

# A Moment of Privacy

A newsletter brought to you by the Privacy and Data Security Practice Group at Proskauer Rose

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Edited by

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Welcome to “A Moment of Privacy,” a newsletter brought to you by the Privacy and Data Security Practice Group at Proskauer Rose LLP.

“A Moment of Privacy” addresses one legal development each month in the area of privacy and data security law. We answer the questions our clients are asking, in a way that we hope gives practical information to our readers. If you send us your question, you may find your answer in an upcoming newsletter.

## And now for this month's question:

Q: I know that a host of state laws require that my company take measures to protect the confidentiality of the Social Security Numbers that it possesses regarding employees and consumers. But I hear that Connecticut's new law, “[AN ACT CONCERNING THE CONFIDENTIALITY OF SOCIAL SECURITY NUMBERS](#),” requires more. Is that true?

A: Yes, but Connecticut is at least the third state to do so (after [Michigan](#) and [Texas](#)). In addition to the requirements that have become common among state laws (e.g., requirements to safeguard SSNs and to dispose of them in a secure fashion), Connecticut's new law also requires that companies create, and publish to the public, a policy that protects the confidentiality of SSNs, prohibits their unlawful disclosure, and limits access to them. According to the Act, one way that the policy may be published is by posting it on an Internet Web page.

A company that intentionally violates Connecticut's new law is subject to a civil penalty of \$500 per violation, not to exceed \$500,000 for any single event. In addition, if a company publishes a policy and then does not comply with it, the company could be subject to an action by the Federal Trade Commission, a state attorney general, or even an individual or class of individuals, for deceptive trade practices and/or consumer protection violations.

Many states have Social Security Number protection laws that require companies to take measures to protect the Social Security Numbers that they possess in the course of their business. For example, many states prohibit companies from including full Social Security Numbers in mailings and from transmitting Social Security Numbers, unencrypted, over a

public network (such as via unencrypted e-mail). Increasingly more states are adopting Social Security Number protection laws at a rapid pace.

All companies should have Social Security Number protection policies that are designed to bring about compliance with these laws and the protection of Social Security Numbers from compromise. In the few states where these policies are required to be published, companies must do so, and should appreciate the additional legal exposure that goes along with publishing its policy to the world. In many cases (as in the case of Web site privacy policies), published policies are legally construed as enforceable commitments as to the company's practices.

Connecticut's Act becomes effective on October 1, 2008.

**Have a question? E-mail Kristen J. Mathews at [kmathews@proskauer.com](mailto:kmathews@proskauer.com).**

### Privacy and Data Security Practice

Our Privacy and Data Security Practice is an outgrowth of our Internet, intellectual property, technology media & communications, labor and employment, health law, First Amendment, international law and litigation practices. Indicative of our experience and reputation in this relatively new field of law is the fact that the venerable Practising Law Institute (PLI) asked our Firm to create its first-ever treatise on the subject of privacy and data security law, called "Proskauer on Privacy," which was published late in 2006.

This publication is a service to our clients and friends. It is designed only to give general information on the developments actually covered. It is not intended to be a comprehensive summary of recent developments in the law, treat exhaustively the subjects covered, provide legal advice, or render a legal opinion.

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