 agency from releasing your credit score and any information in your  
14 credit report without your express authorization or approval.

15 The security freeze is designed to prevent credit, loans, and  
16 other services from being approved in your name without your consent.  
17 However, you should be aware that using a security freeze to take  
18 control over who gets access to the personal and financial information  
19 in your credit report and credit score may delay, interfere with, or  
20 prohibit the timely approval of any subsequent request or application  
21 you make regarding a new loan, credit, a mortgage, a governmental  
22 service, a governmental payment, rental housing, employment, an  
23 investment, a license, a cellular telephone, a utility, a digital signature,  
24 an Internet credit card transaction, an extension of credit at point of  
25 sale, and other items and services.

26 When you place a security freeze on your credit report and  
27 credit score, within 10 business days you will be provided a personal  
28 identification number, password, or similar device to use if you choose  
29 to remove the freeze on your credit report and credit score or to  
30 temporarily authorize the release of your credit report and credit score  
31 to a specific third party or specific third parties or for a specific period

1 of time after the freeze is in place. To provide that authorization, you  
2 must contact the consumer credit reporting agency and provide all of  
3 the following:

- 4 (1) proper identification to verify your identity;
- 5 (2) the personal identification number, password, or  
6 similar device provided by the consumer credit reporting agency;
- 7 (3) proper information necessary to identify the third  
8 party or third parties who are authorized to receive the credit report and  
9 credit score or the specific period of time for which the credit report  
10 and credit score are to be available to third parties.

11 A consumer credit reporting agency that receives your request  
12 to temporarily lift a freeze on a credit report and credit score is required  
13 to comply with the request immediately after receiving your request if  
14 you make the request by telephone, or an electronic method if the  
15 agency provides an electronic method, or within three business days  
16 after receiving your request if you make the request by mail.

17 A security freeze does not apply to circumstances where you  
18 have an existing account relationship and a copy of your credit report  
19 and credit score are requested by your existing creditor or its agents or  
20 affiliates for certain types of account review, collection, fraud control,  
21 or similar activities.

22 If you are actively seeking credit, you should understand that  
23 the procedures involved in lifting a security freeze may slow your own  
24 applications for credit. You should plan ahead and lift a freeze, either  
25 completely if you are shopping around, or specifically for a certain  
26 creditor, days before applying for new credit.

27 You have a right to bring a civil action against someone who  
28 violates your rights under these laws on security freezes. The action can  
29 be brought against a consumer credit reporting agency.

30 **Sec. 45.48.180. Notification after violation.** If a consumer credit reporting  
31 agency violates a security freeze by releasing a consumer's credit report or credit

1 score, the consumer credit reporting agency shall notify the consumer within five  
2 business days after the release, and the information in the notice must include an  
3 identification of the information released and of the third party who received the  
4 information.

5 **Sec. 45.48.190. Resellers.** A consumer credit reporting agency that acts as a  
6 reseller of consumer information shall honor a security freeze placed on a consumer's  
7 credit report and credit score by another consumer credit reporting agency.

8 **Sec. 45.48.200. Violations and penalties.** (a) A consumer who suffers  
9 damages as a result of a person's violation of AS 45.48.100 - 45.48.290 may bring an  
10 action in court against the person and recover, in the case of a violation where the  
11 person acted

12 (1) negligently, actual damages, including loss of wages, and, when  
13 applicable, damages for pain and suffering;

14 (2) knowingly,

15 (A) damages as described in (1) of this subsection;

16 (B) punitive damages that are not less than \$100 nor more than  
17 \$5,000 for each violation as the court determines to be appropriate; and

18 (C) other relief that the court determines to be appropriate.

19 (b) A consumer may bring an action in court against a person for a violation or  
20 threatened violation of AS 45.48.100 - 45.48.290 for injunctive relief, whether or  
21 not the consumer seeks another remedy under this section.

22 (c) Notwithstanding (a)(2) of this section, a person who knowingly violates  
23 AS 45.48.100 - 45.48.290 is liable in a class action for an amount that the court  
24 allows. When determining the amount of an award in a class action under this  
25 subsection, the court shall consider, among the relevant factors, the amount of any  
26 actual damages awarded, the frequency of the violations, the resources of the violator,  
27 and the number of consumers adversely affected.

28 (d) In this section, "knowingly" has the meaning given in AS 11.81.900.

29 **Sec. 45.48.210. Exemptions.** (a) The provisions of AS 45.48.100 - 45.48.290  
30 do not apply to the use of a credit report by

31 (1) a person, the person's subsidiary, affiliate, or agent, or the person's

1 assignee with whom a consumer has or, before the assignment, had an account,  
2 contract, or debtor-creditor relationship if the purpose of the use is to review the  
3 consumer's account or to collect a financial obligation owing on the account, contract,  
4 or debt;

5 (2) a subsidiary, an affiliate, an agent, an assignee, or a prospective  
6 assignee of a person to whom access has been granted under AS 45.48.130 if the  
7 purpose of the use is to facilitate the extension of credit or another permissible use;

8 (3) a person acting under a court order, warrant, or subpoena;

9 (4) an agency of a state or municipality that administers a program for  
10 establishing and enforcing child support obligations;

11 (5) the Department of Health and Social Services, its agents, or its  
12 assigns when investigating fraud;

13 (6) the Department of Revenue, its agents, or its assigns when  
14 investigating or collecting delinquent taxes or unpaid court orders or when  
15 implementing its other statutory responsibilities;

16 (7) a person if the purpose of the use is prescreening allowed under 15  
17 U.S.C. 1681b(c) (Fair Credit Reporting Act);

18 (8) a person administering a credit file monitoring subscription service  
19 to which the consumer has subscribed; or

20 (9) a person providing a consumer with a copy of the consumer's credit  
21 report or credit score at the consumer's request; or

22 (10) a consumer credit reporting agency if the data base or file of the  
23 consumer credit reporting agency consists entirely of information concerning and used  
24 solely for one or more of the following purposes:

25 (A) criminal record information;

26 (B) personal loss history information;

27 (C) fraud prevention or detection;

28 (D) tenant screening; or

29 (E) employment screening.

30 (b) Except as provided by AS 45.48.190, the provisions of AS 45.48.100 -  
31 45.48.290 do not apply to a person who acts only as a reseller of consumer

1 information.

2 **Sec. 45.48.290. Definitions.** In AS 45.48.100 - 45.48.290,

3 (1) "account review" means activities related to account maintenance,  
4 account monitoring, credit line increases, and account upgrades and enhancements;

5 (2) "consumer" means an individual who is the subject of a credit  
6 report or credit score;

7 (3) "consumer credit reporting agency" has the meaning given in  
8 AS 45.48.990, but does not include a person who issues reports

9 (A) on incidents of fraud or authorizations for the purpose of  
10 approving or processing negotiable instruments, electronic funds transfers, or  
11 similar methods of payments; or

12 (B) regarding account closures because of fraud, substantial  
13 overdrafts, automated teller machine abuse, or similar negative information  
14 regarding a consumer to inquiring banks or other financial institutions for use  
15 only in reviewing consumer requests for deposit accounts at the inquiring  
16 banks or financial institutions;

17 (4) "reseller of consumer information" means a person who assembles  
18 and merges information contained in the data bases of consumer credit reporting  
19 agencies and does not maintain a permanent data base of consumer information from  
20 which new consumer credit reports are produced;

21 (5) "security freeze" means a prohibition against a consumer credit  
22 reporting agency from releasing all or a part of a consumer's credit report or credit  
23 score without the express authorization of the consumer;

24 (6) "third party" means a person who is not

25 (A) the consumer who is the subject of the consumer's credit  
26 report or credit score; or

27 (B) the consumer credit reporting agency that is holding the  
28 consumer's credit report or credit score.

29 **Article 3. Consumer Credit Monitoring; Credit Accuracy.**

30 **Sec. 45.48.300. Required disclosure.** A consumer credit reporting agency  
31 shall, if a consumer makes the request and the request is not covered by the free

1 disclosure provision of 15 U.S.C. 1681j(a) - (d) (Fair Credit Reporting Act), clearly  
2 and accurately disclose to the consumer the information described under  
3 AS 45.48.310.

4 **Sec. 45.48.310. Information to be disclosed.** (a) The following information  
5 must be disclosed under AS 45.48.300:

6 (1) all information in the consumer's file when the consumer makes the  
7 request, except that this paragraph may not be construed to require a consumer credit  
8 reporting agency to disclose information concerning credit scores, risk scores, or other  
9 predictors that are governed by 15 U.S.C. 1681g;

10 (2) the sources of the information described in (1) of this subsection;

11 (3) an identification of each person, including each end user identified  
12 under 15 U.S.C. 1681e, who procured a report on the consumer

13 (A) for employment purposes during the two-year period that  
14 precedes the date when the consumer's request is made; or

15 (B) for a purpose other than employment purposes during the  
16 one-year period that precedes the date when the consumer's request is made;

17 (4) the dates, original payees, and amounts of any checks that

18 (A) provide the basis for an adverse characterization of the  
19 consumer; and

20 (B) are included in the file when the disclosure is made or can  
21 be inferred from the file;

22 (5) a record of all inquiries that were received by the consumer credit  
23 reporting agency during the one-year period that precedes the request and that identify  
24 the consumer in connection with a credit or insurance transaction that was not initiated  
25 by the consumer; and

26 (6) a statement that the consumer may request and obtain a credit score  
27 if the consumer requests the credit file and not the credit score.

28 (b) The information to be disclosed under (a)(3) of this section must include

29 (1) the name of the person or, if applicable, the full trade name under  
30 which the person conducts business; and

31 (2) the address and telephone number of the person if requested by the

1 consumer.

2 (c) A consumer credit reporting agency is not required to disclose the  
3 information described in (a)(3) of this section if

4 (1) the end user is an agency of the United States government and  
5 procures the consumer's credit report from the consumer credit reporting agency to  
6 determine the eligibility of the consumer to receive access or continued access to  
7 classified information; in this paragraph, "classified information" has the meaning  
8 given in 15 U.S.C. 1681b; and

9 (2) the individual who is in charge of the end user makes a written  
10 finding as prescribed under 15 U.S.C. 1681b(b)(4)(A).

11 **Sec. 45.48.320. Cost of disclosure.** (a) A consumer credit reporting agency  
12 may impose a reasonable charge on a consumer for making a disclosure under  
13 AS 45.48.300. The charge may not exceed

14 (1) \$2 for each of the first 12 requests from the consumer in a calendar  
15 year;

16 (2) \$8 for each request beyond the 12 requests covered by (1) of this  
17 subsection in a calendar year.

18 (b) The consumer credit reporting agency shall disclose the charge to the  
19 consumer before making the disclosure under AS 45.48.300.

20 **Sec. 45.48.330. Form of disclosure.** (a) A consumer may make a request  
21 under AS 45.48.300 in writing, in person, by telephone if the consumer has made a  
22 written request for the disclosure, by electronic means if the consumer credit reporting  
23 agency offers electronic access for any other purpose, or by any other reasonable  
24 means that is available from the consumer credit reporting agency.

25 (b) To make a request in person under (a) of this section, the consumer shall,  
26 after reasonable notice to the consumer credit reporting agency, appear during normal  
27 business hours at the consumer credit reporting agency's place of business where the  
28 consumer credit reporting agency normally provides disclosures under AS 45.48.300.

29 **Sec. 45.48.340. Timing of disclosure.** A consumer credit reporting agency  
30 shall provide a consumer with the disclosure under AS 45.48.300 within

31 (1) 24 hours after the date on which the request is made if the

1 disclosure is made by electronic means under AS 45.48.330(a); or

2 (2) five days after the date on which the request is made if the  
3 disclosure is made in writing, in person, by telephone, or by any other reasonable  
4 means that is available from the consumer credit reporting agency, except by  
5 electronic means.

6 **Sec. 45.48.350. Credit accuracy.** (a) A person who does business in the state  
7 by distributing information about an individual's credit history, score, or ranki..g shall,  
8 when notified that the information that the person is distributing is inaccurate,  
9 immediately stop distributing the information until the accuracy of the information can  
10 be verified or the inaccuracies in the information corrected.

11 (b) If a person who does business in the state by distributing information about  
12 an individual's credit history, score, or ranking releases information about an  
13 individual that is inaccurate, the person shall, as quickly as possible after discovering  
14 that inaccurate information is being distributed,

15 (1) repair, to the extent possible, the damage to the individual caused  
16 by the release of the inaccurate information; and

17 (2) pay fair and reasonable compensation to the individual for the  
18 damage caused to the individual by the release of the inaccurate information.

19 (c) If a person fails to comply with (b) of this section, an individual may bring  
20 an action in court to compel the person to comply with (b) of this section.

21 (d) In this section, "does business in the state" means engages in activities that  
22 provide at least the minimum contacts required by substantive due process for the state  
23 to exercise jurisdiction over the person who is engaging in the activities.

#### 24 **Article 4. Protection of Social Security Number.**

25 **Sec. 45.48.400. Use of social security number.** A person may not

26 (1) intentionally communicate or otherwise make available to the  
27 general public an individual's social security number;

28 (2) print an individual's social security number on a card required for  
29 the individual to access products or services provided by the person;

30 (3) require an individual to transmit the individual's social security  
31 number over the Internet unless the Internet connection is secure or the social security

1 number is encrypted;

2 (4) require an individual to use the individual's social security number  
3 to access an Internet site unless a password, a unique personal identification number,  
4 or another authentication device is also required to access the site; or

5 (5) print an individual's social security number on material that is  
6 mailed to the individual unless

7 (A) local, state, or federal law, including a regulation adopted  
8 under AS 45.48.470, expressly authorizes placement of the social security  
9 number on the material; or

10 (B) the social security number is included on an application or  
11 other form, including a document sent as a part of an application process or an  
12 enrollment process, sent by mail to establish, amend, or terminate an account, a  
13 contract, or a policy, or to confirm the accuracy of the social security number;  
14 however, a social security number allowed to be mailed under this  
15 subparagraph may not be printed, in whole or in part, on a postcard or other  
16 mailer that does not require an envelope, or in a manner that makes the social  
17 security number visible on the envelope or without the envelope's being  
18 opened.

19 **Sec. 45.48.410. Request and collection.** (a) A person who does business in the  
20 state, including the business of government, may not request or collect an individual's  
21 social security number. This subsection does not prohibit a person from asking for  
22 another form of identification from the individual.

23 (b) The prohibition in (a) of this section does not apply

24 (1) if the person is expressly authorized by local, state, or federal law,  
25 including a regulation adopted under AS 45.48.470, to demand proof of the  
26 individual's social security number, to collect the individual's social security number,  
27 or to submit the individual's social security number to the local, state, or federal  
28 government;

29 (2) to a financial institution that is regulated by 15 U.S.C. 6801 - 6827  
30 (Gramm-Leach-Bliley Financial Modernization Act) if the financial institution  
31 requests or collects the individual's social security number to facilitate a transaction of

1 the individual;

2 (3) to a communication to or from a consumer reporting agency; in this  
3 paragraph, "consumer reporting agency" has the meaning given in 15 U.S.C. 1681a  
4 (Fair Credit Reporting Act); or

5 (4) if the request or collection is for a background check on the  
6 individual, law enforcement purposes, or the individual's employment, including  
7 employment benefits.

8 **Sec. 45.48.420. Sale, lease, loan, trade, or rental.** (a) A person may not sell,  
9 lease, loan, trade, or rent an individual's social security number to a third party.

10 (b) The prohibition in (a) of this section does not apply if the sale, lease, loan,  
11 trade, or rental is

12 (1) expressly authorized by local, state, or federal law, including a  
13 regulation adopted under AS 45.48.470;

14 (2) part of a report prepared by a consumer credit reporting agency in  
15 response to a request by a person and the person submits the social security number as  
16 part of the request to the consumer credit reporting agency for the preparation of the  
17 report.

18 **Sec. 45.48.430. Disclosure.** (a) A person doing business, including the  
19 business of government, may not disclose an individual's social security number to a  
20 third party.

21 (b) The prohibition in (a) of this section does not apply if

22 (1) the disclosure is expressly authorized by local, state, or federal law,  
23 including a regulation adopted under AS 45.48.470;

24 (2) the third party is a financial institution that is regulated by 15  
25 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act), and the  
26 disclosure is to facilitate a transaction of the individual;

27 (3) the disclosure is part of a report prepared by a consumer credit  
28 reporting agency in response to a request by a person and the person submits the social  
29 security number as part of the request to the consumer credit reporting agency for the  
30 preparation of the report; or

31 (4) the disclosure is for a background check on the individual, law

1 enforcement purposes, or the individual's employment, including employment  
2 benefits.

3 **Sec. 45.48.440. Interagency disclosure.** Notwithstanding the other provisions  
4 of AS 45.48.400 - 45.48.480, a state or local governmental agency may disclose an  
5 individual's social security number to another state or local governmental agency or to  
6 an agency of the federal government if the disclosure is required in order for the  
7 agency to carry out the agency's duties and responsibilities.

8 **Sec. 45.48.450. Exception for employees, agents, and independent**  
9 **contractors.** (a) Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, a  
10 person may disclose an individual's social security number to an employee or agent of  
11 the person for a legitimate purpose established by and as directed by the person, but  
12 the employee or agent may not use the social security number for another purpose or  
13 make an unauthorized disclosure of the individual's personal information.

14 (b) Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, and  
15 except as provided for an agent under (a) of this section, a person may disclose an  
16 individual's social security number to an independent contractor of the person to  
17 facilitate the purpose or transaction for which the individual initially provided the  
18 social security number to the person, but the independent contractor may not use the  
19 social security number for another purpose or make an unauthorized disclosure of the  
20 individual's personal information.

21 **Sec. 45.48.460. Employment-related exception.** The provisions of  
22 AS 45.48.400 - 45.48.480 may not be construed to restrict a person's use or exchange  
23 of an individual's social security number

24 (1) in the course of the administration of a claim, benefit, or procedure  
25 related to the individual's employment by the person, including the individual's  
26 termination from employment, retirement from employment, and injury suffered  
27 during the course of employment; or

28 (2) to check on an unemployment insurance claim of the individual.

29 **Sec. 45.48.470. Agency regulations.** If regulations are necessary in order for a  
30 state agency to carry out the state agency's duties and responsibilities, a state agency  
31 may adopt regulations under AS 44.62 (Administrative Procedure Act) to establish

1 when the state agency or a person regulated by the state agency may

2 (1) print an individual's social security number on material that is  
3 mailed to the individual;

4 (2) demand proof from an individual of the individual's social security  
5 number, collect from an individual the individual's social security number, or submit  
6 an individual's social security number to a local, state, or federal agency;

7 (3) ask an individual to provide the state agency with the individual's  
8 social security number;

9 (4) disclose an individual's social security number to a third party;

10 (5) sell, lease, loan, trade, or rent an individual's social security number  
11 to a third party.

12 **Sec. 45.48.480. Penalties.** (a) A person who knowingly violates AS 45.48.400  
13 - 45.48.430 is liable to the state for a civil penalty not to exceed \$3,000.

14 (b) An individual may bring a civil action in court against a person who  
15 knowingly violates AS 45.48.400 - 45.48.430 and may recover actual damages or  
16 \$5,000, whichever amount is greater, and court costs and attorney fees allowed by the  
17 rules of court.

18 (c) A person who knowingly violates AS 45.48.400 - 45.48.430 is guilty of a  
19 class A misdemeanor.

20 (d) In this section, "knowingly" has the meaning given in AS 11.81.900.

#### 21 **Article 5. Disposal of Records.**

22 **Sec. 45.48.500. Disposal of records.** (a) When disposing of records that  
23 contain personal information, a business and a governmental agency shall take all  
24 reasonable measures necessary to protect against unauthorized access to or use of the  
25 records.

26 (b) Notwithstanding (a) of this section, if a business or governmental agency  
27 has otherwise complied with the provisions of AS 45.48.500 - 45.48.590 in the  
28 selection of a third party engaged in the business of record destruction, the business or  
29 governmental agency is not liable for the disposal of records under AS 45.48.500 -  
30 45.48.590 after the business or governmental agency has relinquished control of the  
31 records to the third party for the destruction of the records.

1 (c) A business or governmental agency is not liable for the disposal of records  
2 under AS 45.48.500 - 45.48.590 after the business or governmental agency has  
3 relinquished control of the records to the individual to whom the records pertain.

4 **Sec. 45.48.510. Measures to protect access.** The measures that may be taken  
5 to comply with AS 45.48.500 include

6 (1) implementing and monitoring compliance with policies and  
7 procedures that require the burning, pulverizing, or shredding of paper documents  
8 containing personal information so that the personal information cannot practicably be  
9 read or reconstructed;

10 (2) implementing and monitoring compliance with policies and  
11 procedures that require the destruction or erasure of electronic media and other  
12 nonpaper media containing personal information so that the personal information  
13 cannot practicably be read or reconstructed;

14 (3) after due diligence, entering into a written contract with a third  
15 party engaged in the business of record destruction to dispose of records containing  
16 personal information in a manner consistent with AS 45.48.500 - 45.48.590.

17 **Sec. 45.48.520. Due diligence.** In AS 45.48.510(3), due diligence ordinarily  
18 includes performing one or more of the following:

19 (1) reviewing an independent audit of the third party's operations and  
20 its compliance with AS 45.48.500 - 45.48.590;

21 (2) obtaining information about the third party from several references  
22 or other reliable sources and requiring that the third party be certified by a recognized  
23 trade association or similar organization with a reputation for high standards of quality  
24 review; or

25 (3) reviewing and evaluating the third party's information security  
26 policies and procedures, or taking other appropriate measures to determine the  
27 competency and integrity of the third party.

28 **Sec. 45.48.530. Policy and procedures.** A business or governmental agency  
29 shall adopt written policies and procedures that relate to the adequate destruction and  
30 proper disposal of records containing personal information and that are consistent with  
31 AS 45.48.500 - 45.48.590.

1           **Sec. 45.48.540. Exemptions.** (a) A business or a governmental agency is not  
2 required to comply with AS 45.48.500 - 45.48.530 if federal law requires that the  
3 business or governmental agency act in a way that does not comply with AS 45.48.500  
4 - 45.48.530.

5           (b) A business is not required to comply with AS 45.48.500 - 45.48.530 if

6                   (1) the business is subject to and in compliance with 15 U.S.C. 6801 -  
7 6827 (Gramm-Leach-Bliley Financial Modernization Act); or

8                   (2) the manner of the disposal of the records of the business is subject  
9 to 15 U.S.C. 1681w (Fair Credit Reporting Act) and the business is complying with 15  
10 U.S.C. 1861w.

11           **Sec. 45.48.550. Civil penalty.** (a) An individual, a business, or a governmental  
12 agency that knowingly violates AS 45.48.500 - 45.48.590 is liable to the state for a  
13 civil penalty not to exceed \$3,000.

14           (b) In this section, "knowingly" has the meaning given in AS 11.81.900.

15           **Sec. 45.48.560. Court action.** An individual who is damaged by a violation of  
16 AS 45.48.500 - 45.48.590 may bring a civil action in court to enjoin further violations  
17 and to recover damages for the violation and court costs and attorney fees allowed by  
18 the rules of court.

19           **Sec. 45.48.590. Definitions.** In AS 45.48.500 - 45.48.590,

20                   (1) "business" means a person who conducts business in the state or a  
21 person who conducts business and maintains or otherwise possesses personal  
22 information on state residents; in this paragraph,

23                           (A) "conducts business" includes engaging in activities as a  
24 financial institution organized, chartered, or holding a license or authorization  
25 certificate under the laws of this state, another state, the United States, or  
26 another country;

27                           (B) "possesses" includes possession for the purpose of  
28 destruction;

29                   (2) "dispose" means

30                           (A) the discarding or abandonment of records containing  
31 personal information;

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(B) the sale, donation, discarding, or transfer of

(i) any medium, including computer equipment or computer media, that contains records of personal information;

(ii) nonpaper media, other than that identified under (i) of this subparagraph, on which records of personal information are stored; and

(iii) equipment for nonpaper storage of information;

(3) "governmental agency" means a state or local governmental agency, except for an agency of the judicial branch;

(4) "personal information" means information that identifies, relates to, describes, or is capable of being associated with a particular individual, and includes a name, signature, social security number, fingerprint, photograph, computerized image, physical characteristic, physical description, address, telephone number, passport number, driver's license, state identification number, date of birth, medical information, bank account number, credit card number, debit card number, and financial information;

(5) "records" means material on which information that is written, drawn, spoken, visual, or electromagnetic is recorded or preserved, regardless of physical form or characteristics, but does not include publicly available information containing names, addresses, telephone numbers, or other information an individual has voluntarily consented to have publicly disseminated or listed.

**Article 6. Factual Declaration of Innocence after Identity Theft; Right to File Police**

**Report Regarding Identity Theft.**

*CLUSA - up  
New name*

**Sec. 45.48.600. Factual declaration of innocence after identity theft.** (a) A victim of identity theft may petition the superior court for a determination that the victim is factually innocent of a crime if

(1) the perpetrator of the identity theft was arrested for, cited for, or convicted of the crime using the victim's identity;

(2) a criminal complaint was filed against the perpetrator of the identity theft;

(3) the victim's identity was mistakenly associated with a record of a

1 conviction for a crime.

2 (b) In addition to a petition by a victim under (a) of this section, the  
3 department may petition the superior court for a determination under (a) of this  
4 section, or the superior court may, on its own motion, make a determination under (a)  
5 of this section.

6 **Sec. 45.48.610. Basis for determination.** A determination of factual  
7 innocence under AS 45.48.600 may be heard and made on declarations, affidavits,  
8 police reports, or other material, relevant, and reliable information submitted by the  
9 parties or ordered to be made a part of the record by the court.

10 **Sec. 45.48.620. Criteria for determination; court order.** (a) A court shall  
11 determine that a victim is factually innocent of a crime if the court finds that the  
12 petition or motion brought under AS 45.48.600 is meritorious and that

13 (1) there is not a reasonable cause to believe that the victim of the  
14 identity theft committed the crime for which the perpetrator of the identity theft was  
15 arrested, cited, or convicted, or was subject to a criminal complaint in the victim's  
16 name; or

17 (2) the victim's identity was mistakenly associated with a record of a  
18 conviction of a crime.

19 (b) If a court finds under this section that the victim is factually innocent of a  
20 crime, the court shall issue an order indicating this determination of factual innocence  
21 and shall provide the victim with a copy of the order.

22 **Sec. 45.48.630. Orders regarding records.** After a court issues an order under  
23 AS 45.48.620, the court may order the name and associated personal information of  
24 the victim of identity theft that is contained in the files, indexes, and other records of  
25 the court that are accessible by the public deleted, sealed, or labeled to show that the  
26 name and personal information of the victim of identity theft is incorrect.

27 **Sec. 45.48.640. Vacation of determination.** A court that has issued an order  
28 under AS 45.48.620 may, at any time, vacate the order if the petition, or any  
29 information submitted in support of the petition, is found to contain a material  
30 misrepresentation or fraudulent material.

31 **Sec. 45.48.650. Court form.** The supreme court of the state may develop a

1 form to be used for the order under AS 45.48.620.

2 **Sec. 45.48.660. Data base.** The department may establish and maintain a data  
3 base of individuals who have been victims of identity theft and who have received an  
4 order under AS 45.48.620. The department shall provide a victim or the victim's  
5 authorized representative access to a data base established under this section to  
6 establish that the individual has been a victim of identity theft. Access to the a data  
7 base established under this section is limited to criminal justice agencies victims of  
8 identity theft, and individuals and agencies authorized by the victims.

9 **Sec. 45.48.670. Toll-free telephone number.** The department may establish  
10 and maintain a toll-free telephone number to provide access to information in a data  
11 base established under AS 45.48.660.

12 **Sec. 45.48.680. Right to file police report regarding identity theft.** (a) Even  
13 if the local law enforcement agency does not have jurisdiction over the theft of an  
14 individual's identity, if an individual who has learned or reasonably suspects the  
15 individual has been the victim of identity theft contacts, for the purpose of filing a  
16 complaint, a local law enforcement agency that has jurisdiction over the individual's  
17 actual place of residence, the local law enforcement agency shall make a report of the  
18 matter and provide the individual with a copy of the report. The local law enforcement  
19 agency may refer the matter to a law enforcement agency in a different jurisdiction.

20 (b) This section is not intended to interfere with the discretion of a local law  
21 enforcement agency to allocate its resources to the investigation of crime. A local law  
22 enforcement agency is not required to count a complaint filed under (a) of this section  
23 as an open case for purposes that include compiling statistics on its open cases.

24 **Sec. 45.48.690. Definitions.** In AS 45.48.600 - 45.48.690,

- 25 (1) "crime" has the meaning given in AS 11.81.900;  
26 (2) "department" means the Department of Law;  
27 (3) "identity theft" means the theft of the identity of an individual;  
28 (4) "perpetrator" means the person who perpetrated the theft of an  
29 individual's identity;  
30 (5) "victim" means an individual who is the victim of identity theft.

31 **Article 7. Consumer Credit Header Information.**

1           **Sec. 45.48.700. Consumer credit header information.** (a) A consumer credit  
2 reporting agency may not furnish by a written, an oral, or another method of  
3 communication a consumer's credit header information to a person unless

4           (1) the person has a permissible purpose under 15 U.S.C. 1681b (Fair  
5 Credit Protection Act) to obtain the consumer's credit report; or

6           (2) the disclosure is part of a report prepared by the consumer credit  
7 reporting agency in response to a request by a person and the person submits the social  
8 security number as part of the request to the consumer credit reporting agency for the  
9 preparation of the report.

10           (b) In this section, "credit header information" means the social security  
11 number of a consumer, or a derivative of the social security number, the maiden name  
12 of the mother of the consumer, the birth date of the consumer, and other personally  
13 identifiable information of a consumer that is derived from nonpublic personal  
14 information, except the name, address, and telephone number of the consumer listed in  
15 a residential telephone directory available in the locality of the consumer.

16           **Article 8. Truncation of Card Information.**

17           **Sec. 45.48.750. Truncation of card information.** (a) A person who accepts  
18 credit cards or debit cards for the transaction of business may not print more than the  
19 last four digits of the card number or the expiration date on any receipt or other  
20 physical record of the transaction provided at the point of the sale or transaction.

21           (b) This section applies only to receipts that are electronically printed and does  
22 not apply to transactions in which the sole means of recording a credit card or debit  
23 card account number is by handwriting or by an imprint or copy of the card.

24           (c) An individual may bring a civil action in court against a person who  
25 knowingly violates this section and may recover actual damages or \$5,000, whichever  
26 is greater, and court costs and attorney fees allowed by the rules of court.

27           (d) A person who knowingly violates this section is liable to the state for a  
28 civil penalty not to exceed \$3,000.

29           (e) In this section,

30           (1) "credit" means the right granted by a creditor to a debtor to defer  
31 payment of debt, to incur debts and defer payment of the debt, or to purchase property

1 or services and defer payment of the purchase; in this paragraph, "creditor" means a  
2 person who regularly extends, renews, or continues credit, a person who regularly  
3 arranges for the extension, renewal, or continuation of credit, or an assignee of an  
4 original creditor who participate in the decision to extend, renew, or continue credit;

5 (2) "credit card" means a card, plate, coupon book, or other credit  
6 device existing for the purpose of obtaining money, property, labor, or services on  
7 credit;

8 (3) "debit card" means a card issued by a financial institution to a  
9 consumer for use in initiating an electronic fund transfer from the account of the  
10 consumer at the financial institution for the purpose of transferring money between  
11 accounts or obtaining money, property, labor, or services;

12 (4) "knowingly" has the meaning given in AS 11.81.900.

### 13 **Article 9. General Provisions.**

14 **Sec. 45.48.990. Definitions.** In this chapter, unless the context indicates  
15 otherwise,

16 (1) "consumer" means an individual;

17 (2) "consumer credit reporting agency" means a person who, for  
18 monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or  
19 in part in the practice of assembling or evaluating consumer credit information or  
20 other information on consumers for the purpose of furnishing credit reports to third  
21 parties;

22 (3) "credit report" means a written, oral, or other communication of  
23 information by a consumer credit reporting agency bearing on a consumer's credit  
24 worthiness, credit standing, credit capacity, character, general reputation, personal  
25 characteristics, or mode of living if the communication is used or expected to be used  
26 or collected in whole or in part to serve as a factor in establishing the consumer's  
27 eligibility for

28 (A) credit or insurance to be used primarily for personal,  
29 family, or household purposes;

30 (B) employment purposes; or

31 (C) any other permissible purpose authorized under section 15

1 U.S.C. 1681b;

2 (4) "information system" means any information system, including a  
3 system consisting of digital data bases and a system consisting of pieces of paper;

4 (5) "person" has the meaning given in AS 01.10.060 and includes a  
5 state or local governmental agency, except for an agency of the judicial branch;

6 (6) "state resident" means an individual who satisfies the residency  
7 requirements under AS 01.10.055.

8 **Sec. 45.48.995. Short title.** This chapter may be cited as the Alaska Personal  
9 Information Protection Act.

10 \* **Sec. 4.** AS 45.48.750 is amended by adding a new subsection to read:

11 (f) A person may not sell a device that electronically prints more than the last  
12 four digits of a credit card or debit card on a consumer receipt for a business  
13 transaction or on a copy retained by a business person for a business transaction.

14 \* **Sec. 5.** AS 45.50.471(b) is amended by adding a new paragraph to read:

15 (52) an information collector, other than a governmental agency,  
16 violating AS 45.48.010 - 45.48.090 (breach of security involving personal  
17 information); in this paragraph,

18 (A) "governmental agency" has the meaning given in  
19 AS 45.48.080;

20 (B) "information collector" has the meaning given in  
21 AS 45.48.090.

22 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 **INDIRECT COURT RULE AMENDMENT.** AS 45.48.640, enacted by sec. 3 of this  
25 Act, has the effect of changing Rule 60(b), Alaska Rules of Civil Procedure, by allowing a  
26 court to vacate an order on its own motion and at any time and by establishing a specific  
27 criterion for vacating the order under AS 45.48.640.

28 \* **Sec. 7.** AS 45.48.470, enacted by sec. 3 of this Act, takes effect immediately under  
29 AS 01.10.070(c).

30 \* **Sec. 8.** AS 45.48.750(f), enacted by sec. 4 of this Act, takes effect January 1, 2009.

# ALASKA STATE HOUSE OF REPRESENTATIVES

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**Session**

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State Capitol  
Room 204

## REPRESENTATIVE JOHN COGHILL

### SPONSOR STATEMENT

HB 65 *"An Act relating to breaches of security involving personal information, credit report and credit score security freezes, consumer credit monitoring, credit accuracy, protection of social security numbers, care of records, disposal of records, identify theft, furnishing consumer credit header information, credit cards, and debit cards, and to the jurisdiction of the office of administrative hearings; amending Rule 60, Alaska Rules of Civil Procedures; and providing for an effective date."*

In a time when information of every personal type is transmitted and stored electronically, it is necessary that those that have access to the use, storage, and disposal of sensitive consumer information be accountable and responsible.

This legislation deals with eight specific areas designed to secure consumer's private information and ensure their affordable access to their credit information.

- (1) **Breach of Security of Personal Information** - requires disclosure of breaches of security involving personal information.
- (2) **Credit Report and Credit Score Security Freeze** - allows consumer to freeze and unfreeze access to their credit information at their discretion.
- (3) **Consumer Credit Monitoring - Credit Accuracy**
- (4) **Protection of Social Security Number** - by restricting sale and distribution.
- (5) **Disposal of Records** - requires complete destruction of electronic and paper records that contain personal information.
- (6) **Right to File Police Report Regarding Identity Theft** - allowing a person that falls victim to identify theft to make a factual declaration of innocence.
- (7) **Consumer Credit Header Information** - restricts distribution of credit header information.
- (8) **Truncation of Card Information** - setting up guidelines for use of card numbers on receipts.

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## REPRESENTATIVE JOHN COGHILL

### SECTIONAL

HB 65 *"An Act relating to breaches of security involving personal information, credit report and credit score security freezes, consumer credit monitoring, credit accuracy, protection of social security numbers, care of records, disposal of records, identify theft, furnishing consumer credit header information, credit cards, and debit cards, and to the jurisdiction of the office of administrative hearings; amending Rule 60, Alaska Rules of Civil Procedures; and providing for an effective date."*

**Section 1** AS 40.21.110 – Care of records – this sets out the ownership of public records and how they are to be managed from creation to disposal.

**Section 2** AS 44.64.030(a) adds a new paragraph AS 45.48.080(c) which is part of the new Chapter 48 Personal Information Protection Act.

**Section 3** AS 45 is amended by adding a new chapter *Personal Information Protection Act*. This new chapter contains a total of eight (8) Articles with individual sections.

#### Article 1. Breach of Security Involving Personal Information

- Sec. 45.48.010 Disclosure of breach of security
- Sec. 45.48.020 Allowable delay in notification
- Sec. 45.48.030 Methods of notice
- Sec. 45.48.040 Notification of certain other agencies
- Sec. 45.48.050 Exception of employees and agents
- Sec. 45.48.060 Waivers
- Sec. 45.48.070 Treatment of certain breaches
- Sec. 45.48.080 Violations
- Sec. 45.48.090 Definitions

Article 2. Credit Report & Credit Score Security Freeze

- Sec. 45.48.100 Security freeze authorized
- Sec. 45.48.110 Placement of security freeze
- Sec. 45.48.120 Confirmation of security freeze
- Sec. 45.48.130 Access & actions during security freeze
- Sec. 45.48.140 Removal of security freeze
- Sec. 45.48.150 Prohibition
- Sec. 45.48.160 Charges
- Sec. 45.48.170 Notice of rights – consumers have the right to obtain a security freeze.
- Sec. 45.48.180 Notification after violation
- Sec. 45.48.190 Violations and penalties
- Sec. 45.48.200 Exemptions
- Sec. 45.48.290 Definitions

Article 3. Consumer Credit Monitoring; Credit Accuracy

- Sec. 45.48.300 Required disclosure
- Sec. 45.48.310 Information to be disclosed
- Sec. 45.48.320 Cost of disclosure
- Sec. 45.48.330 Form of disclosure
- Sec. 45.48.340 Timing of disclosure
- Sec. 45.48.350 Credit accuracy

Article 4. Protection of Social Security Number

- Sec. 45.48.400 Use of social security number
- Sec. 45.48.410 Request and collection
- Sec. 45.48.420 Sale, lease, loan, trade, or rental
- Sec. 45.48.430 Disclosure
- Sec. 45.48.440 Interagency disclosure
- Sec. 45.48.450 Exception for employees, agents, and independent contractors
- Sec. 45.48.470 Employment-related exception
- Sec. 45.48.470 Agency regulations
- Sec. 45.48.480 Penalties

Article 5. Disposal of Records

- Sec. 45.48.500 Disposal of records
- Sec. 45.48.510 Measures to protect access
- Sec. 45.48.520 Due diligence
- Sec. 45.48.530 Policy and procedures
- Sec. 45.48.540 Exemptions
- Sec. 45.48.550 Civil penalty
- Sec. 45.48.590 Definitions

**Article 6. Factual Declaration of Innocence after Identify Theft; Right to File Police Report Regarding Identify Theft.**

- Sec. 45.48.600 Factual declaration of innocence after identity theft
- Sec. 45.48.610 Basis for determination
- Sec. 45.48.620 Criteria for determination; court order
- Sec. 45.48.630 Orders regarding records
- Sec. 45.48.640 Vacation of determination
- Sec. 45.48.650 Court form
- Sec. 45.48.660 Data base
- Sec. 45.48.670 Toll-free telephone number
- Sec. 45.48.680 Right to file police report regarding identify theft
- Sec. 45.48.690 Definitions

**Article 7. Consumer Credit Header Information**

- Sec 45.48.700 Consumer credit header information

**Article 8 Truncation of Card Information**

- Sec. 45.48.750 Truncation of card information

**Article 9 General Provisions**

- Sec. 45.48.990 Definitions
- Sec. 45.48.995 Short title

**Section 4** AS 45.50.471(b) is amended by adding a new paragraph that defines *information collector and governmental agency*.

**Section 5** The uncodified law of the State of Alaska is amended by adding a new section that relates to Indirect Court Rule Amendments.

# LEGAL SERVICES

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## MEMORANDUM

April 3, 2007

**SUBJECT:** Sectional summary of HB 65, a bill relating to personal information (Work Order No. 25-LS0311A)

**TO:** Representative Kurt Olson  
Chair of the House Labor and Commerce Committee  
Attn: Eleanor Wolfe

**FROM:** <sup>TB</sup> Theresa Bannister  
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

**Section 1.** Makes a conforming amendment.

**Section 2.** Makes a conforming amendment.

**Section 3.** Adds a new chapter related to the protection of personal information.

**Article 1.** Breach of Security Involving Personal Information (secs. 45.48.010 - 45.48.090).

Sec. 45.48.010 requires a person who owns or uses personal information on a state resident to disclose a breach of the information system to each state resident whose information was breached.

Sec. 45.48.020 allows an information collector to delay disclosing the breach of its information system if the Department of Law determines that the disclosure may interfere with an investigation.

Sec. 45.48.030 describes the methods that an information collector must use to disclose the breach of its information system.

Sec. 45.48.040 requires, under certain circumstances, an information collector to also notify certain consumer reporting agencies when there is a breach.

Representative Kurt Olson

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Sec. 45.48.050 establishes a limited exception to what is considered a security breach. Relates to employees and agents of the information collector.

Sec. 45.48.060 makes a waiver of Article 1 void and unenforceable.

Sec. 45.48.070 states that an information recipient is not required to notify state residents when a breach occurs. Requires the information recipient to notify the information distributor who owns the personal information or licensed the information's use to the information recipient. Requires an information distributor notified under this section to notify the state residents.

Sec. 45.48.080 establishes rights and remedies that are available for a violation of Article 1.

Sec. 45.48.090 defines terms for Article 1.

Article 2. Consumer Report and Credit Score Security Freeze (secs. 45.48.100 - 45.48.290).

Sec. 45.48.100 allows a consumer to prohibit a consumer credit reporting agency from releasing the consumer's report or credit score without the consumer's express authorization.

Sec. 45.48.110 describes how a consumer places a security freeze and states when the consumer credit reporting agency is required to place the freeze after receiving the consumer's request for the freeze.

Sec. 45.48.120 requires the consumer credit reporting agency to send the consumer confirmation of the freeze within a certain time, along with a personal identification number, password, or similar device to be used for authorizing release of information.

Sec. 45.48.130 requires, on a consumer's request, that a consumer credit reporting agency allow access by a third party to a consumer's report or credit score during a security freeze. Describes how the consumer is to make the request and states when the consumer credit reporting agency is required to comply. Prohibits an agency from releasing a credit report or credit score to a third party during a freeze without the consumer's prior express authorization. Allows, during a freeze, a consumer credit reporting agency and a third party (excepting insurers) who applies to the consumer credit reporting agency for information, to treat an application as incomplete unless the consumer authorizes access. Indicates what action an insurer may take if the insurer requests access to a consumer report on which a freeze is in place. During a freeze, prohibits a consumer credit reporting agency from changing the consumer's official information in the credit report without sending a statement of the change to the consumer, but does not apply to technical changes. Allows a consumer credit reporting agency to advise a third party who requests access during a freeze that the freeze is in effect. Allows a consumer credit

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reporting agency to use telephone, facsimile, or electronic means to implement this section when consistent with certain federal requirements.

Sec. 45.48.140 prohibits a consumer credit reporting agency from removing a security freeze except under certain specified conditions. Requires a consumer credit reporting agency to remove a freeze immediately after receiving the consumer's request. Indicates how a consumer makes a request to remove the freeze.

Sec. 45.48.150 prohibits a consumer credit reporting agency, when dealing with a third party, from suggesting, stating, or implying that a security freeze reflects a negative credit score, history, report, or rating.

Sec. 45.48.160 prohibits a consumer credit reporting agency from charging a consumer for taking an action related to the placement of or removal of a freeze, for allowing access to a report on which a freeze has been placed, or for taking other related action. Makes an exception for repeated loss of personal identification numbers, passwords, or similar devices by the consumer.

Sec. 45.48.170 requires a consumer credit reporting agency to give a consumer the notice described in this section when the agency is required to give a consumer a summary of rights under 15 U.S.C. 1681g of the federal Fair Credit Reporting Act.

Sec. 45.48.180 requires a consumer credit reporting agency that violates a security freeze by releasing a credit report or credit score to notify the consumer involved and identify the information released and the third party who received the information.

Sec. 45.48.190 establishes remedies and penalties available for a violation of Article 2.

Sec. 45.48.200 establishes certain exemptions from the provisions of Article 2.

Sec. 45.48.290 defines terms for Article 2.

Article 3. Consumer Credit Monitoring; Credit Accuracy (secs. 45.48.300 - 45.48.350).

Sec. 45.48.300 requires a consumer credit reporting agency, upon request by a consumer, to disclose certain described information, unless the request is covered by the free disclosure provisions of 15 U.S.C. 1681j(a) - (d) of the federal Fair Credit Reporting Act.

Sec. 45.48.310 describes the information required to be disclosed under the previous section.

Sec. 45.48.320 allows a consumer credit reporting agency to impose a reasonable charge for making a disclosure under sec. 45.48.300. Sets ceilings on the charge. Requires the agency to disclose the charge before making the disclosure.

Sec. 45.48.330 describes how a consumer may make a disclosure request.

Sec. 45.48.340 states within what time a consumer credit reporting agency is required to provide the required disclosure.

Sec. 45.48.350 requires a person who does business in the state by distributing information about an individual's credit history, score, or ranking to immediately stop distributing the information when notified of an inaccuracy until the accuracy can be verified or the inaccuracy corrected. Requires the person to repair the damage and pay compensation, and allows the individual to bring an action in court if the person does not comply.

Article 4. Protection of Social Security Number (secs. 45.48.400 - 45.48.480).

Sec. 45.48.400 prohibits a person from engaging in certain acts related to social security numbers.

Sec. 45.48.410 prohibits a person doing business in the state, including the business of government, from requesting or collecting an individual's social security number, but establishes certain exceptions. The exceptions include where there is governmental authorization to demand proof, collect, or submit the social security number to a governmental body.

Sec. 45.48.420 prohibits a person from selling, leasing, lending, trading, or renting an individual's social security number to a third party. Makes certain exceptions, including where the sale, lease, loan, trade, or rental is expressly authorized by local, state, or federal law.

Sec. 45.48.430 prohibits a person doing business, including the business of government, from disclosing a social security number to a third party. Makes exceptions, including when the disclosure is expressly authorized by law.

Sec. 45.48.440 allows a state or local governmental agency to disclose social security numbers to governmental agencies if required to carry out the agency's duties and responsibilities.

Sec. 45.48.450 establishes an exception to Article 4 for a person's disclosure to employees and agents for a legitimate purpose as directed by the person. Makes another exception for a person's disclosure of an individual's social security number to the person's independent contractor to facilitate the purpose or transaction for which the individual gave the social security number to the person.

Sec. 45.48.460 prevents Article 4 from being construed to restrict the use or exchange of an individual's social security number in certain situations related to the individual's employment and unemployment insurance claims.

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Sec. 45.48.470 authorizes state agencies to adopt regulations to establish when the agency may use a social security number in certain listed situations, if the regulations are necessary to carry out the agency's duties and responsibilities.

Sec. 45.48.480 establishes certain penalties and remedies for knowing violations of sec. 45.48.400.

Article 5. Disposal of Records (sec. 45.48.500 - 45.48.590).

Sec. 45.48.500 requires a business and a governmental agency, when disposing of records containing personal information, to take reasonable measures necessary to protect against unauthorized access to or use of the records. Removes the liability of a business or governmental agency under this section after relinquishing control of the records to a third party for destruction, if the business or governmental agency has otherwise complied with the selection of a third party for record destruction according to this Article 2. States that a business or governmental agency is not liable for record disposal under this Article 5 after relinquishing control of the records to the individual to whom the records pertain.

Sec. 45.48.510 describes what the measures that must be taken under sec. 45.48.500 include.

Sec. 45.48.520 describes what the due diligence required by sec. 45.48.510(3) ordinarily includes.

Sec. 45.48.530 requires businesses and governmental agencies to adopt written policies and procedures for destruction and disposal of records consistent with Article 5.

Sec. 45.48.540 makes certain exemptions from Article 5.

Sec. 45.48.550 establishes a civil penalty for a knowing violation of Article 5.

Sec. 45.48.560 allows an individual damaged by a violation of Article 5 to bring a civil action to enjoin further violations and to recover damages, court costs, and attorney fees.

Sec. 45.48.590 defines terms for Article 5.

Article 6. Factual Declaration of Innocence after Identity Theft; Right to File Police Report Regarding Identity Theft (secs. 45.48.600 - 45.48.690).

Sec. 45.48.600 allows, in the listed situations, a victim of identity theft to petition the superior court for a determination that the victim is factually innocent of a crime. Also allows the Department of Law to petition for the determination, or the superior court to make a determination on its own motion.

Representative Kurt Olson

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Sec. 45.48.610 allows a determination of factual innocence to be heard and made based on certain items and information submitted by the parties or ordered by the court.

Sec. 45.48.620 establishes the criteria for a court to determine that a victim is factually innocent of a crime. If met, requires the court to issue an order indicating the determination.

Sec. 45.48.630 authorizes a court after issuing an order under sec. 45.48.620, to order the identity theft victim's information that is contained in court records accessible by the public to be deleted, sealed, or labeled to show that it does not reflect the defendant's identity.

Sec. 45.48.640 allows a court that has issued an order under sec. 45.48.620 to vacate the order under certain circumstances.

Sec. 45.48.650 states that the Supreme Court may develop a form for the order under sec. 45.48.620.

Sec. 45.48.660 authorizes the Department of Law to establish a data base of individuals who have been victims of identity theft and who have received an order under sec. 45.48.620. Indicates who may access the data base.

Sec. 45.48.670 authorizes the Department of Law to establish a toll-free telephone number to provide access to information in the data base established under sec. 45.48.660.

Sec. 45.48.680 requires a local law enforcement agency with jurisdiction over the individual's actual place of residence to make a report of an individual's identity theft allegations and to provide the individual with a copy.

Sec. 45.48.690 defines terms for Article 6.

Article 7. Consumer Credit header Information (sec. 45.48.700).

Sec. 45.48.700 prohibits a consumer credit reporting agency from furnishing a consumer's credit header information to a person unless the person has a permissible purpose under 15 U.S.C. 1681b (Fair Credit Protection Act) to obtain the report or the situation meets certain other requirements. Defines "credit header information."

Article 8. Truncation of Card Information (secs. 45.48.750).

Sec. 45.48.750 prohibits the printing of more than the last five digits or the expiration date of a credit card or debit card on a receipt for a business transaction. Covers electronically printed receipts. Authorizes a civil action to recover damages for a

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knowing violation. Establishes a civil penalty for a knowing violation. Makes a knowing violation a class A misdemeanor.

*Article*  
**Section 9.** General Provisions (secs. 45.48.990 - 45.48.995).

Sec. 45.48.990 defines terms for this chapter.

Sec. 45.48.995 calls the chapter the Alaska Personal Information Protection Act.

**Section 4.** Makes a violation of Article 1 an unfair or deceptive business practice under the state's main consumer protection law.

**Section 5.** Indicates that a section of the new chapter changes a court rule.

**Section 6.** Gives a section of the bill an immediate effective date.

If I may be of further assistance, please advise.

TLB:lmb

07-098.lmb

**HB**

**77**

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: HB77-COM-OL-02-06-07  
 Bill Version: HB 77  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Marriage Brokers and Advertisers RDU Corp. Bus & Prof Licensing (117)  
 Component Corp. Bus & Prof Licensing  
 Sponsor Kerttula  
 Requester House Labor and Commerce Component No. 2360

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	*	*	*	*	*	*
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2007) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation requires a person engaged in advertising services as a marriage broker to meet certain criteria and provide information before doing business in Alaska. All Occupational Licensing programs are required under AS 08.01.065 to cover costs with licensing fees. Approximately 500 marriage broker companies estimated to exist in the United States in 2005 brought approximately 8,000 to 12,000 women in to this country. At this time, we do not know what percentage of those businesses operate in Alaska, making it difficult to estimate costs and revenue that would result from implementing this legislation.

Prepared by: Chris Wyatt, Administrative Manager Phone (907) 465-2572  
 Division Corporations, Business, and Professional Licensing Date/Time 2/6/07 10:57 AM  
 Approved by: Emil Notti, Commissioner Date 2/6/2007  
 Agency Commerce, Community, and Economic Development



# Representative Beth Kerttula

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House Minority Leader

**TO:** Chairman Kurt Olson, Labor & Commerce Committee

**FROM:** Representative Beth Kerttula

**RE:** Changes to the CS for HB 77 Marriage Brokers & Advertisers

**DATE:** February 27, 2007

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1. Page 1, line 11. Added the requirement that the client provide a criminal justice report from not just Alaska but every state they have resided in since they reached the age of 18.
2. Page 2, line 11. Deleted the reference to "free legal advice" because it is not available in Alaska.
3. Page 2, line 22. Modified the language directing the Department to submit fingerprints to the Federal Bureau of Investigations in order to obtain a national criminal history record because currently the FBI only provides the report to government agencies.
4. Page 3, line 19. Deleted the language requiring traditional matchmakers to operate "not for profit."

25-LS0350C  
Mischel  
2/27/07

**CS FOR HOUSE BILL NO. 77( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES KERTTULA AND DOLL, Lynn**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to marriage brokers and advertisers and to dating and social referral**  
2 **services."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 08.02 is amended by adding a new section to read:

5 **Sec. 08.02.100. Marriage brokers and advertisers; dating and social**  
6 **referral services; criminal justice information.** (a) Except as provided in (f) of this  
7 section, a person may not provide or advertise services as a marriage broker in the  
8 state unless the person

9 (1) requires each client to provide in writing, certified under penalty of  
10 perjury,

11 (A) a complete criminal justice information report from each  
12 state in which the client has resided since reaching 18 years of age;

13 (B) a complete list of restraining orders and civil protective  
14 orders issued by any court that involve the client;

1 (C) a complete marital history;

2 (2) provides information to each recruit in the recruit's native language  
3 that explains

4 (A) the requirements and information provided under (1) of this  
5 subsection, with a notice that the information has not been verified for  
6 accuracy;

7 (B) the fiance or fiancée visa application process and marriage-  
8 based immigration status under federal law;

9 (C) that domestic violence is illegal in the United States and the  
10 penalties that attach under state and federal law;

11 (D) that assistance is available to victims of domestic violence,  
12 including protective orders and shelter services;

13 (E) the emergency and assistance procedures, including the 911  
14 system, the national domestic violence hotline, the national sexual assault  
15 hotline, and the state assistance telephone numbers; and

16 (F) the rights of victims of domestic violence, sexual assault,  
17 human trafficking, and related crimes in the United States and in the state,  
18 including the right to petition for residency status independent of, and without  
19 the knowledge, consent, or cooperation of, the spouse.

20 (b) The criminal justice information required under (a)(1) of this section for a  
21 client that has resided in the state must be obtained by submitting the client's  
22 fingerprints and the required fees under AS 12.62.160 to the Department of Public  
23 Safety for criminal justice information and, if available, a national criminal history  
24 record check under AS 12.62.400.

25 (c) The marital history report required under (a)(1) of this section must include  
26 whether the client

27 (1) is currently married;

28 (2) has previously been married and, if so,

29 (A) how many times;

30 (B) how each marriage was terminated;

31 (C) when each marriage was terminated; and

1 (3) has previously sponsored a foreign national for purposes of  
2 marriage or engagement to be married.

3 (d) The Department of Law shall enforce this section and may institute a civil  
4 action against a person who violates this section.

5 (e) A person who violates the requirements of this section is subject to a civil  
6 penalty not to exceed \$20,000 for each violation. A penalty collected under this  
7 section shall be deposited in the general fund and accounted for separately. The  
8 legislature may appropriate money collected under this section to the crime victim  
9 compensation fund created in AS 18.67.162 to be used to compensate victims of  
10 violent crime under AS 18.67. In determining the amount of the civil penalty, the court  
11 shall consider

12 (1) any previous violation of AS 08.02.100;

13 (2) the seriousness of the violation, including the nature,  
14 circumstances, extent, and consequences of the violation;

15 (3) any evidence of good faith on the part of the marriage broker or  
16 advertiser; and

17 (4) the potential for deterrence.

18 (f) Nothing in this section prohibits a person or organization from engaging in  
19 traditional matchmaking of a cultural or religious nature that is otherwise consistent  
20 with international, federal, state, and local laws.

21 (g) In this section,

22 (1) "client" means a person who resides in this state and contracts with  
23 or otherwise agrees to employ a marriage broker or advertiser for services related to  
24 marriage, engagement, dating, or another social referral;

25 (2) "marriage broker or advertiser" means a person who engages by  
26 Internet or other electronic means, in writing, or in person, in negotiating with,  
27 advertising to, publicizing to, or contracting with a state resident, for services related  
28 to marriage, engagement, dating, or another social referral with a person who resides  
29 outside of the United States;

30 (3) "recruit" means a person who resides outside of the United States  
31 and who is contacted by or who contacts a marriage broker or advertiser for the

1           purpose of providing or acquiring marriage, engagement, dating, or another social  
2           referral service.

3       \* Sec. 2. AS 12.62.400 is amended by adding a new paragraph to read:

4                               (15) a position involving marriage brokering or advertising or dating or  
5           social referral services under AS 08.02.100.



# Representative Beth Kerttula

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Alaska State Legislature District 3

## House Bill 77 Marriage Brokers And Advertisers Sponsor Statement

The International Marriage Brokers (IMB) industry has grown dramatically in recent years. It is now estimated that between 8,000 and 16,000 marriages a year take place between foreign women and American men as a result of marriage broker agency introductions. While there are no official national statistics on incidences of abuse in these arranged marriages, experts agree it is higher than the national average. One study of women in similar circumstances – immigrant women whose legal status depends on their spouse – found the rate of domestic violence to be as high as 77%.

HB 402 will require IMBs to provide several pieces of information to the foreign bride in their own languages. Marital history information must be provided and must include how many times the client has been married, how and when each marriage was terminated, and whether they have previously sponsored a foreign national for purposes of marriage. The required criminal justice information must be obtained by submitting the client's fingerprints for a national criminal history record check. This also includes a complete list of restraining orders and civil protective orders that involve the client.

The marriage broker is also required to provide information explaining that domestic violence is illegal in the U.S. and where to obtain assistance for victims. Information must also be provided regarding the rights of victims of domestic violence including the right to petition for residency status independent of the spouse. Violations of any of these requirements are subject to a civil penalty of up to \$20,000.

IMBs often pair men with women who are extremely vulnerable, have limited English language skills, have no other resources or contacts in the U.S., and are unfamiliar with the U.S. legal system. By requiring full disclosure, HB 402 will make IMBs responsible for providing accurate information to educate each potential bride as to the risks associated with this type of arranged marriage and what their options are if they are abused.



# Representative Beth Kerttula

House Minority Leader

## Sectional Analysis

### HB 77 Marriage Brokers and Advertisers

**" An Act relating to marriage brokers and advertisers and to dating and social referral services."**

#### **Section 1.**

- Adds new section to AS 08.02 (Business and Professions Misc. Provisions).
- Lists information that marriage brokers must provide to each of their clients in their native language, including a criminal justice report, a list of any restraining or civil protective orders and marital history
- Requires that brokers provide information explaining that domestic violence is illegal in the U.S. and where to obtain assistance for victims.
- Information must also be provided regarding the rights of victims of domestic violence, including the right to petition for residency status independent of the spouse.
- Violations of any of these requirements are subject to a civil penalty of up to \$20,000.
- Excludes organizations or persons engaging in traditional matchmaking of a cultural or religious nature.

#### **Section 2.**

- Amends AS 12.62.400 (National criminal history record checks for employment, licensing, and other noncriminal justice purposes).
- Adds a new paragraph for a position involving marriage brokering.

**SEATTLE POST-INTELLIGENCER**

<http://seattlepi.nwsourc.com/local/brid02.shtml>

**Mail-order bride's dream of a better life ends in death**

*Friday, February 2, 2001*

**By LEWIS KAMB AND ROBERT L. JAMIESON Jr.**  
SEATTLE POST-INTELLIGENCER REPORTERS

She was a beautiful young woman on the cusp of a new life, blossoming into adulthood with the looks of a model and a vivacious personality.

All she wanted was to see the world and escape a life of poverty in a destitute city in the former Soviet bloc.

He was a middle-aged man with his youthful looks long gone, holding onto advanced degrees in business and the bitter memories of a failed first marriage.

All he wanted was to forge a new life, and to salvage what good remained of an old one.

Together, they would seem an unlikely pairing: two people separated by thousands of miles and nearly two decades in age, physical opposites from different generations, cultures and experiences.

Yet, they would end up in matrimony -- thanks to a correspondence service, the persistence of a man's romantic pursuits and the promise of the American dream.

But a dream can be fragile, sometimes deceiving. And this one would literally die.

Anastasia Solovieva, a beloved daughter and gifted classical pianist who traveled from Russia to marry a man she met through letters, is dead at 20.

Her husband, Indle G. King Jr., a short, rotund man with a shiny pate and a soft-spoken manner, sits in a cell at the Snohomish County Jail, covered by a blanket of suspicion.

"My heart grieves for the loss of my dear wife, and for the pain felt by her wonderful parents," he said during a brief jailhouse interview last week. "Stasia was beautiful, intelligent and robbed of a bright future."

One floor above, in a ward for "special needs inmates," a young man with a long criminal record paints a much different story.

In statements to investigators, Daniel Kristopher Larson, 20, a convicted child molester and former boarder at King's Mountlake Terrace home, has implicated both himself and King in Solovieva's slaying.

Although Larson's jailhouse confessions have changed, his words have become a key piece of evidence in a delicate case still evolving.

Last week, prosecutors allowed a court deadline to lapse, meaning a first-degree murder charge and \$1 million cash-only bail against King, 39, was dropped.

But they say they are carefully pursuing the case, and that charges may soon be filed against both King and Larson.

King's Seattle lawyers, Jeff Robinson and Cyrus Vance Jr., have said their client is innocent, blaming Larson exclusively for the slaying.

While King and Larson wait for the legal maneuverings to unfold, so, too, unfolds new details of the tangled relationships between Solovieva, King and Larson, including allegations of homosexual trysts, spousal abuse, adultery and deception.

### **Son of privilege**

The oldest of two children, Indle Gifford King Jr. grew up in a well-to-do neighborhood on Mercer Island.

His father is an accomplished industrial designer, and his mother is an art professor and author.

Classmates from his Mercer Island High School days knew him as "Indy," a somewhat bookish boy who was friendly and well-liked.

He played clarinet in the school band, was a member of the tennis team and drove a two-seat Fiat sports coupe.

After graduating from Mercer Island High in 1979, King enrolled at the University of Washington.

Half a world away, in an impoverished industrial city in the heart of communism, Solovieva was born the lone child to a pair of modest music instructors.

In the family's home in Bishkek -- a city of about 675,000 -- Solovieva's parents, Alevtina and Anatolyi, stretched her mind and imagination from an early age.

As a toddler, she regaled adults with poems and fairy tales that she had memorized. And she seemed to inherit the musical talents of her parents, showing promise as a classical pianist.

While Solovieva honed her skills at the piano, King worked his way through advanced degrees in business and finance.

He studied at the universities of Houston and Chicago before enrolling at the University of Cincinnati to dabble for a short time in doctorate studies.

King next landed an adjunct professorship at Antioch University, a small college in Yellow Springs, Ohio, where he taught international business and marketing courses.

In the mid-1990s, his passion for the Russian culture -- and women -- was well known.

He had already traveled to Russia extensively. During one visit, he placed a classified ad in a Moscow newspaper seeking correspondence with Russian women.

"He always talked about how he was not going to marry an American woman," said Cathe Mack-McGarry, who took one of King's classes at Antioch.

In 1993, King's classified ad paid off, when, via mail correspondence, he met Ekaterina Kazakova, a young Russian woman who dreamed of a life in America.

Eventually, King became an American sponsor to help her obtain a visa for study in the United States, and soon the two were married.

Standing 5-feet 9-inches, with porcelain skin and long, dark hair, Ekaterina "Katya" Kazakova was a stunning beauty who King often boasted about. One day, he brought his new bride to class.

"He was extremely proud of her," Mack-McGarry said. "And you could just tell she was young and very excited to be here in the United States, and to be with him."

But their relationship soured.

In December 1995, Kazakova alleged that King "hit her in the head with his fist ... threw her head against the wall and continuously pounded (her) head against the wall," according to Ohio court records.

Kazakova would later seek a court order protecting her from King. The two divorced in 1997, and King, then in dire financial straits, returned to the Northwest.

He lived in an apartment in suburban Seattle and formed his own business venture -- King Capital Management Co. He later took a warehouse job at Costco.

He also began searching for another Russian bride and met Solovieva, then 18, by corresponding with Russian women.

Solovieva's parents, Alevtina and Anatolyi, feared the impoverished environs were oppressing her free-spirited nature

Solovieva, who had made some modeling contacts, started looking at matchmaking catalogs.

### **A new life vanished**

When Solovieva met King, it was not love at first sight, the young woman's friends say.

But Solovieva was drawn to King's professorial mien -- something that also attracted her parents to him. And through letters and visits, he wooed the family.

Following a brief courtship and meetings in Kyrgyzstan, the couple returned to Seattle and married in April 1998.

The Kings moved into a new, two-story home at the end of a short street in Mountlake Terrace.

King continued working at Costco and in his private business ventures, and he began renting out rooms in the spacious gray house.

Solovieva enrolled at the UW and took a job at Ivar's.

"She was a dedicated employee," said co-worker Natasha Jankauskas. "And she had a sense of humor that just made your day better."

In early letters home, Solovieva wrote to her parents about how much she enjoyed her life in America. She was making fantastic new friends, getting A's in school and soaking up all the city had to offer.

Outwardly, things seemed to be working between the newlyweds.

"Everything seemed pretty normal between them," said Ken Doran, a Bothell firefighter who lived across the street.

About a year into the marriage, however, police were summoned to the King home for a domestic incident. Solovieva showed officers scratches across her stomach and breasts.

She said the scratches were caused by King, but she later recanted, according to a police report on the incident.

Solovieva also began spilling her frustrations into a diary, according to a knowledgeable source who has read the journal's entries. She wrote about despising any intimate contact with King; and confided in her writings about secret meetings with other men -- trysts that King came to suspect.

His jealousy soon would lead King to begin following his wife and become increasingly controlling of her, friends said.

Returning home from work one afternoon in July, King stopped by an Albertson's and stole two bananas and a 12-pack of Coke, according to a police report.

Police soon tracked him down at his Mountlake Terrace home, where an officer confronted him about the incident.

"King said that he is in a financial bind right now because his wife is divorcing him, so he has to steal to survive," a police report noted.

In court records, King wrote down "0" as his monthly income.

By that time, Solovieva had already confided a secret to her best friend in America, Tatyana Boland, a UW classmate and fellow Russian mail-order bride living in Seattle.

Solovieva told Boland that she had begun an affair with a Russian businessman who had come to where she was working. She said she was "madly in love" with him and arranged trysts disguised as business meetings, co-workers said.

By August, Solovieva had secretly opened a safety deposit box at a bank near the UW campus. When leasing the box, she expressed concern to a bank employee about others gaining access.

"Anastasia then told (the bank employee) that she was planning on leaving her husband ... and that she feared it would get ugly," according to court records.

Excerpts from Anastasia's diary, later recovered by investigators and translated from Russian, said that King "threatened me with death if I were to leave him," and "made inquiries in Kyrgyzstan concerning hiring hitmen," according to court documents.

Solovieva also was seeking immigration advice from UW experts.

She last opened the safety deposit box Aug. 11. Soon after, she left her husband to visit her parents in Kyrgyzstan, a trip that would last several weeks.

### **'He knows everything'**

On Sept. 19, Solovieva sent an e-mail to Boland, her friend and classmate in Seattle.

"He knows everything," she wrote from her homeland.

It was the last time Boland would hear from Solovieva.

According to court documents, King, who had also traveled to Russia that month, told investigators that he and his wife had planned to return home together, but parted in Moscow following an argument.

King said he believed his wife stayed behind, while he took a flight home to Seattle.

Investigators, however, said that an Aeroflot flight manifest shows that both Solovieva and King traveled on the same flight from Moscow to Seattle on Sept. 22, clearing customs in different lines only a minute apart.

Further, investigators said that the couple together took a shuttle van from the airport to their home following the flight.

The date was the last Anastasia Solovieva was known to be alive.

When Solovieva's parents had not heard from their daughter, and their calls to King's home went unanswered, they had friends contact police.

Months went by, and still no sign of Solovieva.

Back in their homeland, Alevtina and Anatolyi held out hope that their daughter was still alive.

### **Jailhouse confessions**

On Dec. 28, investigators got the break they'd been searching for.

Corrections officers had noticed that King had often been coming to the jail and visiting Daniel K. Larson, a young, slightly built man with sandy hair and a goatee.

Area law enforcement officers knew Larson well.

The child of a broken home who had bounced between foster homes and his divorced mother, Larson had a long criminal record.

In 1995, at the age of 15, he was convicted of molesting two young children in Bellingham. As part of his sentence, Larson was compelled to register as a sex offender.

In November, he was charged with indecent liberties for allegedly sexually assaulting a 16-year-old girl.

When investigators asked Larson about King's visits, Larson said he knew only what King had told him: The couple had argued in Moscow. Solovieva stayed behind while King came home, according to court documents.

But under further questioning, "Larson ... said that he knew that Anastasia was dead and that Indle had showed him where he buried her," according to court documents. "He related that Indle had told him that he had killed Anastasia by strangling her."

That afternoon, Larson led investigators to a wooded lot on the Tulalip Indian Reservation where they found Solovieva's body under a mattress.

Investigators soon arrested King on murder charges, but Larson later changed his account.

He now says that he had killed Anastasia at the direction of his landlord, claiming the two of them had a homosexual relationship that Solovieva had recently discovered.

"Mr. Larson told detectives he had strangled Anastasia on September 22, 2000, at the request and direction of (King)," according to court records. "(King) had laid on his wife's chest in order to prevent her from moving while Mr. Larson was strangling her with a necktie."

Those comments are contained in perjury charging papers against King. Bail was set at \$200,000, and King remains in the Snohomish County Jail.

"I don't know, of course, where her soul is right now," Alevtina Solovieva said this week through tears and a translator, "but her body demands burial."

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*P-I reporter Robert Jamieson can be reached at 206-448-8125 or [robertjamieson@seattle-pi.com](mailto:robertjamieson@seattle-pi.com) P-I reporter Lewis Kamb can be reached at 425-497-1128 or [lewiskamb@seattle-pi.com](mailto:lewiskamb@seattle-pi.com)*

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Monday, February 6th, 2006

## Campaign to Stop Exploitation by International Marriage Brokers:

- About
- In Action
- Center News
- Resource Center
- How To Help

The International Marriage Brokers (IMB) industry has grown dramatically in recent years. This growth is a reflection of demands by American men for "traditional wives," and concurrent worsening economic situations for women, particularly in Eurasia. Many of the men who use IMBs intentionally seek women who do not speak English and who were raised in cultures in which a married woman is expected to be subservient. Some of these men are violent predators who return to IMBs repeatedly to find their next victim. These women, unfamiliar with the US legal system and given, at best, incomplete information about their legal rights, can find themselves in grave danger. This rapidly growing industry is essentially unregulated.

The urgency of this problem became clear when the Tahirih Justice Center worked with a Ukrainian woman who suffered brutal abuse by a husband with whom she was paired through a Maryland-based IMB. The woman's efforts to seek help from the IMB president were futile; she minimized the abuse and assured the woman that such behavior was a "normal" part of American culture. She also gave her inaccurate information regarding her legal rights, leaving her with the clear impression that she had no choice but to endure the abuse or risk deportation—which is not true.

The new data we have compiled shows that the number of such marriages has at least doubled since an often-cited 1999 INS report. It is now estimated that 8,000-16,000 marriages a year—a number that reflects one third to one half of all foreign fiancés who enter the US—take place between foreign women and American men as a result of "marriage broker" agency introductions.<sup>[1]</sup> While no official national statistics exist on the incidence of abuse in such marriages, experts agree it is "higher in this population than for the nation as a whole."<sup>[2]</sup> One study of women in an analogous circumstance—immigrant women whose legal status depends on their US citizen or legal permanent resident spouse—found the rate of domestic violence to be as high as 77%.<sup>[3]</sup>

### Newsflash:

- Newsweek Article Highlights TJC and Mail-Order Bride Abuse: [Click here](#) for the article.
- International Marriage Broker (IMB) Held Liable for Negligence and Fraud: [Case Summary](#)
- Tahirih Justice Center and Arnold & Porter Win Landmark Case on Behalf of a Ukrainian IMB Recruit: [Press Release](#)

**DONATE NOW THROUGH** [Network for Good](#)

[About](#) | [In Action](#) | [Center News](#) | [Resource Center](#) | [How To Help](#)  
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Friday, January 27th, 2006

## International Marriage Broker Held Liable for Negligence and Fraud

*Fox v. Encounters International* (D. Md. 02-1563)

About  
In Action  
Center News  
Resource Center  
How To Help

### Summary

On November 18, 2004, Nataliya Fox, a Ukrainian woman, won a landmark victory in a Maryland federal district court against Encounters International ("EI"), an international marriage broker ("IMB," also known as a "mail-order bride" agency) that had arranged her marriage to a violent American man. A unanimous jury held EI liable for failing to tell Nataliya—as they were legally required to do—about a federal law that allows foreign nationals to escape abusive marriages without fear of automatic deportation, and for actively misleading her about her legal options. The jury also found EI liable for misrepresenting that it screened male clients when it did not; and publicizing Nataliya's marriage to Mr. Fox as an EI "success" story, without her permission, even after she fled to a domestic violence shelter. EI and its President were ordered to pay Nataliya \$433,500 in damages, \$341,500 of which were punitive damages assessed for their egregious violations of their duty of care to Nataliya.

### Significance of the Case

1.) **The case marks the first time that an IMB has been held accountable for violating its obligations under federal law to tell a woman it recruited about legal protections that would allow her to escape domestic violence without facing automatic deportation.** EI not only withheld this information from Nataliya, but misled her by saying that she would be deported if she left her abusive husband.

The jury found that Nataliya's reliance on the misrepresentations that EI made to her was reasonable and that her lack of accurate information prolonged her abuse.

When Nataliya came to EI, she did not speak English well and knew little of U.S. laws and customs. The President of EI, a Russian woman, assured Nataliya that EI would provide immigration advice and services, counseling, and assistance in understanding and adjusting to American culture.

When Nataliya confided to the President of EI that Mr. Fox went into wild rages and beat her, the President told her that this was "normal," that American men were prone to violence, and that Nataliya should learn to defer to her husband. Additionally, the President told her that she had to stay in the marriage or would be deported. Since Nataliya did not know that domestic violence is a crime in the U.S. (it is not in Ukraine), and knew no one else in the U.S. upon whom she could rely for legal advice, she resigned herself to living with the abuse. The violence escalated. After a particularly vicious episode in which Mr. Fox's violence sent Nataliya to the emergency room, she finally learned of other options from an emergency room nurse and escaped. The jury found that EI's deliberate decision to withhold vital information from Nataliya about a law designed to protect her and her child, and EI's intentional misrepresentations about her legal options, violated EI's duty of care to Nataliya.

2.) **The case is also the first time that an IMB has been held liable for failing to screen its male clients for a violent or criminal history despite having said that it screened the men.** Although there is currently no legal requirement to screen men, EI publicly stated that it took that extra step and did screen its clients. Nataliya was told that Mr. Fox was "the best of the best," "financially and

mentally stable," and "serious about family." In fact, Mr. Fox had a history of domestic violence, and his abuse of Nataliya grew much worse after she became pregnant. EI's "screening" process involved chatting with Mr. Fox and taking his \$1850 membership fee. The process clearly was not intended to screen out clients with a violent past, and it did not do so in this case.

3.) **The case is the first time an IMB has been found liable for using a woman's name and photo, and falsifying her personal story, to promote its business without her permission.** Incredibly, EI continued to tout her marriage to Mr. Fox as a "success" story even after EI knew that Nataliya had fled to a battered women's shelter, Mr. Fox had flown to Haiti to obtain a divorce, and even throughout the trial.

### **The Broader Issue**

Encounters International is part of a growing industry that profits from arranging marriages between American men and foreign women. These women often do not speak English, have no other resources or contacts in the United States other than the agency, and are unfamiliar with the United States legal system. These agencies have served as an easy, unregulated pipeline for predatory abusers to find their next victims. The IMB industry may be responsible for annually bringing to the U.S. between one-third and one-half of all foreign fiance(e)s, according to estimates in a 1999 study commissioned by the Immigration and Naturalization Service. Today, upwards of 14,000 women may enter the country each year to begin "mail-order marriages."

Some successful marriages undoubtedly result from matches arranged by IMBs. However, it is becoming increasingly clear that many IMBs (1) explicitly market their services to men seeking a domineering relationship with a promised docile, powerless woman, (2) ignore the violent histories of their male clients, (3) mislead women in abusive relationships into believing they must stay in the relationship or face deportation (without their children), and (4) repeatedly pair violent men with new foreign women who are unaware of the men's history.

While justice was done in this case, current laws are inadequate to provide women with the information they need about their potential U.S. husbands, and about the rights and resources available to domestic violence victims in this country, so that they can protect themselves and their children from abuse.

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## Mail-Order Misery

**Charging abuse, imported brides are fighting back**

By Daren Briscoe  
Newsweek

Feb. 7 issue - Nataliya Derkach just wanted a husband. In 1998, she was a 26-year-old college student in Kiev, divorced and disenchanted with the Ukrainian dating scene. Then she met Natasha Spivack, a Russian-American who runs Encounters International, an Internet matchmaking service that caters to American men seeking Russian and Ukrainian brides. Spivack had just the catch for Derkach: a handsome, successful businessman named James Fox. Derkach married him two months after they met in the United States, moving to Virginia and taking his last name. But James soon began beating her, says Fox. And when she turned to Spivack for help, Fox says Spivack told her that all American men were "crazy," and to deal with it or risk being sent back to Ukraine. Fox did as she was told, until one night in the summer of 2000, when Fox says her husband beat her as she breast-fed the couple's infant daughter. Fox wound up in the emergency room with her face bruised and swollen and a human bite mark on her hand.

Fox escaped to a women's shelter, then got radical: she sued Spivack and Encounters International, becoming the first to win a case against an Internet bride service. In December, a jury awarded her \$433,500. The verdict rattled the murky, often unregulated world of international matchmaking, shining a spotlight on some of its practices. The case "puts companies on notice," says Fox's lawyer, Randall Miller. "They can't operate in the shadows anymore." The court found that Spivack failed to tell Fox about a provision in the immigration law that protects foreign women from deportation if they leave abusive husbands. The jury also held Spivack liable for assuring Nataliya Fox that her husband had been carefully screened. Spivack denies wrongdoing. Her lawyer argues that any responsibility she might have had ended when the Foxes wed.

Each year, hundreds of Internet bride services recruit thousands of women—mostly from Eastern Europe, Southeast Asia and other economically depressed parts of the globe—to marry their American clients. Matchmaking Web sites feature glowing testimonials and pictures of smiling couples. The sites play off old stereotypes of foreign women as subservient, "traditional" wives. For \$1,850, Spivack, still in business, promises to connect clients with women who will "follow their husband's lead, and stick with the marriage even when times get tough and things stop being 'fun'." Many Internet brides settle into happy relationships; Encounters International claims a success rate of 86 percent, just 35 divorces out of 257 marriages. But Layli Miller-Muro, a lawyer who runs the Tahirih Justice Center, an international women's rights group based in Virginia, has tracked problems in the foreign-matchmaking industry for years. When she surveyed 175 legal-aid groups in the United States, more than half reported clients who'd been abused by men they'd met through marriage brokers. In 2001, Miller-Muro was looking for a test case when she met Fox. Miller-Muro turned to Randall Miller, a lawyer at Arnold & Porter, the powerful Washington law firm, who agreed to represent Fox free of charge.

Spivack and her company weren't Fox's only targets. She also sued her ex-husband, who settled the case for \$115,000. During Spivack's trial, James testified that Nataliya had attacked him. He had earlier been charged with attempted murder in the beating that sent Nataliya Fox to the emergency room, but that charge was later dropped. An assault charge was expunged from James's record after he completed an anger-management class. His lawyer, Thomas Peter Mann, told NEWSWEEK that his client had done nothing wrong and acted only in self-defense.

Miller-Muro predicts more lawsuits. "Our work on this issue has really just begun," she says. But Nataliya Fox hopes to put it all behind her. James Fox divorced her in 2001, then married another (Russian) Internet bride. Nataliya now lives in Virginia with her daughter, and works as a civil engineer. She also has a new boyfriend. She met him the old-fashioned way—in person.

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**Fact Sheet  
on  
State Anti-Trafficking Laws  
from  
National Institute on State Policy on Trafficking of Women and Girls  
A Program of the  
Center for Women Policy Studies  
July 2005**

**State Legislative Initiatives**

The Center for Women Policy Studies works with state legislators to develop legislative initiatives:

- to make trafficking a **state felony offense** with appropriately harsh punishments for traffickers and protections for the women and girls who have been trafficked into our communities; we urge states to pass criminalization statutes and also to provide for **victim protection and assistance programs**;
- to create **statewide interagency task forces on human trafficking**, with a mandate to determine the nature and extent of trafficking in each state and make recommendations for legislative, policy, and programmatic initiatives;
- to regulate **“bride trafficking”** by commercial “international marriage brokers” (also called “mail order bride” or “international matchmaking” organizations) that operate in the state; and,
- to regulate **sex tourism** by travel services providers that operate in the state.

The following summary of all state laws addressing trafficking in persons is current as of July 2005 and will be revised following the 2006 state legislative sessions. States are listed below in alphabetical order rather than in order of passage of the legislation.

We honor the sponsors of these bills for their leadership and commitment and have listed them at the end of the **Fact Sheet**.

**Summary of State Anti-Trafficking Laws**

**Criminalization Statutes**

Legislatures in **Arizona, Arkansas, Florida, Illinois, Kansas, Louisiana, Minnesota, Missouri, New Jersey, Texas, and Washington** have enacted laws to make trafficking a state felony offense. Similar legislation is pending in **Alaska, California, Delaware, Indiana, Maine, Montana, New Mexico, New York, Oregon, Pennsylvania, South Carolina, and Wisconsin**.

**Arizona: SB 1372** establishes the first degree felony of sex trafficking of a minor under the age of 15 and the second degree felony of attempted sex trafficking of a minor. The bill further establishes two class 2 felonies: sex trafficking; and, trafficking of persons for forced labor or services, and one class 4 felony: unlawfully obtaining labor or services. Additionally, the court is required to order victim restitution. **Effective Date:** August 12, 2005.

**Arkansas: HB 2979** establishes the class A felony of trafficking in persons for the purposes of involuntary servitude, peonage, debt bondage, slavery, marriage, adoption or sexual conduct. The bill also creates the class A felony of benefiting financially from trafficking. **Effective Date:** August 11, 2005.

**Florida: SB 1962** establishes the first degree felony of sex trafficking for parents, legal guardians, or other persons having custody of a minor who sell, transfer custody, or offer to sell or transfer custody of the minor for the purpose of sex trafficking or prostitution. The bill further establishes two second degree felonies: obtaining forced labor; and, sex trafficking and human trafficking for anyone who knowingly participates in trafficking for purposes of forced labor or prostitution. Any sex trafficking activity that results in death or is committed against a person who is under the age of 14 is considered a first degree felony. **Effective Date:** October 1, 2004.

**Illinois: HB 1469** establishes the felony offenses of involuntary servitude, involuntary servitude of a minor, and trafficking of persons for forced labor or services. Such factors as causing or threatening physical harm; destroying, concealing, removing, confiscating or possessing any actual or purported immigration document; and, using intimidation can be used to determine the severity of the charge. The trafficker's behavior – including commission of sexual assault, extreme violence, or bodily injury – and the number of victims can be considered in sentencing. In addition to sentencing, the court must order restitution to the victim and the forfeiture of any assets obtained as a result of the involuntary servitude or trafficking offenses. **Effective Date:** January 1, 2006.

**Kansas: SB 72** establishes the level 2 felony offense of trafficking and the level 1 felony offense of aggravated trafficking. Trafficking is defined as aggravated if it includes kidnapping or attempted kidnapping; the sexual gratification of the defendant or another person; death of the victim; or, trafficking of a person under the age of 18. **Effective Date:** July 1, 2005.

**Louisiana: HB 56** establishes the crime of human trafficking, which is punishable by a maximum fine of \$10,000 and a maximum sentence of 10 years in prison. If the trafficking is committed for the purposes of commercial sexual activity, the maximum fine is \$15,000 and the maximum prison sentence is 20 years. Trafficking of a minor carries a maximum fine of \$25,000 and a prison sentence of five to 25 years. **Effective Date:** August 15, 2005.

**Minnesota: HB 1** establishes the felonies of labor trafficking; sex trafficking, and unlawful conduct with respect to documents in furtherance of labor or sex trafficking. Labor trafficking is punishable by up to 15 years in prison or a \$30,000 fine, or both. Depending on the age of the victim, sex trafficking is punishable by a maximum prison sentence of either 15 or 20 years. The document offense carries a maximum punishment of five years in prison, a \$10,000 fine, or both. **Effective Date:** August 1, 2005.

**Missouri:** **HB 1487** makes changes to the laws regarding crimes against persons, establishing: a class A felony of sexual trafficking of a child; class B felonies of abusing an individual through forced labor and of trafficking for either forced labor or sexual exploitation; and, a class D felony of contributing to human trafficking through the misuse of documentation. As part of the sentencing for a human trafficking offense, the court must order the perpetrator to pay restitution to the victim. Victims of any one of these five crimes also shall be afforded the rights and protections provided in the federal *Trafficking Victims Protection Act of 2000*. **Effective Date:** August 28, 2004.

**New Jersey:** **AB 2730** establishes the first degree felony offense of human trafficking for the purposes of engaging in sexual activity or providing labor or services. The maximum punishment for a trafficking offense is 20 years without parole, or up to life in prison with the possibility of parole after 20 years. The court also must sentence the perpetrator to make restitution to the victim and may order forfeiture of any assets related to the trafficking violation. The Office of Victim-Witness Advocacy or the county prosecutor's office must ensure that the trafficked individual obtains assistance in receiving any available benefits or services to trafficking victims. **Effective Date:** April 26, 2005.

**Texas.** **HB 2096** establishes the first degree felony of trafficking or transporting of persons who are younger than 14 at the time of the offense or if the commission of the offense results in the death of the person who is trafficked. Otherwise, the offense is a second degree felony. According to the Texas Criminal Justice Policy Council, the punishment range for a first degree felony offense is five to 99 years imprisonment; the range for a second degree felony offense is two to 20 years imprisonment. **Effective Date:** September 1, 2003.

**Washington:** **HB 1175** establishes the class A felony offenses of first and second degree sex trafficking and labor trafficking in the state of Washington. Under standard sentencing guidelines, a first degree offense carries a maximum punishment of 14 years in prison; in the second degree, the maximum sentence is nine years. Such factors as the age of the victim and whether the victim was kidnapped or killed are considered in determining the severity of the charge. Victims of trafficking also may sue for damages and for the cost of bringing the suit; a civil fine of up to \$250,000 may also be levied by the court. **Effective Date:** July 27, 2003.

#### **Statewide Interagency Task Forces on Human Trafficking**

State task forces have been established by statute in **Colorado, Connecticut, and Washington.** **Idaho** passed a resolution to authorize the creation of a legislative committee to study human trafficking in that state. **Minnesota's** Commissioner of Public Safety is required by statute to conduct an annual trafficking study and submit a report of the findings to the legislature.

**California** took a different approach. In 2004, at the request of Assemblywoman Sally Lieber, Assembly Speaker Fabian Nunez created the **Select Committee on Human Trafficking in California**, which held informational hearings in the state that were co-sponsored by the California Commission on the Status of Women, the California Women's Law Center, and the California Women's Legislative Caucus.

In addition, advocacy efforts are underway in several states – led by state women's organizations, violence against women programs and providers, and anti-trafficking groups – to study the nature and extent of trafficking in the state and make policy recommendations.

**Colorado: HB 1143** creates an interagency task force on trafficking in persons to: collect and organize data on the nature and extent of trafficking in the state; investigate collaborative models for protecting victims; measure and evaluate the progress of the state in preventing trafficking, protecting victims, and prosecuting traffickers; identify available federal, state, and local programs that provide services to victims; evaluate approaches to increase public awareness of trafficking; analyze existing criminal statutes for their adequacy in addressing trafficking and make recommendations; and, consult with governmental and non-governmental organizations in developing recommendations. The task force is required to report its findings and recommendations to the Judiciary Committees of the House and Senate by January 15, 2007. **Effective Date:** April 5, 2005.

**Connecticut: HB 5358** establishes an interagency task force on trafficking in persons to: collect data on the nature of trafficking in the state and evaluate the state's progress on trafficking; identify available federal, state, and local programs that provide services to trafficking victims; evaluate approaches to increase public awareness of trafficking; analyze and make recommendations regarding existing state criminal statutes' ability to address trafficking; and, make recommendations on preventing trafficking, assisting victims, and prosecuting traffickers. The task force is required to report its findings and recommendations to the General Assembly by January 1, 2006. **Effective Date:** October 1, 2004.

**Idaho: HCR 18** authorizes the Legislative Council to appoint a legislative committee to complete a study on human trafficking. The co-chairs of the committee will appoint non-legislative members of the committee. The committee shall: collect data and present findings on the nature and extent of human trafficking in Idaho; identify available federal, state and local programs that provide services to victims; analyze and make recommendations regarding the ability of existing criminal statutes to address trafficking; and, make recommendations regarding the prevention of trafficking, the prosecution of offenses, and victim assistance. The committee is required to report its findings and recommendations to the Legislature, the Governor, and the Idaho Supreme Court by January 1, 2006. **Adopted:** April 1, 2005.

**Minnesota: HB 1** appropriates money for an annual statewide human trafficking assessment, which will be led by the Commissioner of the Department of Public Safety with the assistance of government agencies and nongovernmental organizations. The study will include: the numbers of arrests, prosecutions, and successful convictions of traffickers; statistics on the number of trafficking victims, including demographics, method of recruitment, and method of discovery; trafficking routes and patterns; method of transportation; and, social factors that contribute to and foster trafficking, especially trafficking of women and children. The Commissioner must submit the first report to the Legislature by September 1, 2006. **Effective Date:** July 1, 2005.

**Washington: HB 2381** created the *Washington State Task Force Against the Trafficking of Persons* in 2002 to: measure and evaluate the progress of the state in trafficking prevention activities; identify available federal, state, and local programs that provide services to victims of

trafficking; and, make recommendations on methods to provide a coordinated system of support and assistance to victims of trafficking. **Effective Date:** June 13, 2002. The *Task Force* expired on March 1, 2003 but was extended until June 30, 2004 (**HB 1090**). **Effective Date:** May 14, 2003.

**HR 4707** recognizes and honors the Office of Crime Victims Advocacy and the *Washington State Task Force Against the Trafficking of Persons* for its accomplishments in leading the country in taking action against human trafficking. **Adopted:** March 4, 2004.

**International Marriage Brokers/International Matchmaking Organizations (IMOs)  
Regulation of "Bride Trafficking" by Commercial Enterprises**

Legislatures in **Hawaii, Missouri, Texas, and Washington** have passed laws to regulate "international matchmaking organizations" (IMOs) that operate in the state.

**Hawaii:** **HB 135** allows persons living abroad who use for-profit matchmaking services to gain access to criminal conviction and marital history information from prospective spouses residing in the United States ("clients"). Each IMO must notify all foreign women ("recruits") in their native language that criminal history records and marital history information about any Hawaii resident is available upon request. The IMO also must disseminate this information upon request in the recruit's native language and refrain from providing any further services that facilitate interaction between the recruit and the client until the information has been submitted to the IMO. The punishment for a violation of the law is a fine of up to \$500 and up to 30 days imprisonment. **Effective Date:** January 1, 2004.

**Missouri:** **HB 353** requires IMOs to notify each potential recruit that the criminal history information and marital history information of clients are available, upon request, in the recruit's own language. Basic rights information -- including information about human rights, immigration, emergency assistance and resources, and the legal rights of and resources for victims of domestic violence -- also must be made available to recruits. The IMO must distribute this information no later than 30 days after receiving it, and IMOs that fail to provide the information or willfully provide incomplete or false information are guilty of a class D felony. **Effective Date:** August 28, 2005.

**Texas:** **HB 177** requires IMOs to provide each foreign recruit with the criminal history record information and marital history information of the IMO's clients and with basic rights information in the recruit's native language. The IMO must disseminate this information no later than the 30<sup>th</sup> day after the date it receives the information from the client and must pay the costs incurred to translate this information into the recruit's native language. The IMO may not provide any further services to the client or recruit until it has obtained the requested information from the client and provided it to the recruit. An IMO that violates the law is subject to a civil penalty not to exceed \$20,000 for each violation. **Effective Date:** September 1, 2003.

**Washington:** **SB 6412** requires IMOs to provide information to foreign women, upon request, on state background checks and personal histories of Washington residents seeking to meet foreign women (potential recruits). The IMO must notify all potential recruits that background check and personal history information is available upon request. Once the resident

is notified of the recruit's request for background information, the IMO must refrain from providing any further services that facilitate future interaction between the recruit and the resident until the IMO has obtained the requested information from the resident. **Effective Date:** September 1, 2002. The language of the bill was slightly amended in 2003 (HB 1826).  
**Effective Date:** July 27, 2003.

### **Sex Tourism**

**Hawaii:** HB 2020 makes it a class C felony to knowingly sell or offer to sell travel services that include or facilitate travel for the purpose of engaging in prostitution. It authorizes the suspension or revocation of travel agency registration for engaging in these acts. The bill emphasizes that prostitution and sex tourism contribute to the trafficking of persons, and seeks to discourage sex tourism as a way to reduce the demand for sex trafficking. **Effective Date:** May 19, 2004.

### **Sponsors**

#### **Criminalization Statutes**

##### **Arizona**

**SB 1372 Sponsors:** Senators Jarrett, Aguirre, Bee, Blendu, Gould, L. Gray, Huppenthal, Johnson, R. Miranda, Waring, Arzberger, Brotherton, R. Burns, Chevront, J. Garcia, Hellon, R. Rios, Soltero, Verschoor; Representatives Anderson, Nelson, Paton, Pearce, Pierce, Burges, C. Gray, Lopes, McClure, P. Rios, Robson.

**Related bill HB 2539 Sponsors:** Representatives Paton, Alvarez, J. Burns, Farnsworth, Lopez, McClure, Pearce, Rosati, Biggs, Gallardo, Hershberger, Meza, Pierce, Sinema, Tully; Senator Bee.

**Related bill SB 1357 Sponsors:** Senators Bee, Jarrett, Waring, Harper, Tibshraeny, Verschoor; Representative Paton.

**Related bill HB 2657 Sponsors:** Representatives Gallardo, L. Lopez, Lujan, Sinema, A. Aguirre, Alvarez, Bedford, Chase, Downing, M. Garcia, Davis, Meza, Reagan.

**Related bill HB 2708 Sponsors:** Representatives Sinema, A. Aguirre, Chase, Alvarez, Bradley, Gallardo, M. Garcia, Kirkpatrick, Lujan, Meza, Tom.

##### **Arkansas**

**HB 2979 Sponsor:** Representative Elliott.

##### **Florida**

**SB 1962 Sponsors:** Senators Wasserman Schultz, Smith, Aronberg, Haridopolos. Related bill

**HB 865 Sponsors:** Representatives Gannon, Brandenburg, Bullard, Fiorentino, A. Gibson, Harrell, Hasner, Holloway, Joyner, Kravitz, Stargel, Zapata.

**Related bill HB 1977 Sponsors:** Representatives Barreiro, Bucher, Fiorentino, Gannon, Joyner, Kallinger, Kottkamp, Rich, Roberson, Sobel.

##### **Illinois**

**HB 1469 Sponsors:** Representatives Chavez, Bailey, Soto, Mendoza, Gordon, Delgado, Berrios, Jefferson, Churchill, Daniels, Saviano, McAuliffe, Sullivan Jr., Stephens, Rose, Myers, Lang, D'Amico, Giles, Davis, Flowers, Mautino, Reis, Mitchell, Poe, Brauer, Leitch, Bost, Winters, Tenhouse, Pihos, Krause, Burke, Osterman, Franks, Younge, Granberg, Kelly, Reitz, Molaro,

Schock, Smith, Beiser, McGuire, Verschoore, Ryg, Munson, Bellock, Mulligan, Washington, Hamos, Nekritz, Acevedo, Howard, Patterson, Lyons, Bradley, Colvin, Jakobsson, May, Dunkin, Graham, Froehlich, Moffitt, Millner, Lyons, Fritchey, Miller, Rita, Turner, Coulson, Pritchard, Mathias, Meyer; Senators Cullerton, Collins, Martinez, Haine, Althoff.

Related bill **SB 477 Sponsors:** Senators Cullerton, Haine, Dillard, Raoul, Sandoval, Harmon, Collins; Representatives Mathias, Froehlich, Chavez, Bailey, Delgado, Franks, LaVia, Soto.

#### **Kansas**

**SB 72 Sponsor:** Senator Journey. **SB 151 (amendment to SB 72) Sponsor:** Senator Jordan.

Related bill **HB 2004 Sponsor:** Representative Ju. Morrison.

#### **Louisiana**

**HB 56 Sponsors:** Representatives Katz, Doerge, St. Germain, Winston, Scalise, Alexander, Badon, Baldone, Barrow, Baudoin, Bruce, Burns, Cravins, Curtis, Dartez, Dorsey, Dove, Downs, Dr. rand, Erdey, Fannin, Farrar, Frith, Gallot, Glover, Greene, Hammett, Hebert, Hill, Hunter, Hutter, Jackson, Jefferson, Johns, Kennard, Kenney, LaBruzzo, LaFonta, Lancaster, McDonald, Montgomery, Morrell, Morrish, Pierre, Pitre, M. Powell, T. Powell, Quezaire, Schneider, Smiley, G. Smith, Strain, Thompson, Townsend, Trahan, Tucker, Waddell, Walker, Walsworth, White, Wooton.

Senator Broome filed the motion to vote on the House bill in the Senate.

#### **Minnesota**

**HB 1 Sponsors:** Representatives Smith, Zellers, Meslow, Gazelka, Brod, Lesch, Severson, Cybart, Peppin, Emmer, Gunther, Ruth, Penas, Abeler, Paulsen, Beard, Holberg, P. Nelson, Hoppe, Finstad, Bradley, Erickson, Dill, Kohls, Demmer, Sykora, Tingelstad, Lanning, Wilkin, Samuelson, J. Johnson, Magnus, Simpson, Garofalo, Cornish. Companion bill **SB 609 Sponsors:** Senators Ranum, Kleis, Fischbach, Reiter, Ruud.

**SB 1689 (amendment to HB 1) Sponsors:** Senators Pappas, Foley, McGinn, Ranum, Limmer.

Companion bill **HB 1760 Sponsors:** Representatives Tingelstad, Knoblach, Clark, Thao, Smith, Murphy, Loeffler, Abeler, Gunther, Mariani, Ellison, Holberg, R. Johnson, Walker, Hornstein, Larson, Dorman, Soderstrom, Meslow, Brod, McNamara, Moe, Liebling, Kahn, Greiling.

#### **Missouri**

**HB 1487 Sponsor:** Representative Tom Self.

**SB 1210 (amendment to HB 1487) Sponsors:** Senators Bray, Bland, Champion, Coleman, Days, Steelman, Yeckel.

#### **New Jersey**

**AB 2730 Sponsors:** Assemblymembers Stender, Cohen, Chivukula, Greenstein, Green, Diegnan, Mayer, Eagler, Conners, Payne, Gusciora.

Related bill **SB 1848 Sponsors:** Senators Gill, Inverso, Lance, Kyrillos, Kean, Connors, Allen, Turner. Related bill **AB 3213 Sponsor:** Assemblymember Baroni. Related bill **SB 1877**

**Sponsors:** Senators Inverso, Lance, Kyrillos, Kean, Connors.

#### **Texas**

**HB 2096 Sponsors:** Representatives Pickett, Lucio. **HB 869** (amendment to **HB 2096**)

**Sponsors:** Representatives Burnam, Peña, Wohlgemuth, Keel, Riddle, Chavez, Christian, Guillen, Hupp, Madden, Menendez, Seaman, Telford, Truitt, Wong.

**Companion bill SB 1953 Sponsors:** Senators Van de Putte, Armbrister, Averitt, Barrientos, Bivins, Brimer, Carona, Deuell, Duncan, R. Ellis, Estes, Fraser, Gallegos, Harris, Hinojosa, Jackson, Janek, Lindsay, Lucio, Madla, Nelson, Ogden, Ratliff, Shapiro, Shapleigh, Staples, Wentworth, West, Whitmire, Williams, Zaffirini.

#### **Washington**

**HB 1175 Sponsors:** Representatives Veloria, Roach, O'Brien, Conway, Clements, Lantz, Linville, Moeller, Delvin, Benson, Darneille, Kenney, Kessler, Simpson, Chase, McMahan, Upthegrove.

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##### **Sex Tourism**

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**Fact Sheet  
on  
Federal Prosecutions of Trafficking Cases in the United States  
from  
National Institute on State Policy on Trafficking of Women and Girls  
A Program of the  
Center for Women Policy Studies  
July 2005**

**Selected Cases**

Although most of what we read and hear concerns the horrors of trafficking of women and girls in other countries, the United States is a major “destination” country for traffickers and so we too are obligated to respond to this most appalling violation of women’s and girls’ basic human rights. Though the Center’s focus is on women and girls, it is important to note that men and boys also are trafficked into our country.

When our constituents doubt that “this could happen here,” we describe several federal cases, both large and small, that reflect the reality of trafficking in persons in the United States.

In 2000, Congress passed and the President signed into law the *Trafficking Victims Protection Act of 2000 (TVPA)*, making human trafficking a federal crime. Congress reauthorized *TVPA* in 2003 as the *Trafficking Victims Protection Reauthorization Act of 2003 (TVPRA)* and expanded its provisions. According to the State Department’s June 2005 *Trafficking in Persons Report*, the U.S. Department of Justice brought 60 cases under *TVPA* against 162 alleged perpetrators between fiscal years 2001 and 2004.

In 2003, Congress also passed and the President signed the *Prosecutorial Remedies and Other Tools to End the Exploitation of Children Today (PROTECT) Act of 2003*, which authorizes fines and/or imprisonment for United States citizens who travel abroad and engage in illicit sexual conduct. The following cases are representative of federal cases filed under *TVPA* and the *PROTECT Act*.

**Sex Trafficking**

- *United States v. Carreto (Convicted 4/5/05, E.D. New York)*

On April 5, 2005, Josue Flores Carreto, Gerardo Flores Carreto, and Daniel Perez Alonso pleaded guilty to 27 counts of an indictment that charged them with various crimes relating to their involvement with the Carreto family sex trafficking ring. They admitted that between 1991 and 2004 they recruited young women from Mexico,

smuggled them into the United States, and forced them into prostitution in brothels in the New York City area. The defendants also repeatedly physically and emotionally abused the women. They each face a maximum sentence of life imprisonment and a fine of \$250,000 for each count. Three other co-defendants pleaded guilty to charges related to the trafficking ring during earlier proceedings and two are being held in prison in Mexico on Mexican federal charges; they also face extradition to the United States to stand trial on US federal charges.

- ***United States v. Rojas* (Indicted 1/28/04, Convicted 4/2004 & 8/27/04, Sentenced 11/23/04, N.D. Georgia)**

Juan, Jose, and Raul Reyes Rojas were indicted January 28, 2004 on numerous charges including conspiracy, sex trafficking, importing and harboring aliens for the purpose of prostitution, alien smuggling, and interstate transportation of illegal aliens. They lured women from Mexico to the United States with promises of legitimate employment and long-term relationships. Once the victims, at least one of whom was a minor, reached the Atlanta area, the defendants forced them to have sex with numerous men every night through the use of physical violence, threats, and psychological coercion. Both Jose and Juan Rojas pleaded guilty; Jose was sentenced to almost five years (57 months) in prison and three years supervised release and Juan was sentenced to almost six years (71 months) in prison and three years supervised release. Raul remains a fugitive.

- ***United States v. Jimenez-Calderon* (Indicted 9/26/02, Sentenced 8/7/03 & 5/4/04, D. New Jersey)**

On August 7, 2003, Librada and Antonia Jimenez-Calderon were sentenced to over 17½ years (210 months) in prison for conspiracy and sex trafficking. In May 2004, they also were ordered to pay a total of \$135,240 to four of their victims. The two women pled guilty to luring young Mexican girls, between the ages of 14 and 18, to the United States with promises of legitimate jobs. Upon arriving in Plainfield, New Jersey, however, the girls were confined to a brothel and forced to submit to acts of prostitution six to eight times each day for \$35 per act. They were not allowed to leave the house or speak to each other and were subjected to threats of harm, force, and psychological coercion. Their accomplices – Sergio Farfan, Angel Ruiz, Pedro Garcia Burgos, and Maritzana Diaz Lopez – were charged with various crimes, including obstruction of justice and sex trafficking. Librada and Antonia Jimenez-Calderon's two brothers, Delfino and Luis Jimenez-Calderon, are still at large and considered fugitives.

### **Labor Trafficking**

- ***United States v. Lee* (Convicted 2/21/03, Sentenced 6/23/05, D. Hawaii)**

In the largest human trafficking case prosecuted through June 2005, Kil Soo Lee, owner of a garment factory in American Samoa, was found guilty of involuntary servitude, extortion and money laundering. From March 1999 through November 2000, Lee and other factory managers recruited over 200 workers from China and Vietnam who were willing to pay fees to gain employment in Lee's factory. Once in American Samoa, however, the victims were threatened with arrests, deportations, food deprivation and beatings in order to force them to work. The defendants also confined the trafficked individuals to a fenced-in compound. Lee was the third and final person convicted in connection with this case and was sentenced to 40 years in prison. In 2002, a manager and garment worker at the factory pleaded guilty to

trafficking and were sentenced to nearly 6 years (70 months) and more than 4 years (51 months) in prison, respectively.

- ***United States v. Alamin and Akhter* (Indicted 11/16/00, Sentenced 5/14/01 & 4/16/01, C.D. California)**

A husband and wife – Nur Alamin and Rabiya Akhter – brought a young woman from Bangladesh to the United States to be their housekeeper and nanny. They repeatedly beat and threatened her. Akhter was sentenced to more than one year (16 months) in prison after pleading guilty to an immigration violation. Alamin was convicted of involuntary servitude and sentenced to more than 11 years (135 months) in prison. In addition, both offenders were ordered to pay the victim \$125,819 in restitution.

- ***United States v. Blackwell and Blackwell* (Convicted 6/9/03, D. Maryland)**

Barbara Coleman-Blackwell and Kenneth Blackwell were convicted of smuggling a woman from Ghana to the United States, and forcing her to work as a domestic servant and nanny, with little or no pay. In order to keep her in this position, the defendants hid her passport and threatened her with deportation and imprisonment. Barbara Coleman-Blackwell was sentenced to more than four years (63 months) of incarceration and Kenneth Blackwell to supervised release for three years. Grace Coleman, Coleman-Blackwell's mother, who is a member of the Ghanaian Parliament, faces similar charges and extradition to the United States for aiding the Blackwells.

#### **Sexual Violence in the Context of Labor Trafficking**

- ***United States v. Udeozor* (Indicted 11/12/03, Convicted 11/18/04, D. Maryland)**

On November 12, 2003, a **Germantown, Maryland** couple -- Adaobi Stella Udeozor and George Chidebe Udeozor – were indicted on counts of conspiracy, involuntary servitude, and harboring an alien for financial gain. From September 1996 to October 2001, the couple held a 14-year-old Nigerian girl in involuntary servitude, forcing her to work for little or no pay, and also physically and sexually assaulting her. The indictment alleged that the couple had promised the girl that she would be paid and allowed to attend school. Both defendants face maximum penalties of 20 years imprisonment, a three year term of supervised release and a \$250,000 fine. As of November 19, 2004, George Udeozor was a fugitive in Nigeria and Adaobi Udeozor had been convicted of conspiracy and harboring an alien for financial gain.

- ***United States v. Soto-Huarta* (Indicted 07/31/03, Sentenced 1/29/04 & 1/30/04, S.D. Texas)**

Seven men were sentenced to a combined 51 years in prison on trafficking and forced servitude crimes. Juan Carlos Soto, the ringleader, was sentenced to 23 years in prison – the longest sentence ever handed out under *TVPA* as of that date. Arrested in March and April 2003, the men trafficked four women from Guatemala, Honduras, and El Salvador, who had agreed to pay \$5000 to be smuggled into the United States. Once they arrived here, however, the women were confined in “safe houses,” where they were forced to cook, clean, and do housework without pay. In addition, they were repeatedly raped by the defendants, who were charged and convicted on federal civil rights violations, extortion, hostage-taking, immigration offenses, involuntary servitude, and human trafficking.

- ***United States v. Tecum* (Sentenced 2/01, D. Florida)**

Jose Tecum is currently serving a nine year prison sentence for trafficking a Guatemalan teenager into South Florida, through Mexico and Arizona, where he forced her to perform manual farm labor during the day and sexual acts for him at night. Tecum raped and kidnapped this young woman, then smuggled her into the United States, where he held her in servitude through sexual violence, psychological coercion, cultural isolation, and financial dependence. He was convicted of kidnapping, immigration violations, slavery, and conspiracy to manufacture false documents. This woman was one of the first human trafficking victims granted a T-visa under *TVPA*.

#### **Sex Tourism**

- ***United States v. Clark* (Convicted 3/17/04, Sentenced 6/25/04, W.D. Washington)**

Michael Lewis Clark was sentenced to nearly 11 years (97 months) in prison and five years of supervised release after pleading guilty to two counts of engaging in and attempting to engage in illicit sexual conduct in foreign places. In 2003, Clark traveled to Cambodia and engaged in illegal sexual conduct with two boys, aged 10 and 13. Clark was charged and sentenced under a provision of the *PROTECT Act*.

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