SFChronicle SEP 1 Bill Seeks Computer **Data Privacy**

Sacramento

Assemblyman William T. Bagley (Rep-San Rafael) introduced a "computer crime control" bill yesterday to prevent improper use of computerized personal information.

Bagley said the proposal is needed to curb unauthorized invasions of privacy and improper use of personal information by business and government agencies

using computers.

"Computer technology has developed faster than laws to prevent the abuses this development has created,' said Bagley.

Key features of Assembly

Bill 2656 include:

 \bullet A \$10,000 fine for failure of computer systems proprietors to file an annual notice of use with the State Department of Consumer Affairs.

 Misdemeanor penalties for improper use of computer information, punishable by a \$500 fine or six months in jail, plus any additional criminal penalties involved in such "computer crimes" as embezzlement, fraud or theft in which a computer was utilized.

• Provisions for injunctive relief in civil law for persons caused damage by improperly used personal

The Bagley bill would put into law several requirements to assure that individuals' rights are protected. These include:

 Written notice to individuals, telling them whether they are legally required to supply data asked for by the computer operators.

 Written assurance that no use of the data is made beyond the stated purpose. (For example, Bagley said, a doctor could not sell health records to an insurance agent.)

• Informing individuals, upon request, of the uses made of data concerning them.

· Allowing an individual to contest the accuracy of data concerning him. In this instance where a conflict exists between person and machine, the system operator must either make corrections or make note of the individual's claim when the computerizing information is disseminated.

Bagley said soon-to-be published research findings show 41 of the 155 cases of unauthorized computer use known to the world's law enforcement agencies took place in California since 1968. No details were available on how many of those cases were prosecuted.

The bill probably will receive no attention until the Legislature convenes in

January.

Bagley said the proposed law would apply to government agencies which rely heavily on computers, such as the State Department of Motor Vehicles, as well as myriad of proivate indus-tries which are similarly computerized, such ascredit associations, insurance firms and health agencies.

Our Correspondent