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**Report to the  
NC General Assembly  
By the  
NC Department of Health and Human Services  
on  
Efforts to Reduce Incidences of Identity Theft  
As Required by G.S. 120-270**

**January 2012**

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## **THE IMPACT OF NC IDENTITY THEFT PROTECTION ACT REQUIREMENTS ON THE NC DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **I. Introduction**

Since 2005, NC General Statute 120-270 has required that all agencies of the state evaluate and report annually to the General Assembly about the agencies' efforts to reduce the dissemination of their personal identifying information, as defined in N.C.G.S. § 14-113.20(b). This evaluation is to include their review of public forms, use of random personal identification numbers, restriction of access to personal identifying information, and reduction of use of personal identifying information when it is not necessary. Special attention is to be given to their use, collection, and dissemination of social security numbers. If the state agency finds that its collection of a social security number is unwarranted, the agency is to immediately discontinue the collection of social security numbers for that purpose.

The North Carolina (NC) Department of Health and Human Services (DHHS) has taken the position that its divisions and offices should request an individual's personal identifying information only when required to do so by federal or state law, or at the very minimum, only as reasonably necessary for the proper administration of their legitimate business operations. Where the purpose of the personal identifying information can be satisfied by another personal unique identifier or removed altogether, DHHS divisions and offices are encouraged strongly to do so.

In order to determine how much the North Carolina Identity Theft Protection Act (NCITPA) requirements first impacted DHHS business operations, in 2005, DHHS evaluated its current usage, collection, legitimacy of usage/collection, and the transmission/storage of its personal identifying information. To ensure compliance with the annual legislative mandate indicated above, the DHHS Privacy and Security Office requires that DHHS divisions and offices update this information annually, to assess changes in the five areas mandated in N.C.G.S. § 120-270. These five areas include:

1. Public forms
2. Reduction of use of personal identifying information when not necessary
3. Use of random personal identification numbers (PINs)
4. Restriction of access to personal identifying information
5. Use, collection and dissemination of social security numbers (SSNs)



Since the General Assembly stipulated that agencies are required to evaluate and report about their efforts to reduce the dissemination of personal identifying information as defined in N.C.G.S. § 14-113.20(b), the scope of the evaluation centers on what is included within this definition. N.C.G.S. § 14-113.20(b) defines "identifying information" as:

1. Social security or employer taxpayer identification numbers
2. Driver's license, state identification card, or passport numbers
3. Checking or savings account numbers
4. Credit or debit card numbers
5. Personal Identification (PIN) Code (a numeric and/or alphabetical code assigned to the cardholder of a financial transaction card by the issuer to permit authorized electronic use of that FTC)
6. Electronic identification numbers, electronic mail names or addresses, Internet account numbers, or Internet identification names
7. Digital signatures
8. Any other numbers or information that can be used to access a person's financial resources
9. Biometric data
10. Fingerprints
11. Passwords
12. Parent's legal surname prior to marriage

## **II. 2011 DHHS Identity Theft Report**

DHHS has made progress in reducing the use/collection of personal identifying information, especially the SSN, in its forms and system applications. DHHS continues to revise its applicable forms, upgrade or retire legacy system applications, and implement additional privacy and security safeguards.

Below are examples of any achievements and/or corrective actions DHHS has made with regard to the five areas on which the General Assembly directed state agencies to report.

### **A. Reduction of Use When Not Necessary**

In order to reduce the use of personal identifying information when it is not necessary and to determine whether the use, collection or dissemination of SSNs is unwarranted, DHHS annually asks its divisions and offices two questions regarding their forms and system applications.

- Is the SSN or other personal identifying information being collected for legitimate purposes, or is the collection required by state or federal law; or
- Is the collection of the SSN authorized by law or imperative for the performance of the division's or office's duties?

In evaluating responses to these two questions, DHHS determines whether divisions and offices are collecting individuals' SSNs and other personal identifying information only when required to do so by federal or state law, or at the very minimum, for legitimate purposes.

## **B. Public Forms**

Most DHHS divisions and offices have either removed the SSN from their documents, decided to request only the last four digits of the SSN, if necessary, or have a legitimate business purpose for using the entire SSN. In 2011, DHHS divisions and offices took the following actions:

- Broughton Hospital, located within the Division of State Operated Healthcare Facilities, now only uses the last four digits of its employees' SSNs on their staff development training records.
- In August 2011, North Carolina Disability Determination Services, located within the Division of Vocational Rehabilitation Services, reviewed its letters and outgoing correspondence and removed personally identifiable information, except in cases when the Social Security Administration requires the entire SSN.

## **C. Use Of Random Personal Identification Numbers (PINs)**

DHHS divisions and offices have reduced the unnecessary use of SSNs as their clients' PIN for existing system applications or for those currently being upgraded or developed. The most efficient way to reduce the exposure of SSNs is to develop system applications which generate a random PIN for individuals. DHHS has made the following modifications to its system applications:

- Nothing new to report in this section



#### **D. Restriction Of Access**

DHHS restricts access to SSNs or other personal identifying information by eliminating their public display, controlling employees' access to SSNs, reducing their use and collection, and implementing security safeguards.

DHHS has implemented the following security safeguards to protect SSNs or other personal identifying information:

- The DHHS Office of the Controller currently utilizes the PayPoint Gateway process, a service offered to state agencies by the Office of the State Controller, to process credit card and debit card payments from debtors. PayPoint Gateway complies with the federal Payment Card Industry Data Security Standard (PCI DSS).
- Broughton Hospital has replaced its Human Resources and Payroll Access databases with a Visual Basic application and SQL database and has hidden employees' SSNs for everyone except the highest security level (HR staff).
- The Division of Information Resource Management staff identified and discarded health and personal data derived from the MAA Mental Health Cost Accounting system application that had been stored on tape files. This application now has about 90% less data stored at the Office of Information Technology Services.
- The Whitaker School, located within the Division of State Operated Healthcare Facilities, now has lockable shredder bins, which are used to discard confidential information.
- Cherry Hospital, located within the Division of State Operated Healthcare Facilities, designated which of its staff should have access to patient and staff SSNs.
- Cherry Hospital also reclassified and updated its user groups, users, and access level in the HEARTS (a.k.a. Affinity) system application.

#### **E. Use, Collection and Dissemination Of SSNs**

Because DHHS has increasingly reduced the SSN to the last four digits and migrated to random PINs in its system applications, DHHS' use, collection and dissemination of SSNs has significantly decreased. Where the collection of the SSN is authorized by law or is imperative for the performance of its duties as prescribed by law, DHHS requires that

divisions and offices clearly document the need for the collection, segregate the SSN so it can be easily redacted and prepare a "Statement of Purpose" that may be provided to clients should they inquire why the SSN is being collected.

- Nothing new to report in this section

#### **F. Projected Goals For 2012**

Each year DHHS sets goals for the upcoming year. In 2012, DHHS will focus on the following:

- Ensure all divisions and offices that collect SSNs have a "Statement of Purpose" document, which outlines why the SSN is being collected
- Review options for secure transmission of emails both within and outside the state network.

### **III. Conclusion**

DHHS will continue to evaluate its business operations to ensure compliance with NCITPA requirements and will report to the NC General Assembly annually about its efforts to reduce the dissemination of SSNs or other personal identifying information.