

114TH CONGRESS  
2D SESSION

# H. R. 4886

To require purchasers of pre-paid mobile devices or SIM cards to provide identification, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2016

Ms. SPEIER introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require purchasers of pre-paid mobile devices or SIM cards to provide identification, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Closing the Pre-Paid  
5 Mobile Device Security Gap Act of 2016”.

6 **SEC. 2. IDENTIFICATION REQUIREMENT.**

7 Prior to the completion of any sale of a pre-paid mo-  
8 bile device or SIM card to a purchaser, an authorized re-

1 seller shall require the purchaser to provide the following  
2 information:

3 (1) The full name of the purchaser.

4 (2) The complete home address of the pur-  
5 chaser.

6 (3) The date of birth of the purchaser.

7 **SEC. 3. IDENTIFICATION VERIFICATION.**

8 (a) IN-PERSON SALES.—An authorized reseller mak-  
9 ing a sale to a purchaser in person shall verify the pur-  
10 chaser information provided under section 2 by requiring  
11 the purchaser to display either of the following:

12 (1) A photographic identification card issued by  
13 the Federal Government or a State government, or  
14 a document considered acceptable for purposes of  
15 subparagraph (B), (C), or (D) of section 274A(b)(1)  
16 of the Immigration and Nationality Act (8 U.S.C.  
17 1324a(b)(1)).

18 (2) Any 2 of the following:

19 (A) A Form W-2 Wage and Tax State-  
20 ment received from the Internal Revenue Serv-  
21 ice, provided that such form has been received  
22 from the Internal Revenue Service within the  
23 prior 18 months.

24 (B) A Form 1099 Social Security Benefit  
25 Statement received from the Social Security

1 Administration, provided that such form has  
2 been received from the Social Security Adminis-  
3 tration within the prior 18 months.

4 (C) A Form 1099 received from any other  
5 agency of the Federal Government other than  
6 the Social Security Administration, including  
7 the Internal Revenue Service, provided that  
8 such form has been received within the prior 18  
9 months.

10 (D) Any document containing personal  
11 identifying information that the Attorney Gen-  
12 eral finds, by regulation, to be acceptable for  
13 purposes of this section.

14 (b) OTHER SALES.—An authorized reseller making  
15 a sale to a purchaser not in person shall verify the pur-  
16 chaser information provided under section 2 by requiring  
17 the purchaser to submit the following information:

18 (1) Valid credit or debit card account informa-  
19 tion.

20 (2) Social Security number.

21 (3) Driver's license number.

22 (4) Any other personal identifying information  
23 that the Attorney General finds, by regulation, to be  
24 necessary for purposes of this section.

1 **SEC. 4. RECORD MAKING REQUIREMENT.**

2       Upon completion of a sale of a pre-paid mobile device  
3 or SIM card, an authorized reseller shall make a record  
4 of the sale that includes the following information:

5           (1) The information obtained from the pur-  
6 chaser under section 2, and, if applicable, the infor-  
7 mation submitted by the purchaser under subsection  
8 (b) of section 3.

9           (2) The date of sale.

10          (3) The manufacturer of the pre-paid mobile  
11 device or SIM card.

12          (4) The wireless carrier that will provide wire-  
13 less communication service to the pre-paid mobile  
14 device or SIM card.

15          (5) Any assigned telephone number or other  
16 subscriber or account identifier known at the time of  
17 purchase.

18          (6) Any of the following, if applicable to the  
19 pre-paid mobile device or SIM card:

20           (A) International mobile equipment identi-  
21 fier number.

22           (B) Electronic serial number.

23           (C) Mobile equipment identifier.

24           (D) International mobile subscriber identi-  
25 fier.

26           (E) Machine address code.

1 **SEC. 5. RECORD TRANSMISSION REQUIREMENT.**

2 (a) IN GENERAL.—Not later than 30 days after the  
3 sale of a pre-paid mobile device or SIM card, an author-  
4 ized reseller shall transmit the record of the sale made  
5 in accordance with section 4 to the wireless carrier that  
6 will provide wireless communication service to the pre-paid  
7 mobile device or SIM card.

8 (b) PERMISSIBLE MEANS OF TRANSMISSION.—In  
9 complying with the requirements of subsection (a), an au-  
10 thorized reseller may transmit the sale record to the wire-  
11 less carrier by means of secure electronic transmission.

12 **SEC. 6. RECORDKEEPING REQUIREMENT.**

13 After an authorized reseller has transmitted a sale  
14 record to a wireless carrier in accordance with section 5,  
15 the wireless carrier shall—

16 (1) provide a transmission confirmation receipt  
17 to the authorized reseller, after the receipt of which  
18 the authorized reseller shall dispose promptly of any  
19 retained copy of the record; and

20 (2) retain the transmitted sale record in accord-  
21 ance with the privacy protections of section 222 of  
22 the Communications Act of 1934 (47 U.S.C. 222)  
23 for a period of 18 months or until the wireless car-  
24 rier stops or otherwise discontinues providing service  
25 to the pre-paid mobile device or SIM card to which  
26 the sale record relates.

1 **SEC. 7. PENALTIES.**

2 (a) FALSE OR MISLEADING STATEMENTS.—A pur-  
3 chaser who knowingly provides false or misleading infor-  
4 mation when providing the identifying information and  
5 documents required under sections 2 and 3 shall be fined  
6 under title 18, United States Code, imprisoned not more  
7 than 5 years or, if the offense involves international or  
8 domestic terrorism (as defined in section 2331 of such  
9 title), imprisoned not more than 8 years, or both. If the  
10 matter relates to an offense under chapter 109A, 109B,  
11 110, or 117, or section 1591 of such title, then the term  
12 of imprisonment imposed under this section shall be not  
13 more than 8 years.

14 (b) FAILURE TO COMPLY.—

15 (1) IN GENERAL.—The Attorney General shall  
16 assess, against an authorized reseller or wireless car-  
17 rier who commits an offense under this Act, a civil  
18 penalty of \$50 for each such offense.

19 (2) SEPARATE OFFENSE.—

20 (A) BY AUTHORIZED RESELLER.—The  
21 failure of an authorized reseller, with respect to  
22 each separate sale of a pre-paid mobile device  
23 or SIM card, to request purchaser identification  
24 under section 2, to verify identification under  
25 section 3, to make a record under section 4,

1 and to transmit a record under section 5, shall  
2 constitute a separate offense.

3 (B) BY WIRELESS CARRIER.—The failure  
4 of a wireless carrier, with respect to each sepa-  
5 rate sale of a pre-paid mobile device or SIM  
6 card for which the carrier receives the sale  
7 record transmitted under section 5, to provide  
8 a transmission confirmation receipt under sec-  
9 tion 6(1), and to retain the sale record under  
10 section 6(2), shall constitute a separate offense.

11 (3) RULE OF CONSTRUCTION.—Nothing in this  
12 section may be construed to—

13 (A) hold a wireless carrier liable for an of-  
14 fense under this Act committed by an author-  
15 ized reseller; and

16 (B) hold an authorized reseller liable for  
17 an offense under this Act committed by a wire-  
18 less carrier.

19 **SEC. 8. RELATED OFFENSES.**

20 (a) SALE BY UNAUTHORIZED RESELLERS.—

21 (1) IN GENERAL.—It shall be unlawful for any  
22 person who is not an authorized reseller to sell a  
23 pre-paid mobile device or SIM card.

24 (2) PENALTY.—Whoever knowingly violates  
25 paragraph (1) shall be imprisoned for not more than

1       2 years or fined under title 18, United States Code,  
2       or both.

3               (3) NOTICE.—The Attorney General shall make  
4       rules requiring a manufacturer or authorized reseller  
5       to notify a purchaser of a mobile device or SIM card  
6       of the offense and penalty established by this sec-  
7       tion.

8               (b) COMMISSION OF OTHER CRIMES.—If a person  
9       knowingly uses a pre-paid mobile device or SIM card ob-  
10      tained by providing false or misleading information in vio-  
11      lation of section 2 or 3 to commit a Federal criminal of-  
12      fense, the minimum term of imprisonment for such offense  
13      that is required under Federal statute (if any such min-  
14      imum term is so required) shall be increased by 1 year.

15   **SEC. 9. PRESERVATION OF STATE LAW.**

16              Nothing in this Act is intended to preempt additional  
17      State requirements with respect to the distribution and  
18      sale of mobile devices or SIM cards, or to otherwise pre-  
19      vent or prohibit any State from enacting any such require-  
20      ments.

21   **SEC. 10. DEFINITIONS.**

22              In this Act:

23                      (1) AUTHORIZED RESELLER.—The term “au-  
24      thorized reseller” means any person authorized by—



1 (A) a manufacturer to sell the manufactur-  
2 er's mobile devices or SIM cards; or

3 (B) a wireless carrier to sell pre-paid mo-  
4 bile devices or SIM cards to which the wireless  
5 carrier will provide wireless communication  
6 service.

7 (2) PRE-PAID MOBILE DEVICE.—The term  
8 “pre-paid mobile device” means any cellular phone  
9 or similar wireless communication device for which  
10 the mobile device user purchases a set allotment of  
11 wireless communication service.

12 (3) SIM CARD.—The term “SIM card” means  
13 a subscriber identity module or functionally equiva-  
14 lent data storage device.

15 (4) WIRELESS CARRIER.—The term “wireless  
16 carrier” means a provider of wireless communication  
17 service.

18 (5) WIRELESS COMMUNICATION SERVICE.—The  
19 term “wireless communication service” means com-  
20 mercial mobile service (as defined in section 332 of  
21 the Communications Act of 1934 (47 U.S.C. 332))  
22 or commercial mobile data service (as defined in sec-  
23 tion 6001 of the Middle Class Tax Relief and Job  
24 Creation Act of 2012 (47 U.S.C. 1401)).

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