

October 5, 2018

Tami,

In response to your prior email to John Bratsakis, please see below.

1. harsher penalties.
 - a. not necessarily “harsher penalties,” we want more overall accountability. See 2 and 3.

2. Subject members of the marketplace to the same stringent data security standards.
 - a. All members of the marketplace must be subject to strict data security standards. Financial institutions have been subject to stringent data security standards since the enactment of the Gramm-Leach-Bliley Act in 1999 and similar standards should be applied through all members of the market place. Industries that are not regulated and inspected as often as the financial sector and considered “soft” targets and are vulnerable. This is a parity issue that must be addressed to protect consumers.

3. Cost of data breaches borne by the responsible entity.
 - a. The costs of a data breach should ultimately be borne by the entity that is responsible for the breach. As is often the case, financial institutions bear the majority of the costs to make consumers whole, even though they are not responsible for the breach. Since Credit Unions are 100% owned and funded by our members, any costs that we have to cover to make our members whole are borne by the members themselves.

As to number 2, we had a chance to speak to Rich Trumka and review the 14-3504 recommendations that the AG’s Office will be submitting and we are in agreement with them. We are still contemplating appropriate language for a cost sharing provision but will have that to you as soon as possible.

Thanks,

Rory

Rory D. Murray, JD

Director of Advocacy

8975 Guilford Road, Suite 190, Columbia, MD 21046

☎ 443-325-0775

☎ 800-492-4206 ext. 105 | ☎ 410-290-7832 | mddcua.org

