

STATEMENT OF THE HONORABLE WM. LACY CLAY
Before
The Subcommittee on Financial Institutions and Consumer Credit
“Financial Data Protection Act of 2005”
November 9, 2005

Good morning Chairman Bacchus, Ranking Member Kanjorski, Member of the Committee and Witnesses. I thank you Mr. Chairman for bringing this important legislation before the committee.

We have a crisis with security breaches of personal/financial data of American consumers. We have had corporate data security breaches that have compromised the financial security of over fifty million consumers. And this is a conservative estimate as there have been many breaches unreported. This is a national problem that must be addressed and safeguards put in place post haste to combat this growing cancer in our economy. Identity theft is an issue that adversely affects all of the population; that includes members of my staff in recent months.

I consider all data security breaches to be harmful. There is not a requirement on data thieves that they use the stolen information in a set period of time. Let us hope that the future does do reveal use of various stolen data that has not manifested as of yet.

I applaud the financial industry for the timelier reporting of these breaches over the last few months. It still is not quite what I would like to see or what is needed, but is a big step in the right direction.

I support H.R. 3997 and am confident that we can perfect this legislation and get it through to the Senate in a short time.

I yield back the balance of my time and look forward to the questioning of the witnesses.