THE CENTER FOR ADVANCED STUDIES IN SCIENCE AND TECHNOLOGY POLICY

SCIENCE AND TECHNOLOGY: IDENTITY THEFT: POLICY IMPLICATIONS

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Overview

- Privacy = Identity Theft

- Current remediation efforts are doomed to failure

  - Data security is not a solution

  - Breach notification is not a solution

  - Federal preemption is a mistake and is not necessary

- A new model: Identity Registrar

  - Eliminates Identity Theft

  - Protects Privacy

Introduction

- What is identity?
  - Who I say I am
  - Who you say I am
  - Who others say I am
- For our purposes:
  - Identity is a set of claims for counterparty use
  - Reputation is the authentication of those claims
- The "privacy" problem, who "owns" PII?
  - Subject "owns" identity (rivalrous)
  - Counterparties "owns" reputation (non-rivalrous)

Privacy (secrecy) = ID Theft

- Use of identifiers as authenticators

  - SSNs, DOBs, MMN, etc.

- System is based on wide-spread sharing of "semi-secrets"

  - But "secret" is a one-way street (info wants to be free)

  - Demise of practical obscurity - ubiquitous, persistent and proximate

- ID theft is claims/risk business process problem not a privacy problem (default=permit to default=deny, makes ID valuable)

- Thus, trying to enforce secrecy of PII increases ID theft

Remediation - Data Security

- There is need for data security

    - Encryption for data

    - Best practices for systems

    - Liability vs. regulation

- But data security is not ID-theft solution

    - Trying to enforce "secrecy" of "shared secrets"

    - Secrecy is brittle and not recoverable

    - Focus on data security exacerbates the problem

        - Creates greater "theft value"

        - False sense of security ~ complacency

Remediation - Notice

- Notice as choice

  - Prior to disclosure - notice is actionable (FIPs)

  - After breach - ??? (externality problem)

- Practical problems/effects

  - What trigger (define and decide)

  - What risk (data breach/stolen laptop ~ ID theft)

  - Notice overload

  - Proven ineffective

Remediation - preemption

- Preemption = lock in

  - Of existing business models

  - Of existing market participants

  - LCD vs best practices

  - Precludes innovation and experimentation

  - Undermines Federalism

- Preemption is unnecessary

  - Based on outmoded mfg./product compliance model

  - Technical solution - rules-based processing - is not only possible …
    but needed through-out IS (jump-start market)

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Identity Registrar
eliminates identity theft and protects privacy

- Identity Registrar
  - Voluntary system, accommodates all existing business models
  - Create an authoritative site/system (DNS) (FTC, ICAAN, ?)
  - Make your name, SSN, and certain protected contact information publicly available
    - Designate your claims - point to Identity Broker
    - Subject gains authoritative control over identity
  - Service providers (credit issuers, etc.) who use the system retain their current exemption from legal liability for misidentification
    - Additional source not exclusive source (more information is good)
    - Counterparty retains control over reputation assessment
  - Service providers who did not use the system would be liable for misidentification (defamation, invasion of privacy, negligence)

Identity registrar (cont.)

- Identity Broker would be authorized repository for authentication and could offer varying levels of service

  - Verification services

- Multiple identities for specific purposes. Brokers could be employers, unions, banks, data aggregators, etc.

- Controlled contact (cut-out, filter) (verified counterparty, call back, etc.)

- Subject (~ind) designated verification (and disclosure) process

  - Fraud alert, file freeze, opt out/opt in, extensible/scalable/auto

- Minimal required legislation

Conclusions

The solution to ID Theft is
business process change

What is needed is a technologically-enabled
information society paradigm to replace the paper-
dependant manufacturing model in use