

Banking Commission Settles With Equifax

By Administrator

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State financial regulatory agencies entered into a consent order with Equifax Inc., requiring the company to take specific action to protect confidential consumer information in the wake of an extensive security breach last year. “Consumers need to be able to trust financial service providers with their personal information and know that these companies are making reasonable efforts to protect that information,” said N.C. Commissioner of Banks Ray Grace. “In this matter, my counterparts in other states and I are working together to ensure that Equifax is held accountable and will strengthen its cybersecurity controls to prevent future breaches.”

Equifax, one of the country’s three major credit reporting agencies, disclosed on September 7, 2017, that a vulnerability in one of its websites was exploited by criminal hackers in May 2017 to gain access to the personal information of an estimated 146 million U.S. consumers. Data accessed through this cybercrime event included individual customer names, Social Security numbers, birth dates, addresses, and related personally identifiable information.

In response to this breach, the North Carolina Office of the Commissioner of Banks, along with Alabama, California, Georgia, Maine, Massachusetts, New York and Texas state financial regulators commenced a multi-state examination of the company in November 2017 to evaluate the company’s information security and cybersecurity controls.

As a result of the findings of the examination, Equifax agreed to the consent order which requires the company’s board to remediate the deficiencies and unsafe practices that contributed to the breach. Equifax is also required to report to the multi-state regulatory agencies regarding remediation efforts.

As the lead state of the examination team, Texas Banking Commissioner Charles G. Cooper stated:

“After the breach was announced, my state counterparts and I believed strongly that a targeted regulatory response was required. We took action and established a special multi-state examination team. My thanks to all the state regulators that participated in this action. This demonstrates the flexibility and responsiveness of the state financial regulatory system as we work together to protect all of our citizens.”

The multi-state examination team will conduct subsequent on-site regulatory reviews to validate remedial actions reported by the company.

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