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ATTORNEY GENERAL MADIGAN APPLAUDS COMMITTEE PASSAGE OF BILL TO MAKE CREDIT FREEZES FREE TO CONSUMERS

Madigan Commends Senate Committee Vote to Prevent Consumer Reporting Agencies From Charging Credit Freeze Fees to Guard Against Identity Theft

Chicago — Attorney General Lisa Madigan today applauded the Senate’s Financial Institutions Committee for passing legislation to prohibit credit reporting agencies from charging fees for credit freezes.

Following the massive data breach at credit reporting agency Equifax, the Attorney General initiated House Bill 4095, sponsored by Sen. Bill Cunningham, to eliminate credit freeze fees in Illinois. Senators unanimously passed the legislation out of the committee earlier today. The full Senate will now consider the bill. Many states already ban or restrict these fees by the credit reporting agencies Equifax, Experian and TransUnion.

“The Equifax data breach impacted approximately half of all Americans, and the most effective way for people to prevent identity theft is to place a freeze on their credit reports,” Madigan said. “But people should not have to pay for credit freezes, particularly when they cannot choose whether to do business with the credit reporting agencies.”

“It is unacceptable that a consumer must pay credit reporting companies like Equifax to freeze their credit, even when the agency’s negligence resulted in their financial information being jeopardized,” Cunningham said. “I appreciate the Attorney General’s action, and I look forward to working with my Senate colleagues to make this a law.”

The 2017 Equifax breach has impacted over 145 million Americans and more than 5.4 million Illinois residents. Currently in Illinois, consumers are charged \$10 each time they want to place a credit freeze with each of the three major credit reporting agencies, unless they are over 65 years of age, an active duty service member or an identity theft victim with a police report. Madigan’s legislation would prohibit credit reporting agencies from charging a fee for a credit freeze or for the removal or temporary lift of a credit freeze.

In light of the Equifax breach, some of the credit reporting agencies began offering a credit lock, which is similar to a credit freeze. In some cases, the companies also charge a monthly fee for the lock and combine it with other services, such as credit monitoring. In other cases, the agencies offer a credit lock free of charge, but the terms and conditions indicate that consumers’ information will be shared with affiliates and third-party marketers. Madigan said those conditions are unacceptable because the goal for consumers is to secure their data – not distribute it any further. Consumers should be able to receive a credit freeze without fees and without being subjected to marketing from unknown third parties.

In addition to placing a credit freeze on all of your credit reports, Madigan offered the following tips consumers should take to safeguard against identity theft:

- Regularly request your free credit reports, inspect them closely, and promptly dispute any unauthorized accounts;
- Inspect all financial account statements closely and promptly dispute any unauthorized charges;
- Consider placing alerts on your financial accounts so your financial institution alerts you when money above a pre-designated amount is withdrawn;
- Beware of potential phishing emails; don’t open any email messages or attachments from unknown senders and do not click on any unknown links. Fraudsters will frequently send coercive and misleading emails threatening account suspension or worse if sensitive information is not provided. Remember, businesses will never ask customers to verify account information via email. If in doubt, contact the business in question directly for verification and to report phishing emails; and

- Be on the lookout for spoofed email addresses. Spoofed email addresses are designed to fool consumers into thinking the email is from a reputable source. Creators of spoofed email addresses make minor changes in the domain name, frequently changing the letter O to the number zero, or the lowercase letter L to the number one. You should scrutinize all incoming email addresses to ensure that the sender is truly legitimate.

Madigan is leading a multistate investigation of the Equifax breach to address the consumer harm, take steps to help prevent such financial disasters in the future and hold Equifax accountable.

Madigan encourages people to contact her Identity Theft Hotline at 1 (866) 999-5630 or to review the Identity Theft resources on her [website](#). The hotline is staffed with identity theft experts who can help victims report the crime to local law enforcement and financial institutions, work to repair their credit and prevent future theft. Hotline operators can also assist callers who want to take proactive steps to prevent their personal information from being stolen. Since February 2006, the Attorney General's Identity Theft Unit has assisted Illinois consumers in removing over \$29 million in fraudulent charges resulting from identity theft.

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