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Auditor Edelen, State Reps. Denny Butler, Santoro Outline Bill to Enhance Cyber Security Measures

FRANKFORT, Ky. (Jan. 14, 2014) – Auditor Adam Edelen and state Reps. Denny Butler and Sal Santoro on Tuesday unveiled legislation that would require state and local government agencies to notify citizens if their personal information is breached.

House Bill 5 has broad, bipartisan support with more than 60 co-sponsors in the House.

“Simply put: If government loses your private information, you have the right to know,” Auditor Edelen said. “From Social Security numbers to tax returns, health records to credit card numbers, government possesses an enormous amount of sensitive, private information.”

House Bill 5 requires state and local government agencies to notify individuals affected by a data breach within 35 days of the incident. Notification must be provided on the agency’s website and to the media and individuals affected must be notified by phone, mail or email.

Appropriate law enforcement, regulatory agencies and the Auditor’s office must be notified within 24 hours. If a breach affects more than 1,000 individuals, the Finance Cabinet and national consumer reporting agencies must be notified.

“As a former law enforcement officer, I can attest to the importance of this legislation,” state Rep. Denny Butler, D-Louisville, said. “This information is critical to law enforcement’s ability to investigate identity theft and cyber crime.”

Kentucky is one of four states that don’t have a law requiring government to notify citizens of a breach. California enacted similar legislation 12 years ago.

“With news reports of data breaches happening almost daily, we can’t afford not to do this,” state Rep. Sal Santoro, R-Burlington, said.

Kentuckians are urged to show their support for the bill by signing a petition at www.housebill5.com and contacting their legislators.

The bill also contains provisions to strengthen cyber security protections. It would require agencies to encrypt personal information and calls on the Commonwealth Office of Technology to establish cyber security training for agencies.

Failure to encrypt data resulted in a massive breach in 2012 in South Carolina, where 3.3 million bank account numbers, 3.8 million Social Security numbers and sensitive information on 700,000 businesses were compromised. The breach cost the state more than \$12 million.

Smaller cyber breach incidents have occurred in Kentucky. In 2012, a state agency unintentionally posted Social Security numbers and other sensitive information on its publicly-accessible website for two days.

The Auditor's office looks for deficiencies relating to cyber security when it conducts its state and local government audits and makes recommendations for strengthening IT systems.

An audit of the Kentucky Retirement Systems last year, for example, found that former employees still had access to software systems containing sensitive, confidential information.

"I am not only the taxpayer watchdog but also the cyber watchdog," Auditor Edelen said. "My office is keeping a close eye on government agencies, making sure they are taking adequate steps to protect citizens' data."

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