

Legislative Report  
November 2017  
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1. The EQUIFAX SECURITY BREACH- A SHAMEFUL TRAGEDY. Shameful because Equifax staff had the "PATCH" to fix the flawed software but delayed doing it until after the hackers penetrated the system. A tragedy because over 145 million customers now have some of their most important/personal data available to hackers throughout the world and it will be available to others for their LIFETIME! These hacks continue to threaten our ways of doing business. Even the Federal Exchange Commission was hacked in 2016. And this is the Federal Agency set-up to protect investors. And today among other things these hackers can use your data to file a fraudulent tax return and/or create illegal industry trading profits for their own personal purposes.

What has been some of the outcomes of these hacks? The Federal IRS Department has cancelled Equifax's 7.25-million-dollar contract; several States are filing law suits; Equifax Chief Executive Officer has resigned and other senior staff may soon follow; members of Congress will hold hearings to determine appropriate legislation with much stiffer penalties to punish this breach of public trust. Unfortunately, none of these actions will retrieve your stolen data.

These credit reporting agencies use our data and sell it to others to make a profit. We receive no compensation for helping them do this and we have no control over where they send our data. Many are now suggesting that compensation should be paid to us and that we should have some control over where our data is sent. And Equifax is one of the most significant and profitable companies in the credit reporting industry.

In the October issue of our Blacksburg Chapter Newsletter we provided specific information about what you should do to protect yourself (October 2017 issue, page 4) In addition to that advice we add a word of caution: If you are now being offered free products to protect you against these breaches and such documents require you to sign documents to accept the offer do not do so until you have reviewed such documents with your financial advisor and/or legal attorney. You need to protect yourself against agreeing to mandatory arbitration and/or releasing the credit agency from liabilities in the future for security breaches. We now are living in a world filled with "bad potholes."

2. The Governor's election in Virginia. Many of the political experts are predicting the election will be extremely close and voter turnout and the candidate's positions on just three or four important State issues will be the deciding factors. The two candidates-Ed Gillespie and Ralph Northam- are both considered well qualified and again the outcome will depend on their positions on just three/four important State issues. You should be prepared to know the candidate's position on the State issues listed below and compared that with your own positions on these same issues.

ISSUES: A. How to attract new employers to Virginia? (tax reductions both business and individual; tax free loans with favorable repayment conditions; tax credits and loan forgiveness)

- Energy and the environment (offshore drilling)
- State sponsorship of providing high speed internet and broadband services to rural areas like SW Virginia
- Health care including medicaid expansion

3. Social Security cost-of-living adjustment. IT IS OFFICIAL--a 2 percent increase which is the largest increase since 2012.