

David A. Paterson
Governor



Deborah VanAmerongen
Commissioner

New York State Division of Housing and Community Renewal

25 Beaver Street
New York, NY 10004

HOUSING MANAGEMENT BUREAU MEMORANDUM #2008-B-12

To: All Housing Companies
Owners, Managing Agents and Site Managers

From: Robert Damico, Downstate Director
Housing Management Bureau

Date: July 29, 2008

Subject: Confidentiality of Social Security Numbers,
Section 399-dd-NYS General Business Law

On January 1, 2008, a new state law became effective regarding the confidentiality of social security numbers. Refer to section 399-dd of the New York State General Business Law (attached). The law, which applies to any person, firm, partnership, association or corporation, not including the state or its political subdivisions, limits the use and disclosure of social security numbers and requires that safeguards be implemented to protect them. Violations can result in penalties as high as \$250,000.

In this regard, housing company boards of directors and management personnel are cautioned that applicant and tenant files and annual income verification reports contain a considerable amount of personal information, including social security numbers, and must be properly secured against unauthorized access. You are reminded that Division regulations require that these records not be removed from the management office and that the information they contain be disclosed only to authorized persons when it has a direct bearing on the business of the company.

Please disseminate this information to your employees, and also to board members if the housing company is a cooperative, and take appropriate actions to ensure compliance with this new law.

A handwritten signature in black ink, appearing to be 'Robert Damico', written over a horizontal line.

Robert Damico

* § 399-dd. Confidentiality of social security account number. Beginning on and after January first, two thousand eight:

1. As used in this section "social security account number" shall include the number issued by the federal social security administration and any number derived from such number. Such term shall not include any number that has been encrypted.

2. No person, firm, partnership, association or corporation, not including the state or its political subdivisions, shall do any of the following:

(a) Intentionally communicate to the general public or otherwise make available to the general public in any manner an individual's social security account number. This paragraph shall not apply to any individual intentionally communicating to the general public or otherwise making available to the general public his or her social security account number.

(b) Print an individual's social security account number on any card or tag required for the individual to access products, services or benefits provided by the person, firm, partnership, association or corporation.

(c) Require an individual to transmit his or her social security account number over the internet, unless the connection is secure or the social security account number is encrypted.

(d) Require an individual to use his or her social security account number to access an internet web site, unless a password or unique personal identification number or other authentication device is also required to access the internet website.

(e) Print an individual's social security account number on any materials that are mailed to the individual, unless state or federal law requires the social security account number to be on the document to be mailed. Notwithstanding this paragraph, social security account numbers may be included in applications and forms sent by mail, including documents sent as part of an application or enrollment process, or to establish, amend or terminate an account, contract or policy, or to confirm the accuracy of the social security account number. A social security account number that is permitted to be mailed under this section may not be printed, in whole or part, on a postcard or other mailer not requiring an envelope, or visible on the envelope or without the envelope having been opened.

3. This section does not prevent the collection, use, or release of a social security account number as required by state or federal law, the use of a social security account number for internal verification, fraud investigation or administrative purposes or for any business function specifically authorized by 15 U.S.C. 6802.

4. Any person, firm, partnership, association or corporation having possession of the social security account number of any individual shall, to the extent that such number is maintained for the conduct of business or trade, take reasonable measures to ensure that no officer or employee has access to such number for any purpose other than for a legitimate or necessary purpose related to the conduct of such business or trade and provide safeguards necessary or appropriate to preclude unauthorized access to the social security account number and to protect the confidentiality of such number.

5. Any waiver of the provisions of this section is contrary to public policy, and is void and unenforceable.

6. Whenever there shall be a violation of this section, application may be made by the attorney general in the name of the people of the state of New York to a court or justice having jurisdiction by a special proceeding to issue an injunction, and upon notice to the defendant of

not less than five days, to enjoin and restrain the continuance of such violations; and if it shall appear to the satisfaction of the court or justice that the defendant has, in fact, violated this section, an injunction may be issued by such court or justice, enjoining and restraining any further violation, without requiring proof that any person has, in fact, been injured or damaged thereby. In any such proceeding, the court may make allowances to the attorney general as provided in paragraph six of subdivision (a) of section eighty-three hundred three of the civil practice law and rules, and direct restitution. In connection with any such proposed application, the attorney general is authorized to take proof and make a determination of the relevant facts and to issue subpoenas in accordance with the civil practice law and rules. Whenever the court shall determine that a violation of subdivision two of this section has occurred, the court may impose a civil penalty of not more than one thousand dollars for a single violation and not more than one hundred thousand dollars for multiple violations resulting from a single act or incident. The second violation and any violation committed thereafter shall be punishable by a civil penalty of not more than five thousand dollars for a single violation and not more than two hundred fifty thousand dollars for multiple violations resulting from a single act or incident. No person, firm, partnership, association or corporation shall be deemed to have violated the provisions of this section if such person, firm, partnership, association or corporation shows, by a preponderance of the evidence, that the violation was not intentional and resulted from a bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid such error.

* NB There are 4 § 399-dd's