

Proponent Testimony: House Bill 368
Senate Judiciary Committee
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Chairman Eklund, Vice Chair Manning, Ranking Member Thomas and Members of the Senate Judiciary Committee, thank you for the opportunity to support Substitute House Bill 368, which seeks to modernize cyber-criminal prosecution in Ohio.

During the ongoing economic challenges, Ohio's 251 credit unions remain focused on serving the unique needs of all people, families, businesses, and communities. As Ohioans face continued difficulty due to the pandemic, credit unions remain open and available to meet 3.1 million members where they are, including through remote and digital service delivery channels.

While serving members whether in-person or through mobile technology, there are few issues that give credit unions more angst than a potential cyber-attack. By possessing sensitive consumer information, credit unions are often targeted by malicious actors looking to exploit that data for personal gain and continuously mitigate and minimize the likelihood of a breach. Senate Bill 220 in the 132nd General Assembly was a positive step to better protect businesses, like credit unions, who proactively make investments to meet recognized industry security standards. House Bill 368 is an appropriate continuation by further clarifying and modernizing Ohio's cyber-crime enforcement mechanisms.

House Bill 368 migrates from a "damages-based model" and instead, establishes new criminal code related to electronic data theft, tampering, and manipulation. For instance, if a prosecutor can prove a person knowingly obtained electronic data without authorization, and with the intent to execute a scheme to defraud, deceive, or extort, the individual could be convicted of a third-degree felony regardless of the determined financial loss.

Cyber-crime is complex; that's why House Bill 368 is authored in such a way to provide protections for legal cyber activity and accommodate future criminal capabilities. By specifically defining the term "knowingly," House Bill 368 protects professional hackers hired to test online security systems from prosecution. Additionally, "malware" is defined to mean a set of computer instructions that is designed or used to damage, destroy or disable a computer system, to keep the code section evergreen to rapidly evolving hacker technology.

House Bill 368 also permits civil action to be brought against a person convicted of violating the law for up to two years after the violation or discovery of the damages. The League is supportive of an amendment that enables civil action to be brought against a defendant regardless of the criminal court outcome.

The League and Ohio credit unions extend appreciation to Representative Baldrige and CyberOhio for their collective leadership in advancing this important issue. We encourage the Senate Judiciary Committee to favorably support the Ohio Cyber Crimes Act to help mitigate the dangers cyber-security pose for us all.

Thank you for your consideration, and I'm happy to answer any questions.