

# Texas Department of Banking

## Press Release

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### Department of Banking Launches Electronic Notification System to Combat Identity Theft

Date: March 18, 2008

On March 1, 2008, the Texas Department of Banking launched the Closed Account Notification System, known as CANS, a secure electronic notification system which enables banks and credit unions to immediately notify all major check verification companies when certain accounts have been closed due to fraudulent activity by identity thieves. This system is the first of its kind in the nation.

Prior to implementing CANS, a victim of identity theft would close the compromised bank account and assume that would be sufficient to stop unauthorized use of his or her identity. However, the bank did not have any way of getting the information that the account was closed to those who most needed it – check verification companies who utilize a database to advise merchants which checks are valid. Identity thieves could pass fraudulent checks on a victim's account for weeks to merchants who were not yet aware of the closed account.

Identity theft exacts its greatest cost on the victim through the accumulation of negative information in the customer's consumer credit report files. Every fraudulent check that is accepted adds to the burden of the victim as he or she tries to restore his or her good name. It is of the highest importance to catch identity thieves early, for the sake of the victim, and to deter future crimes.

**Rep. Giddings (D-Dallas)** authored House Bill 2002, establishing an electronic notification system to combat the fast-growing crime of identity theft. When a bank customer closes an account due to identity theft, he or she now has more protection than ever from future identity theft.

"Notification happens by the second business day," says Giddings, "so that thieves are stopped in their tracks. No longer will identity thieves be able to profit from their crimes by passing bad checks for weeks. Millions of dollars will be saved, but most importantly, stopping identity theft early will help victims restore their credit and good name."

If you discover that an identity thief may have enough information to access your deposit account, file a police report and **contact your financial institution immediately to close your account and request notification through CANS**. For more information about this new consumer protection service, please contact the Texas Department of Banking.