Chapter 12

Regulatory and Policy Compliance with Regard to Identity Theft Prevention, Detection, and Response

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ABSTRACT

The proliferation of the Internet has intensified the identity theft crisis. Recent surveys indicate staggering losses amounting to almost $50 billion incurred due to almost 9 million cases of identity theft losses. These startling and apparently persistent statistics have prompted the United States and other foreign governments to initiate strategic plans and to enact several regulations in order to curb the crisis. This chapter surveys national and international laws pertaining to identity theft. Further, it discusses regulatory and policy compliance in the field of information security as it relates to identity theft prevention, detection, and response policies or procedures. In order to comply with recently enacted security-focused legislations and to protect the private information of customers or other third-party members, it is important that institutions of all types establish appropriate policies and procedures for dealing with sensitive information.

INTRODUCTION

This chapter discusses regulatory and policy compliance in the field of information security as it relates to identity theft prevention, detection, and response policies or procedures. In order to comply with recently enacted security-focused legislations and to protect the private information of customers or other third-party members, it is important that institutions of all types establish appropriate policies and procedures for dealing with sensitive information. Listed here are certain laws which must be considered when developing identity theft related policies; guidelines for creating, implementing, and enforcing such policies are also cited.

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BACKGROUND

Identity theft is a threat that has confounded society since the biblical times. The ubiquity of the Internet and the convenience of electronic transactions have exacerbated the threat and made it even much easier to execute. Recent surveys indicate staggering losses amounting to almost $50 billion incurred due to almost 9 million cases of identity theft losses. A snapshot of several alarming statistics, which are gathered from the Open Security Foundation's DataLossDB (DataLossDB, 2011), pertinent to identity theft is shown in Figures 1 and 2. Figure 1 depicts the frequency of ID theft occurrences each year. As of February, 2011, there are already 10 incidents that involved ID theft.

Figure 2 shows the Personal Identifiable Information (PII) data loss categorized by data type in 2010. The data types are Date of Birth (DOB), Credit Card Number (CCN), Medical/Health information (MED), Social Security Number (SSN), Name and Address (NAA), and other miscellaneous information (MISC).

These startling statistics and their perceived persistent nature have prompted the federal government to initiate a strategic plan and several regulations to curb the crisis. We begin with the definition of important concepts pertaining to regulatory compliance and identity theft.

Figure 1. Annual ID theft incidents

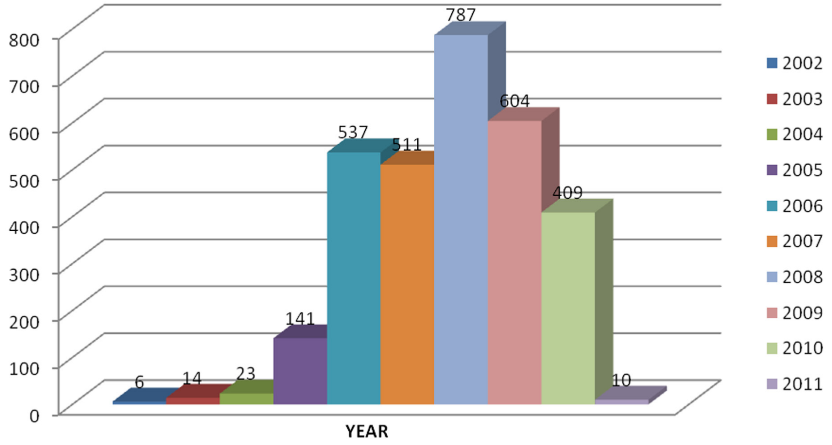
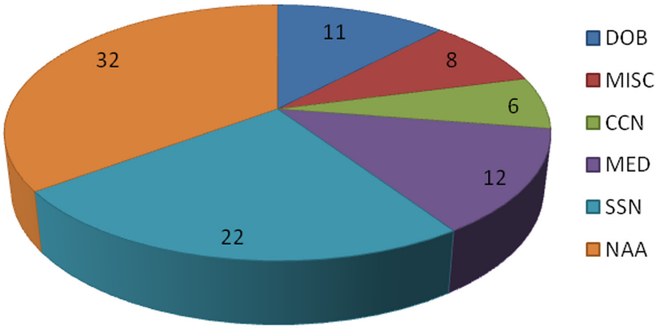


Figure 2. Personal identifiable information data loss by type in 2010


DOB
MISC
CCN
MED
SSN
NAA