Non-Profits May Soon Face A Privacy Bill Like No Other

Amidst the recent privacy wave everyone's been riding, there's been new legislation proposed that nonprofit-organizations will want to take a look at. Titled <u>The Commercial Privacy Bill of Rights Act of 2011</u>, Congressmen (and women) are seeking to put in place information practice protections that provide consumers greater control over their personal information. Largely a response to the recent Epsilon email breach, and a paper delivered by the <u>Department of Commerce</u> last year, the bill seeks to incorporate many of the protections discussed in the DOC paper as well as some recommendations made in a FTC paper last year (all of which are thoroughly discussed by yours truly in my previous posts).

Who Does The Bill Cover?

The interesting thing about this bill is that it covers both online and offline activities. Essentially, anyone that, ". . . collects, uses, transfers, or maintains personal information concerning more than 5,000 individuals a year" would be covered. Which is interesting seeing as how most recent privacy recommendations have only addressed information exchanged over the internet. Even more interesting, non-profit organizations are specifically listed in the organizations covered (hint, hint). And for those that don't follow the law, proposed penalties would be from 16,500 to 3 million clams.

And small organizations, don't breathe a sigh of relief yet. That 5,000 individuals requirement includes employees (both present and former). But I'm curious as to whether that number includes past, current and future volunteers as well. And what of those individuals that sign up for news-letters and updates? It seems only natural that this bill would apply to them as well, and if so, that 5,000 could be reached even quicker. Currently, the definition of consumer is very loose so alot of these issues remain unresolved. But I wouldn't be surprised if it retains its broad application, allowing for more individuals to fall under its protection.

What Type of Personal Information is Included?

The bill covers all personally identifiable information. That means names, addresses, email addresses, telephone numbers, credit card numbers, birth date, geographic location, essentially any identifying information or other "unique, persistent identifier." Additionally, any information that may not have qualified as personally identifiable information (PII) automatically becomes PII when combined with PII. For example, any information sent to you in an email that contains PII could potentially become PII and subject to this bill. Yep.

What Will I Be Required To Do?

Amongst many things, those covered under this bill will be required to provide consumers information about their information collection/storage policies and provide these policies on some vehicle easily accessed by those from whom information may be collected. Logically, that means organizations will be required to enact some sort of practices for staff, volunteers, board members and any other agents to adhere to as well as some type of accountability policy for managerial staff. Organizations would also have to provide opt-in/opt-out options to consumers as well as monitor the use of PII by third party's. Opt-in regulations would be more stringent concerning health or religious affiliation information (both of which will definitely affect non-profit organizations).

Dear Lord, What Next?!!!!

Take a breath. Many states already have laws in place very similar to this. Moreover, its requirements are not much different than what is in the website Terms of Conditions for many non-profits, particularly those allowing for commercial transactions to take place. However, the fact that this bill applies both online and offline, its hefty fines, and the fact that it would supersede most state laws, shows that Congress is clearly trying to get a point across. Moreover, the collection of personal information has not really been enforced, particularly to this extent. But if its any consolation, there does seem to be a concerted effort in the bill to provide guidance and resources to smaller organizations.

The <u>Privacy and Information Security Law Blog</u>, and <u>Chronicle of Data Protection</u> have good discussions on the DOC paper last year. <u>The Wall Street Journal</u> has video of the press-conference and <u>Senator Kerry's</u> website has more information. The <u>Chronicle of Data Protection</u> also covers the bill pretty well.