

OHIO SENATE JUDICIARY COMMITTEE**May 24, 2022****Proponent Testimony
House Bill 116**

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Chairman Manning, Vice Chair McColley, Ranking Member Thomas, and Members of the Senate Judiciary Committee, thank you for the opportunity to support House Bill 116, which would modernize cyber-crime prosecution through the Ohio Computer Crimes Act.

The Ohio Credit Union League is the state trade association representing the collective interests of Ohio's 232 credit unions and their 3.1 million members. With the "people helping people" philosophy at the heart of member-owned financial cooperatives, credit unions prioritize and defend the personal and sensitive information individuals, families, communities, and businesses entrust to them as their financial partner.

While serving 3.1 million Ohioans, there are few issues that give credit unions more angst than a potential cyber-attack exposing and compromising member account information. As community-based financial institutions, credit unions possess and have access to sensitive member information and continuously monitor and mitigate malicious attempts to exploit and expose that data through stringent and effective federal regulations, such as the Gramm-Leach-Bliley Act. Senate Bill 220 in the 132nd General Assembly was another positive step to better protect businesses, like credit unions, by providing a safe harbor to entities that proactively make investments to meet recognized industry security standards. House Bill 116 is an appropriate data defense continuation in the following ways:

- Establishes the crime of electronic computer service interference as a fourth-degree felony
- Includes protections for legal cyber activity, such as testing cyber-defense systems for any vulnerabilities
- Defines "knowingly" and "malware" to accommodate evolving digital crimes
- Permits civil action against a defendant for up to two years upon discovery or violation, whichever is later

The goal of this legislation is simple: add further protections to Ohio-based businesses holding consumer data by modernizing the Ohio Revised Code to disincentivize against emerging cybercrimes in a digital economy. While the core actor in a cyberattack may not always be traceable in each incident, Ohio needs modern penalties for identified perpetrators and restitution to accommodate damages. As Desco Federal Credit Union, headquartered in Portsmouth, Ohio with 24,000 members, experienced in 2016, current Ohio law falls short in both dissuading cybercriminals and providing restitution opportunities for victims of their criminal acts.

In working with members of the Ohio Senate, various opportunities to further streamline the bill's modernization efforts were identified. These changes are found in AM_134_2860, and include:

- Removing duplicative "attempt" or "attempted" references
- Reducing the proposed felony degrees

The Ohio Credit Union League supports these amended changes to eliminate unnecessary duplication and permit greater judicial latitude and flexibility on a case-by-case basis. Removing the "attempt" or "attempted" language enables prosecutors to avoid the need to navigate a different set of elements to

prove an otherwise already codified crime and empowers the courts to provide sentences that prioritize rehabilitation and reduce recidivism.

We thank Representative Brian Baldrige for his leadership and energizing efforts to enact these provisions to empower credit unions with more tools to protect and defend the sensitive information of more than three million Ohioans.

Thank you for the opportunity to speak to House Bill 116. I am happy to provide additional information or field questions supporting the Committee's work.