

FTC news

Federal Trade Commission Washington, D.C. 20580 (202) 326-2180

FOR RELEASE: FEBRUARY 8, 1995

EQUIFAX SUBSIDIARY AGREES TO SETTLE CHARGES OVER ACCURACY, PRIVACY OF CONSUMER CREDIT REPORTS

Equifax Credit Information Services, Inc., a subsidiary of Equifax Inc., one of the largest consumer credit reporting agencies in the country, has agreed to settle Federal Trade Commission charges that it violated the Fair Credit Reporting Act (FCRA) by failing to assure the maximum possible accuracy of the consumer credit information it compiles and sells nationwide to credit grantors, employers, and others. The Commission also alleged that the Atlanta, Georgia-based company failed to properly reinvestigate information contained in consumer reports when it was disputed by consumers, and that it gave consumer reports to recipients who did not have a permissible purpose under the FCRA. A proposed settlement to these and other alleged violations of the FCRA would require the company to follow reasonable procedures to assure accuracy in its consumer reports, enhance procedures for handling consumer disputes, and comply with the privacy provisions of the statute.

According to the FTC's complaint detailing its allegations, Equifax Credit Information Services (hereafter, Equifax) violated the FCRA by, among other things:

- creating and maintaining "mixed files," in which some or all of the information in a consumer report pertained to

- more -

(Equifax--02/08/95)

someone other than the consumer who was the subject of that report;

-- failing to promptly delete inaccurate or unverified information from consumer reports when that information was disputed by consumers;

-- failing to adequately prevent the reappearance of information that previously had been deleted from consumer reports;

-- furnishing consumer reports that included outdated derogatory information;

-- failing, within a reasonable period of time, to reinvestigate information in consumer reports that had been disputed by the consumer; and

-- failing to adequately maintain its computer system to reduce the occurrence or reoccurrence of inaccuracies in consumer reports.

Further, the FTC alleged that Equifax furnished consumer reports to those who had no permissible purpose under the FCRA to obtain them. Under the FCRA, it is illegal for a consumer reporting agency to furnish consumer reports to third parties unless those recipients have a permissible purpose for obtaining them. Permissible purposes include reviewing an application for credit, employment, or insurance underwriting.

The proposed consent agreement to settle these charges, announced today for public comment, would require Equifax to maintain reasonable procedures to assure maximum possible accuracy of the information contained in its consumer reports. Specifically, Equifax would be required to reinvestigate, within 30 days, information disputed by a consumer in his or her credit report. If Equifax does not verify the information within that time period, it must delete the information until it is verified. Also, when a consumer provides Equifax with documentation confirming the consumer's version of a dispute, Equifax would be required to accept that version unless it has reason to doubt the authenticity of the document.

In addition, the settlement would require Equifax to implement procedures to assure that no derogatory information which has been deleted after being disputed by the consumer reappears on the consumer's credit report unless (1) the information has been reverified, and (2) Equifax advises the consumer in writing that the information has been reinserted in the credit file.

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Equifax also would be required to limit the furnishing of consumer reports to those with a permissible purpose under the FCRA. Concerning the practice of compiling information from consumers' reports for specified credit-related characteristics, a process known as prescreening, the proposed settlement would mandate that Equifax require purchasers of these prescreened lists to make a firm offer of credit to every person who appears on the list.

The proposed settlement also would require Equifax -- within 180 days after the order becomes final -- to file a written report with the FTC detailing the manner in which it has complied with the provisions of the settlement, and submit for FTC approval, a methodology by which changes to its computer system will be measured. Finally, the proposed agreement contains additional recordkeeping requirements designed to help the FTC monitor Equifax's compliance with the order.

The Commission vote to accept the proposed agreement for public comment was 4-0. It will be published in the Federal Register shortly and will be subject to public comment for 60 days, after which the Commission will decide whether to make it final. Comments should be addressed to the FTC, Office of the Secretary, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

NOTE: A consent agreement is for settlement purposes only and does not constitute an admission of a law violation. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of \$10,000.

Copies of the complaint and proposed consent agreement are available from the FTC's Public Reference Branch, Room 130, same address as above; 202-326-2222; TTY for the hearing impaired 202-326-2502. Consumer information and self-help brochures on the Fair Credit Reporting Act, including "How to Dispute Credit Report Errors," also are available from that address.

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(FTC File No. 902 3149)
(equifax)

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of

Equifax Credit Information
Services, Inc.,
a corporation.

FILE NO. 902 3149

AGREEMENT CONTAINING
CONSENT ORDER TO
CEASE AND DESIST

The Federal Trade Commission having initiated an investigation of certain acts and practices of Equifax Credit Information Services, Inc., a corporation, hereinafter sometimes referred to as Equifax, and it now appearing that Equifax is willing to enter into an agreement containing an order to cease and desist from the use of the acts and practices being investigated,

IT IS HEREBY AGREED by and between Equifax Credit Information Services, Inc., by its duly authorized officers, and its attorney, and counsel for the Federal Trade Commission that:

1. Equifax Credit Information Services, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located at 1600 Peachtree Street, N.W., Atlanta, Georgia 30309.

2. Equifax is a consumer reporting agency as defined in Section 603(f) of the Fair Credit Reporting Act.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Equifax, and the proceeding is in the public interest.

4. Equifax admits all the jurisdictional facts set forth in the draft complaint here attached.

5. Equifax waives:

- (a) Any further procedural steps;
- (b) The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law;
- (c) All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered into pursuant to this agreement; and

- (d) Any claim under the Equal Access to Justice Act, 5 U.S.C. § 50 et seq.

6. This agreement and the order contemplated hereby is for settlement purposes only and neither its execution by the parties hereto, acceptance by the Commission nor entry of the agreed-to order shall constitute any admission by Equifax that any law has been violated. Equifax specifically denies that it has violated the Fair Credit Reporting Act in any respect whatsoever.

7. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint contemplated thereby, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify Equifax, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

8. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of § 2.34 of the Commission's Rules, the Commission may, without further notice to Equifax, (1) issue its complaint corresponding in form and substance with the draft of complaint here attached and its decision containing the following order to cease and desist in disposition of the proceeding and (2) make information public with respect thereto. When so entered, the order to cease and desist shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to order to Equifax's address as stated in this agreement shall constitute service. Equifax waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

9. Equifax has read the proposed complaint and order contemplated hereby. It understands that once the order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the order. Equifax further understands that it may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final.

ORDER

For the purpose of this order, the following definitions apply:

"Commission" means the Federal Trade Commission.

"Equifax" means Equifax Credit Information Services, Inc., its successors and assigns, and its officers, agents, and employees acting in such capacity on its behalf, directly or through any corporation, subsidiary, division or other device.

"FCRA" means the Fair Credit Reporting Act, 15 U.S.C. § 1681 et. seq., as the same from time to time may be amended or modified by statute or by regulations having the effect of statutory provisions.

The terms "Person," "Consumer," "Consumer Report," "Consumer Reporting Agency," "File," and "Employment Purposes" are defined as set forth in Sections 603(b), (c), (d), (f), (g), and (h), respectively, of the FCRA, 15 U.S.C. §§ 1681a(b), 1681a(c), 1681a(d), 1681a(f), 1681a(g), and 1681a(h).

"Permissible Purpose" means any of the purposes listed in Section 604 of the FCRA, 15 U.S.C. § 1681b, for which a Consumer Reporting Agency may lawfully furnish a Consumer Report.

"Subscriber" means any Person who, pursuant to an agreement with Equifax, furnishes Credit Information to Equifax or who requests or obtains a Consumer Report from Equifax, excluding Consumers, public record sources, and independent contractors who provide public record information.

"Prescreening" means the process whereby Equifax, utilizing Credit Information, compiles or edits for a Subscriber a list of Consumers who meet specific criteria and provides this list to the Subscriber or a third party (such as a mailing service) on behalf of the Subscriber for use in soliciting those Consumers for an offer of credit.

"Credit Information" means information described by Section 603(d) of the FCRA, which Equifax maintains with respect to any Consumer, that Equifax obtains from Subscribers, public records or any other sources and from which Equifax creates Consumer Reports.

"Mixed File" means a Consumer Report in which some or all of the information pertains to Consumers other than the Consumer who is the subject of that Consumer Report.

"Consumer DTEC Report" means a type of Consumer Report, by whatever name, containing only Consumer identifying information such as name, telephone number, mother's maiden name, address, zip code, year of birth, age, any generational designation, Social Security number or substantially similar identifiers, or any combination thereof, together with information showing employment or employment status.

"Mixed-use Subscriber of Consumer DTEC Reports" means the following Subscribers who obtain Consumer DTEC Reports: attorneys, law firms, detective agencies, private investigators, and protective services firms.

"Joint User" means a user of a Consumer Report jointly involved with a Subscriber in a decision for which there is a Permissible Purpose to obtain the Consumer Report and for which the Consumer Report was initially obtained.

"Approval Date" means the date on which the Associate Director for Enforcement of the Bureau of Consumer Protection of the Commission notifies respondent that the methodologies required by Paragraph II.1. of this Order have received final approval.

I

IT IS ORDERED that Equifax, in connection with the collection, preparation, assembly, maintenance and furnishing of Consumer Reports and Files, forthwith cease and desist from failing to:

1. Maintain reasonable procedures designed to limit the furnishing of Consumer Reports to Subscribers that have Permissible Purposes to receive them under Section 604 of the FCRA, as required by Section 607(a) of the FCRA. Such procedures shall include but are not limited to:

- a. Continuing to require in Equifax's contracts that those who obtain Consumer Reports from Equifax in the form of lists developed through Prescreening make a firm offer of credit to each Consumer on the lists and take reasonable steps to enforce those contracts; and

- b. Reasonable procedures to avoid (i) including in a Consumer Report information identifiable as pertaining to a Consumer other than the Consumer for whom a Permissible Purpose exists as to such report; and (ii) displaying Files identifiable as pertaining to more than one Consumer in response to a Subscriber request on one Consumer.

2. Maintain reasonable procedures designed to limit the furnishing of Consumer DTEC Reports to Subscribers under the circumstances described by Section 604 of the FCRA, as required by Section 607(a) of the FCRA. Such procedures shall include, with respect to prospective Subscribers of Consumer DTEC Reports, before furnishing any Consumer DTEC Report to such Subscribers, and with respect to current Consumer DTEC Subscribers, within six months after the effective date of this order:

a. Adoption of procedures requiring all Consumer DTEC Subscribers to provide written certification that Subscribers will not share or provide Consumer DTEC Reports to anyone else, other than the subject of the report or to a Joint User;

b. Continuation of procedures requiring all Consumer DTEC Subscribers to provide written identification of themselves; written certification of the Permissible Purpose(s) for which the Consumer DTEC Reports are sought; and written certification that the Consumer DTEC Reports will be used for no other purpose(s) than the purpose(s) certified;

c. With respect to each entity that becomes a Consumer DTEC Report Subscriber on or after the effective date of this order, visitation to its place of business to confirm the certifications made pursuant to Paragraphs I.2.a. and I.2.b. of this order;

d. Refusing to furnish Consumer DTEC Reports to Subscribers who fail or refuse to provide the certifications required in Paragraphs I.2.a. and I.2.b. of this order;

e. Requiring each Mixed-use Subscriber of Consumer DTEC Reports to provide a separate certification as to the Permissible Purpose for each Consumer DTEC Report it requests before the Consumer DTEC Report is furnished to it; and

f. Terminating access to Consumer DTEC Reports by any Subscriber who Equifax knows or has reason to know has obtained, after the effective date of this order, a Consumer DTEC Report for any purpose other than a Permissible Purpose, unless that Subscriber obtained such Report through inadvertent error -- i.e., a mechanical, electronic, or clerical error that the Subscriber demonstrates was unintentional and occurred notwithstanding the maintenance of procedures reasonably designed to avoid such errors.

3. Maintain reasonable procedures as required by Section 607(a) of the FCRA to avoid including in any Equifax Consumer Report, other than a Consumer Report described in Section 605(b)

of the FCRA, any information, notice or other statement that indicates directly or indirectly the existence of items of adverse information, the reporting of which is prohibited by Section 605(a) of the FCRA.

4. Follow reasonable procedures to assure maximum possible accuracy of the information concerning the Consumer about whom the Consumer Report relates, as required by Section 607(b) of the FCRA. Such procedures shall include but are not limited to reasonable procedures:

a. To detect, before Credit Information is available for reporting by Equifax, logical errors in such Credit Information.

b. To prevent reporting to Subscribers that Credit Information pertains to a particular Consumer unless Equifax has identified such information by at least two of the following identifiers: (i) the Consumer's name, (ii) the Consumer's Social Security number, (iii) the Consumer's date of birth, (iv) the Consumer's account number with a Subscriber or a similar identifier unique to the Consumer; provided however that,

(A) for public record information only, if such public record information does not contain at least two of the above identifiers, Equifax may identify such public record information by the Consumer's full name (including middle initial and suffix, if available) together with the Consumer's full address (including apartment number, if any); and

(B) in the future Equifax may alternatively identify Credit Information (including public record information) by a discrete identifier that is (i) unique to the Consumer, (ii) not utilized by Equifax at the time of execution of this agreement, and (iii) not susceptible of data entry error.

c. To assure that information in a Consumer's File that has been determined by Equifax to be inaccurate is not subsequently included in a Consumer Report furnished on that Consumer;

d. To prevent furnishing any Consumer Report containing information that Equifax knows or has reason to believe is incorrect, including information that the Consumer or the source or repository of the information has stated is not accurate (including that it does not pertain to the Consumer) unless Equifax has reason to believe that the statement is frivolous or irrelevant or, upon investigation, not valid;

e. To avoid the occurrence of Mixed Files, including but not limited to mixing of Files as the result of entry of data by Subscribers when seeking Consumer Reports; and

f. To avoid reporting in a Consumer Report public record information that pertains to Consumers other than the Consumer who is the subject of the Consumer Report, or which does not accurately reflect information concerning such subject as it appears on public records, including but not limited to following reasonable procedures to sample, verify or otherwise corroborate public record information furnished by Equifax.

5. Maintain reasonable procedures so that information disputed by a Consumer that is deleted or corrected upon reinvestigation by Equifax, does not subsequently appear in uncorrected form in Consumer Reports pertaining to that Consumer; provided, however, that if after Equifax has deleted such information from the File, Equifax reverifies such information, Equifax may reinsert such information in the File and report such information in subsequent Consumer Reports concerning that Consumer if, and only if, Equifax advises the Consumer in writing that the information has been reinserted.

6. Make disclosure of the nature and substance of all information (except medical information) in its Files on the Consumer at the time of the request for disclosure, as required by Sections 609 and 610 of the FCRA, to any Consumer who has requested disclosure, has provided proper identification as required under Section 610 of the FCRA, and has paid or accepted any charges that may be imposed under Section 612 of the FCRA.

7. Reinvestigate and record the current status of items of information the completeness or accuracy of which is disputed by a Consumer, when the Consumer directly conveys the dispute to Equifax, and Equifax does not have reason to believe the dispute is frivolous or irrelevant. Such reinvestigation shall include but not be limited to:

a. Completing any reinvestigation, i.e., verifying, deleting, or modifying all disputed items in the Consumer's File, within thirty (30) days of receipt of the Consumer's dispute; provided, however, that if Equifax in good faith cannot determine the nature of the Consumer's dispute, Equifax shall attempt to determine the nature of the dispute by contacting the Consumer by mail or telephone within five (5) business days of receiving the Consumer's dispute, and complete its reinvestigation within thirty (30) days of the Consumer's response if Equifax in good faith can then determine the nature of the Consumer's dispute;

b. Communicating to the source used to verify the disputed information, a summary of the nature and substance of the Consumer's dispute;

c. Accepting the Consumer's version of the disputed information and correcting or deleting the disputed information, when the Consumer submits to Equifax documentation obtained from the source of the information in dispute which confirms that the disputed information on the Consumer Report was inaccurate or incomplete, unless Equifax in good faith has reason to doubt the authenticity of the documentation, in which case Equifax need not accept the Consumer's version of the dispute if it reinvestigates the dispute by contacting the source of the information and verifies that the documentation is not authentic; and

d. Employing reasonable procedures designed specifically to resolve (i) Consumer disputes that Equifax has reason to believe arise from Mixed Files, and (ii) Consumer disputes that indicate the repeated inclusion in Consumer Reports of previously disputed inaccurate or incomplete items.

8. Reinvestigate Consumer disputes in accordance with Section 611 of the FCRA. In connection therewith, Equifax shall impose no requirements beyond those in Section 611 of the FCRA, including but not limited to requirements that the Consumer:

a. Pay a fee for updating and recording the current status of disputed information;

b. Provide copies of identifying documentation, including but not limited to driver's license, Social Security card, and utility bills; and

c. Provide a written authorization before reinvestigating information the Consumer has disputed.

9. Continue, upon completion of the reinvestigation of information disputed by a Consumer, to write the Consumer and provide the following:

a. The results of the reinvestigation conducted by Equifax; and

b. A statement advising the Consumer of the Consumer's right to request that Equifax furnish notification that information has been deleted, or furnish a copy or codification or summary of any Consumer statement of explanation of the dispute that has been filed by the Consumer, to any Person specifically designated by the Consumer who has within the preceding two years received a

Consumer Report for Employment Purposes, or within the preceding six months received a Consumer Report for any other purpose, which contained the deleted or disputed information.

II

IT IS FURTHER ORDERED that Equifax shall, annually for the five (5) year period following the Approval Date, measure, monitor, and test the extent to which changes in its computer system, including its algorithms, reduce the incidence of Mixed Files.

1. In complying with this Section, Equifax shall submit, within one hundred eighty (180) days of the effective date of this Order, for approval to the Associate Director for Enforcement, Bureau of Consumer Protection, of the Federal Trade Commission ("ADE"):

a. A proposed methodology for establishing a baseline against which changes may be measured, monitored, and tested; and

b. A proposed methodology for accurately measuring, monitoring, testing, and reporting the effects of changes made against the baseline established under the preceding paragraph.

2. For five (5) years following the Approval Date, Equifax shall submit annually to the ADE, in writing, the results of its comparison using the methodologies approved by the ADE as specified in Paragraph II.1. above, and to the extent not otherwise provided, shall include with such reports the results of a statistically significant analysis to determine the incidence of Mixed Files.

III

IT IS FURTHER ORDERED that Equifax shall, annually for five (5) years following the effective date of this order, submit the following information to the ADE within sixty (60) days of the anniversary of the effective date of this order and with respect to the preceding twelve (12) month period:

1. The total number of File disclosures to Consumers by Equifax;

2. The number of occasions on which Consumers have informed Equifax that they dispute information in Files maintained by Equifax;

3. The number of such disputes where the disputed information was verified as accurate;

4. The number of such disputes in which information disputed was deleted from, or modified in, the disputing Consumer's File, after reinvestigation response; and

5. The number of such disputes in which information disputed was deleted from the disputing Consumer's File because no response to Equifax's verification inquiry was received within thirty days.

IV

IT IS FURTHER ORDERED that, except for Section III above, Equifax shall, until the expiration of five (5) years following the effective date of this order, maintain and upon request make available to the ADE for inspection and copying, all documents demonstrating compliance with this order. Such documents shall include, but are not limited to, representative copies of each form of agreement or contract governing Subscriber access to or use of Credit Information, each periodic audit or similar report concerning the testing or monitoring of its systems for preparation, maintenance, and furnishing of Consumer Reports and Files, instructions given to employees regarding compliance with the provisions of this order, and any notices provided to Subscribers in connection with the terms of this order.

V

IT IS FURTHER ORDERED that Equifax shall deliver a copy of this order to all of its present and future management officials having administrative or policy responsibilities with respect to the subject matter of this order.

VI

IT IS FURTHER ORDERED that Equifax shall notify the ADE at least thirty (30) days prior to any proposed change in Equifax that might affect compliance obligations arising out of this order such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries.

VII

IT IS FURTHER ORDERED that Equifax shall, within one hundred eighty (180) days of service of this order, deliver to the ADE a report, in writing, setting forth the manner and form in which it has complied with this order as of that date. The Commission shall keep such report and its contents, or any report, document, or other information provided under Sections II, III, or IV above, or any notification provided under Section VI above, strictly confidential, in accordance with the Commission's Rules of Practice.

VIII

IT IS FURTHER ORDERED that if the FCRA is amended (or other similar federal legislation enacted) or the Commission issues any interpretation of the FCRA, relating to any obligation imposed on Equifax herein, which creates any new requirement for compliance with the FCRA that directly conflicts with any obligation imposed on Equifax by this order, Equifax may conform the manner in which it conducts its business as a Consumer Reporting Agency or its use of Credit Information to the requirements of such statutory provision or interpretation; provided, however, that Equifax shall notify the ADE promptly if it intends to change its conduct as provided for in this Section, and provided further that nothing in this provision shall limit the right of the FTC to challenge any determination of direct conflict by Equifax hereunder and to seek enforcement of Equifax's obligations under this order to the extent such determination is erroneous. For purposes of this order, and by way of example only, a "direct conflict" between this order and a new statutory amendment or interpretation shall include a requirement in any such amendment or interpretation that a Consumer Reporting Agency complete a task or obligation addressed in this order in a greater period of time than is specified in the order.

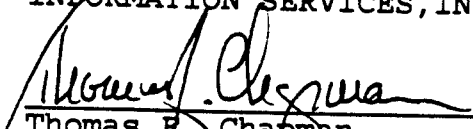
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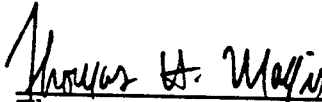
This order does not address the issue of disclosure under Section 609 of Credit Information (whether or not separately maintained in any File), including but not limited to Credit Information utilized for fraud alert or similar application verification services, which categorizes the identifiers on the Consumer or categorizes any other data on the Consumer and is

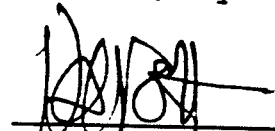
susceptible of being furnished to a Subscriber, and the order does not in any way limit the right of the Commission to take any appropriate action after entry of this order relating to this issue, nor does it limit in any way Equifax's defenses to any such action.

Signed this _____ day of _____, 1994.


FOR EQUIFAX CREDIT
INFORMATION SERVICES, INC.

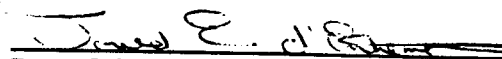

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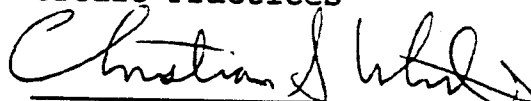
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UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of

Equifax Credit Information
Services, Inc.,
a corporation.

DOCKET NO.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, 15 U.S.C. § 41 et seq., and the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Equifax Credit Information Services, Inc. ("Equifax"), a corporation, hereinafter sometimes referred to as respondent, has violated the provisions of said Acts, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

DEFINITIONS

For the purpose of this complaint, the following definitions apply:

The terms "Person," "Consumer," "Consumer Report," "Consumer Reporting Agency," and "File" are defined as set forth in Sections 603(b), (c), (d), (f), and (g), respectively, of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. §§ 1681a(b), 1681a(c), 1681a(d), 1681a(f), and 1681a(g).

"Permissible Purpose" means any of the purposes listed in Section 604 of the FCRA, 15 U.S.C. § 1681b, for which a Consumer Reporting Agency may lawfully furnish a Consumer Report.

"Subscriber" means any Person who, pursuant to an agreement with Equifax, furnishes Credit Information to Equifax or who requests or obtains a Consumer Report from Equifax, excluding Consumers, public record sources, and independent contractors who provide public record information.

"Credit Information" means information described by Section 603(d) of the FCRA, which Equifax maintains with respect to any Consumer, that Equifax obtains from Subscribers, public records or any other sources and from which Equifax creates Consumer Reports.

"Mixed File" means a Consumer Report in which some or all of the information pertains to Consumers other than the Consumer who is the subject of that Consumer Report.

"Consumer DTEC Report" means a type of Consumer Report, by whatever name, containing only Consumer identifying information such as name, telephone number, mother's maiden name, address, zip code, year of birth, age, any generational designation, Social Security number or substantially similar identifiers, or any combination thereof, together with information showing employment or employment status.

PARAGRAPH ONE: Respondent Equifax Credit Information Services, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located at 1600 Peachtree Street, N.W., Atlanta, Georgia 30309.

PARAGRAPH TWO: Respondent is now and has been regularly engaged in the practice of assembling or evaluating information on Consumers for the purpose of furnishing, for monetary fees, Consumer Reports to third parties. Respondent furnishes these Consumer Reports to third parties through the means or facilities of interstate commerce. Hence, respondent is a Consumer Reporting Agency, as defined in Section 603(f) of the Fair Credit Reporting Act.

PARAGRAPH THREE: Respondent has furnished Consumer DTEC Reports on Consumers to Subscribers who did not have a Permissible Purpose to obtain such Reports.

PARAGRAPH FOUR: Respondent, by creating or maintaining Mixed Files as alleged below in Paragraphs Nine, Ten, and Eleven, and subsequently making disclosure of the information in Mixed Files to Consumers who request File disclosure pursuant to Section 609 of the Fair Credit Reporting Act, furnishes information pertaining to Consumers other than the Consumer who is requesting File disclosure. Respondent, by creating or maintaining Mixed Files as alleged below in Paragraphs Nine, Ten, and Eleven, and subsequently displaying the information in Mixed Files to Subscribers, furnishes information to Subscribers pertaining to Consumers for whom the Subscriber does not have a Permissible Purpose to receive a Consumer Report.

PARAGRAPH FIVE: Respondent from time to time furnishes to Subscribers, in response to Subscribers' inquiry requests for Consumer Reports, Consumer Reports for which Subscribers have no Permissible Purpose.

PARAGRAPH SIX: By and through the acts and practices alleged in Paragraphs Three, Four, and Five, respondent has violated Section 607(a) of the Fair Credit Reporting Act by

failing to maintain reasonable procedures designed to limit the furnishing of Consumer Reports to the purposes listed under Section 604.

PARAGRAPH SEVEN: Respondent includes in Consumer Reports, other than Consumer Reports described in Section 605(b) of the Fair Credit Reporting Act, accounts placed for collection or charged to profit and loss that antedate the report by more than seven years, and other adverse items of information, including that accounts have been delinquent, that antedate the report by more than seven years.

PARAGRAPH EIGHT: By and through the acts and practices alleged in Paragraph Seven, respondent has violated Section 605(a) of the Fair Credit Reporting Act by furnishing Consumer Reports containing derogatory information beyond the statutorily limited period for reporting such information.

PARAGRAPH NINE: Respondent fails to maintain reasonable procedures, including adequately monitoring, measuring, or testing its information gathering, storing, and assembling systems, to assure maximum possible accuracy of the Consumer Reports it furnishes. Respondent has, for example, failed adequately to correct its computer system or implement procedures to reduce sufficiently the occurrence or reoccurrence of inaccuracies in Consumer Reports, including Mixed Files and logical errors (such as multiple listings of the same credit account and items that are not likely to pertain to the report subject such as credit accounts opened when the Consumer was a minor).

PARAGRAPH TEN: Respondent fails to follow reasonable procedures to avoid inclusion in a Consumer Report of public record information that pertains to Consumers other than the Consumer who is the subject of that Consumer Report or is otherwise inaccurate, including procedures to sample, verify and otherwise corroborate public record information furnished in Consumer Reports by respondent.

PARAGRAPH ELEVEN: By and through respondent's failures as alleged in Paragraph Nine and Ten, respondent fails to take reasonable steps to reduce the incidence of inaccuracies in Consumer Reports, including Mixed Files and inaccurate public record information. As a result, information contained in some of the Consumer Reports that respondent furnishes does not pertain to the Consumer who is the subject of the Consumer Report or is otherwise inaccurate.

PARAGRAPH TWELVE: By and through the acts and practices alleged in paragraphs Nine, Ten, and Eleven, respondent has violated Section 607(b) of the Fair Credit Reporting Act by failing to maintain and follow reasonable procedures to assure

maximum possible accuracy of the information contained in its Consumer Reports.

PARAGRAPH THIRTEEN: Respondent fails adequately to prevent the reappearance in Consumer Reports of either inaccurate or unverified information that has been previously deleted.

PARAGRAPH FOURTEEN: By and through the practices alleged in Paragraph Thirteen above, respondent has violated Section 607(b) of the Fair Credit Reporting Act by failing to follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the Consumer Report relates, and Section 611 of the Fair Credit Reporting Act by failing promptly to delete inaccurate or unverified information from its Consumer Reports.

PARAGRAPH FIFTEEN: Respondent fails adequately to give disclosures required by Section 609 of the Act to each Consumer who has requested disclosure, has provided proper identification as required under Section 610 of the Act and has paid or accepted any charges which may be imposed under Section 612 of the Act.

PARAGRAPH SIXTEEN: By and through the acts and practices alleged in Paragraph Fifteen, respondent has violated Section 609 of the Fair Credit Reporting Act.

PARAGRAPH SEVENTEEN: Respondent fails properly to reinvestigate disputes conveyed by Consumers concerning their Files, including but not limited to failing to reinvestigate disputes as requested by Consumers within a reasonable period of time, and failing to follow reasonable procedures designed specifically to resolve (i) disputes by Consumers that are due to Mixed Files and (ii) the specific issue raised in Consumer disputes relating to inaccuracy or incompleteness, including the repeated inclusion in Consumer Reports of previously disputed inaccurate or incomplete items.

PARAGRAPH EIGHTEEN: By and through its acts and practices as alleged in Paragraph Seventeen above, respondent has violated Section 611 of the Fair Credit Reporting Act by failing, within a reasonable period of time, to reinvestigate and record the current status of disputed information.

PARAGRAPH NINETEEN: Respondent in some instances fails to reinvestigate Consumer disputes unless the Consumer complies with requirements beyond those in Section 611 of the Fair Credit Reporting Act, including but not limited to:

- a. Requiring the Consumer to pay a fee for updating and recording the current status of disputed items;

b. Requiring the Consumer to provide copies of identifying documentation including but not limited to: driver's license, Social Security card, and utility bills; and

c. Requiring written authorization from the Consumer to reinvestigate an item the Consumer has disputed.

PARAGRAPH TWENTY: By and through the acts and practices alleged in Paragraph Nineteen, respondent has violated Section 611 of the Fair Credit Reporting Act by refusing to reinvestigate Consumer's disputes.

PARAGRAPH TWENTY ONE: The acts and practices set forth in this complaint as violations of the Fair Credit Reporting Act constitute unfair or deceptive acts or practices in commerce in violation of Section 5(a) of the Federal Trade Commission Act, pursuant to Section 621(a) of the Fair Credit Reporting Act.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this day of issues its complaint against said respondent.

By the Commission.

Donald S. Clark
Secretary

Analysis of Proposed Consent
Order to Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Equifax Credit Information Services, Inc., a corporation ("the respondent"). This agreement, among other requirements, requires the respondent to cease and desist from failing to follow reasonable procedures to assure maximum possible accuracy when preparing consumer reports and cease and desist from failing to maintain reasonable procedures to limit the furnishing of consumer reports to subscribers that have permissible purposes to receive them, such as purposes encompassing credit transactions involving the consumer, employment and the underwriting of insurance.

The proposed consent order has been placed on the public record for sixty (60) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action, or make final the proposed order contained in the agreement.

According to the complaint, the respondent failed to take reasonable steps to reduce the incidence of inaccuracies and obsolete items of information in the consumer reports it furnished and failed to maintain and follow reasonable procedures to assure maximum possible accuracy of the information contained in its consumer reports.

The complaint also alleges that respondent failed to limit the furnishing of consumer reports to only those who possessed a permissible purpose to receive consumer reports. The complaint further alleges that the respondent failed adequately to give disclosures of the nature and substance of all information (except medical information) when consumers properly requested disclosure of the information in their own files. The complaint additionally alleges that the respondent failed to properly reinvestigate disputed items of information in consumer reports.

The complaint alleges that by its failures to comply with the Fair Credit Reporting Act and pursuant to Section 621(a) of the Fair Credit Reporting Act, respondent has engaged in unfair and deceptive acts or practices in or affecting commerce in violation of Section 5(a)(1) of the Federal Trade Commission Act.

The consent order contains provisions designed to ensure that the respondent does not engage in similar allegedly illegal

acts and practices in the future. Specifically, Part I of the Order requires the respondent to maintain reasonable procedures to assure that information placed in a consumer's file belongs to the consumer in question and is also accurate, complete and up-to-date without obsolete information. Further, the Order requires respondent to reinvestigate disputed items of information in a consumer's file in a timely and reasonable manner, generally within 30 days.

The consent order also contains provisions requiring respondent to maintain reasonable procedures to limit the furnishing of consumer reports (and specifically consumer reports in the form of identification reports containing employment information) to only those with permissible purposes to receive consumer reports. Further, the consent order provides that respondent disclose the nature and substance of all information (except medical information) in its files on a consumer in response to a proper request for disclosure from the consumer who is the subject of the file.

Part II of the Order requires the respondent to submit to the Commission for approval a methodology by which changes to the respondent's computer system will be measured. The incidence of consumer reports containing information of other consumers, not the subject of the report, will be measured against a baseline established by the methodology to determine the efficacy of the computer changes. These measurements will be submitted for five (5) years to the Commission in the form of annual reports.

Part III of the Order requires the respondent to annually for five (5) years submit to the Commission information concerning the numbers of disclosures provided and disputes received by the respondent.

Part IV of the Order requires the respondent for a period of five years to maintain and make available all documents demonstrating its compliance with the Order.

Part V of the Order requires the respondent to deliver a copy of the Order to all of its present and future management officials having administrative responsibilities with respect to the subject matter of the Order.

Part VI of the Order requires the respondent to notify the Commission at least thirty (30) days prior to any proposed change in its corporate structure that may affect its compliance with the Order.

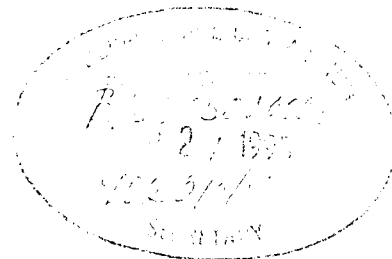
Part VII of the Order requires the respondent to file a written report with the Commission within one hundred eighty (180) days after service of the Order detailing the manner and form in which it has complied with the Order.

Part VIII of the Order allows respondent to conform the manner in which it conducts its business to any FCRA amendment (or other similar federal legislation enacted) or official Commission interpretation which relates to any obligation imposed on the respondent by the Order and which directly conflicts with an obligation imposed by the Order.

Part IX of the Order specifically reserves for future consideration the issue of disclosure of fraud alert or similar verification services to consumers who properly request disclosure under the FCRA.

The purpose of this analysis is to facilitate public comment on the proposed Order, and it is not intended to constitute an official interpretation of the agreement and proposed Order or to modify in any way their terms.

Before the
FEDERAL TRADE COMMISSION
Washington, D.C. 20580



In the Matter of the
Equifax Credit Information
Services, Inc.,
a corporation.


)
)
)
)

FILE NO. 902 3149

COMMENTS
of Trans Union Corporation

Respectfully submitted,

Trans Union Corporation

By: 
Oscar Marquis
Trans Union Corporation
555 West Adams Street
Chicago, IL 60661-3601
(312) 466-7774

Dated: March 23, 1995

COMMENTS OF TRANS UNION CORPORATION
REGARDING THE AGREEMENT CONTAINING
CONSENT ORDER TO CEASE AND DESIST
BETWEEN
EQUIFAX CREDIT INFORMATION SERVICES, INC.
AND
THE FEDERAL TRADE COMMISSION

Dated February 8, 1995

Trans Union Corporation believes there are a number of sections in the Consent Order between the Commission and Equifax Credit Information Services that could be construed in a manner contrary to the intent of the Commission or of the Fair Credit Reporting Act. Since we rely on the language of Consent Orders to determine the Commission's enforcement position in order to guide our conduct, we believe that clarity and unambiguity are essential. There are a number of provisions that need clarification. Therefore, Trans Union Corporation has the following comments regarding the Agreement and respectfully requests that certain changes to it be made, as detailed below:

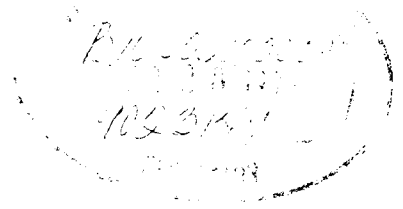
1. Section 2 requires all users of DTEC reports to have a permissible purpose. Since Section 608 of the Fair Credit Reporting Act permits government agencies to obtain the limited information contained in DTEC reports without having a permissible purpose, we believe that an exception should be written into the Order for Section 608.
2. Section 2(a) requires a certification that all subscribers to Equifax's DTEC report not share or provide DTEC reports to anyone else. Since the Order assumes that a DTEC report is a consumer report, this prohibition on reselling DTEC reports can be construed to also apply to all consumer reports. However, in light of the fact that the FTC has entered into a number of agreed Orders with credit report resellers, it has

been our understanding that consumer reports may be resold, provided the reseller follows the same procedures with its end users that are imposed on consumer reporting agencies. In fact, if the reseller is a consumer reporting agency, it may obtain consumer reports and resell them. Therefore, we believe that Section 2(a) should permit the sharing or providing of DTEC reports to others, provided those others follow the obligations imposed on consumer reporting agencies by the Fair Credit Reporting Act.

3. Section 2(c) requires, again with respect to DTEC reports but by implication with respect to all consumer reports, that the place of business of a subscriber be visited in order to confirm the certifications made in the subscriber agreement. The Trans Union Consent Decree of 1983 with the Federal Trade Commission, in Count I, permits additional methods for verifying the permissible purpose of the subscriber. Visiting the place of business is only one option. Therefore, we suggest that Section 2(c) be modified to permit other methods to verify the permissible purpose certification.
4. Section 2(e) requires individual certifications for all mixed use subscribers. Mixed use subscriber is defined as including attorneys and law firms. In light of the fact that some attorneys or law firms are engaged exclusively in the business of collecting debts, we believe this provision should be modified to exempt from the individual certification requirement any attorneys or law firms engaged exclusively in the business of debt collection.
5. Section 4(d) treats statements about the accuracy of accounts made by consumers and the sources of information the same. The section states that if the consumer or the source of information states that the information is not accurate, it must be deleted unless, upon investigation, the statement is found not to be valid. In a meeting with the Staff, it was indicated that the intent was not to require deletion of information

disputed by consumers unless the investigation proves the dispute to be accurate. We believe the language of Section 4(d) should be changed so that it clearly does not require the deletion of information disputed by consumers prior to completion of a reinvestigation of the disputed information.

Kevin S. McGuire
1530 Spruce Street, #304
Philadelphia, PA 19102



March 15, 1995

Office of the Secretary
Room 159
Federal Trade Commission
6th Street & Pennsylvania Avenue NW
Washington, DC

Re: Equifax Credit Information Services Settlement

Dear Sir/Madam:

I am writing with regard to the announcement of a settlement of charges against Equifax. I believe this settlement is too lenient.

Equifax has a considerable history of abusing the very consumers whose information forms the core of its business. As I am sure you are aware, in 1992, Equifax settled a case with the State of New York and 17 other states due to their intrusive reporting practices. As far back as 1973, when they were Retail Credit, the company further had problems with the FTC that were resolved in 1982.

Considering that the current round of charges could lead to civil penalties of \$10,000 for each violation, and that Equifax states that the settlement "places few new obligations" on the company, it seems that this settlement is surprisingly lenient. Time and again Equifax has abused the privacy of individuals, settled out of court, and continued their abusive behavior. I am curious as to why such a mild settlement was reached, particularly since one of the practices of Equifax was to sell credit reports to third parties who, according to the New York Times, "had no legitimate reason to obtain them."

Equifax does not provide free credit reports to consumers who are interested in checking their Equifax file (unless the consumer has been denied credit), and even if the customer does pay the fee, Equifax requires a considerable amount of information from the consumer. Considering that Equifax makes their money (\$436 million in 1992) by the sale of information on people without their consent, it seems that requiring Equifax to supply free credit reports on demand to consumers who request them is hardly unreasonable.

I hope that the Federal Trade Commission takes these invasions of the privacy of U.S. Citizens seriously and acts accordingly.

Sincerely,

A handwritten signature in dark ink, appearing to read "K McGuire". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

BODENHEIMER, JONES, KLOTZ & SIMMONS, L.L.P.

ATTORNEYS AT LAW
509 MILAM
SHREVEPORT, LOUISIANA 71101-5438

March 29, 1995

G.M. BODENHEIMER (1994)

J.W. JONES
DAVID KLOTZ
HARRY D. SIMMONS
C. GARY MITCHELL
F. JOHN REEKS, JR.*
MARY L. COON BLACKLEY
JAMES PATRICK BODENHEIMER
NORMAN LAFARGUE
CLAUDE W. BOOKER, JR.
DAVID A. SZWAK
* ALSO ADMITTED IN TEXAS

TELEPHONE (318) 221-1507
FACSIMILE (318) 221-4560

FILE NO. _____

Office of the Secretary
Federal Trade Commission
Washington, D.C. 20580

Re: In the Matter of Equifax Credit Information, File
No. 902 3149.

Dear Sir or Madam:

The commission must reconsider its consent order with Equifax. The proposed language does very little for consumers. Equifax announced that the Order will not cause it to change its operation. So why do it at all? The FTC should begin taking real steps towards enforcing the FCRA and other TIL legislation. The bureaus, including Equifax, reap extraordinary profits while consumers bear the brunt of their secret operations.

The public has little knowledge of the Equifax Order and even less about their consumer reports. What other industry in America is allowed to operate at the same error rate as consumer reporting industry? None. Why? The FTC is viewed as no real enforcement tool and the FCRA and other "fair" federal legislation is not fair at all. It is industry-oriented.

Consumers are not even aware what the Equifax complaint was about. No national TV news program or major newspaper went beyond the vague press releases issued by the FTC and the company. I believe the reason for this is that the complaint, the order, and the analysis, as written, do little more than restate the language of the Fair Credit Reporting Act. The commission and staff cannot monitor compliance. Consumers must be provided information and laws to enforce their rights. In order to do that, they need information from the commission.

Specifically, the commission must state how the order concerning DTFC reports relates to its order concerning "header information" in the "TIF" decision. Are DTFC and "header information" identical? My understanding is that DTFC, or header

FTC

Page 2

information, may be disclosed without a permissible purpose under the act.

Section I, 4, b. requires Equifax to match Social Security numbers, among other identifiers, on consumers. This will simply lead Equifax to tell consumers and subscribers, "The FTC has ordered us to collect Social Security numbers [so that we can match them]." This will lead to all sorts of fraud to consumers. The commission should be discouraging the collection of Social Security numbers by credit bureaus.

The discussion of "mixed files" should provide examples and some information about how many consumers are affected by this matter.

In Section III, the commission should require in Year One a baseline of data on disclosures and corrections. Otherwise, Equifax will alter the meaning of "accuracy," as it has in the past. This section must be rewritten so that (1) the commission is required to make this data public each year, and (2) the public is advised how to use and assess this data. It should make clear that Equifax may not label as "accurate" erroneous information that may have no adverse impact on consumers' credit worthiness.

The section on impermissible purposes does not explain exactly what the commission is addressing. Is it "information brokers" (resellers of information) or ultimate users of credit reports, like lawyers, investigators, and others? The commission should simply bar Equifax from selling credit reports to resellers; there is ample evidence of Equifax's failure to assure that the ultimate user has a permissible purpose. Requiring an on-site visit is nice, but it is hard to see how Equifax will determine from such a visit that a reseller is selling only to users with permissible purposes.

Nowhere in the order is Equifax required to inform consumers of the elements of the order.

American taxpayers aren't getting their money's worth. Even though the commission's investigation is secret, when it is completed there must be adequate specifics provided to consumers so that they can monitor compliance with the order.

Call me if you have questions.

Winfred
[Signature]

MEMORANDUM

Date : July 23, 1990

To :

From : Julia Knight

Subject : Off-line point scoring system for reporting
Autodata information

The following is a general overview of how the system posts autodata trade information to the credit files. Basically, it goes through a point scoring system as follows:

1. System first searches by City and State.
2. When City and State are found system then searches by Last Name.
3. Once last name is found, it searches all files by First Name and First Initial.
4. When last name and first name/first initial are found, system then searches by middle name/middle initial.

**At this time, if system finds a match on last, first and middle initial, then system scores this file a 0.

5. The system then searches by address. If street number matches, system scores +1. If street name matches, system scores +1. If city and state match or state and zip code match, system scores +1.
6. If social security number is 7 for 9 match, system scores +3.

Once system goes through this search process, it puts all files into individual buckets. Bucket #1 contains all files which score 3 points or more. Bucket #2 contains all files which score 2 points. Bucket #3 contains all files which score 1 point. If there are any files which score 3 points or more, all files in Buckets #1 and #2 are thrown out. If system finds two files which equal same point score, it will then implement a trade enhancement. To do this, this system will search by member number and account number, if a match is found system will then add account to this file. If there is no match found, system will add account to first file found.

LOCATE - used for notification purposes when the ID section of the credit report is updated.

LOCATE Features:

- * National system-wide monitoring.
- * Returns complete credit report.
- * Automatic update.

LOCATE Benefits:

- * Saves money.
- * Easy to utilize.
- * Reduces time needed in location efforts.
- * Quick discovery of identification information.

INDUSTRY UTILIZATION:

- * Any member of the Credit Bureau who is trying to locate someone for collection purposes.

Examples: Sunburst Bank
Fidelity Finance of Zachary
Credit Brokers (Collections)

LOCATE Price: Skip Locator \$.75
Hit \$1.93

ID REPORT - the ID section of the file is returned for location and identification efforts.

ID REPORT Features:

- * Two (2) versions - "Permissible" and "Non-Permissible".
 - "Permissible" - complete ID information.
 - "Non-Permissible" - excludes employment, occupation, SSN and age.
- * Easy to use.
- * Nationwide, system-wide search.
- * Safescan available.

ID REPORT Benefits:

- * FCRA compliance - "Permissible" and "Non-Permissible" versions.
- * Saves time and money.
- * Locates files previously not found.
- * Provides protection from attempted fraud.

INDUSTRY UTILIZATION:

- * Any member of the Credit Bureau that does not have "permissible purposes" for accessing credit reports or do not have access to a social security number. Due to a lower profit margin, this is not a product we promote.
 - Examples: Gulf South Investigations
 - RTC Investigations

ID REPORT Price: \$.85 per report.

may appear to alert you to inaccurate or potentially fraudulent information or if the individual is known to be deceased).

- * PUBLIC AGENCIES - Used to obtain information on an individual for locating purposes.

Examples: Child Support Enforcement
Baton Rouge City Court

- * UTILITIES - Use DTEC for:
 - Positive ID of new connections.
 - Verification of identity.
 - Verification when "No Record's" are given.

Examples: Gulf States Utilities
South Central Bell
DEMCO

- * RETAILERS - Use DTEC for:
 - Investigation of possible fraud applications.
 - "No Record" verification.
 - Incomplete or unclear application.

Examples: Maison Blanche
Lowe's
Baton Rouge Lumber
Sears

- * Any member of the Credit Bureau can benefit from using DTEC, whether they use Version I (Permissible Purposes) or Version II (Non-Permissible Purposes).

DTEC Price: \$2.00 per "hit".
No charge for a "No Record".

DTEC - allows the customer to search the entire Equifax/CBI National Database to obtain identification information by entering only the nine digit social security number.

DTEC Features:

- *Easy to use.
- *Nationwide, system-wide search.
- *Warning messages. - *Safescan can come up on Detec.*
- *Provides locate system.
- *Only input required - SSN

DTEC Benefits:

- * Quick discovery of identification information when only the social security number is available.
- * Locates multiple files on a consumer when the customer has the incorrect name, address or other identifying data.
- * DTEC warnings point out potential trouble spots or possible input errors.
- * If a "No Record" is returned there will be no charge to the customer.
- * Reduces time needed in location efforts.
- * An inquiry is not posted to the file. (will post to consumers file).

INDUSTRY UTILIZATION:

- * LENDERS - Use DTEC for:
 - "No Record" verification.
 - Cross-selling to previous customers.
 - Investigation of possible fraud application.
 - Additional search for information not returned on a first attempt. *- Being the Credit Report*
 - when a SAFESCAN warning appears.
- * COLLECTORS - Use DTEC for:
 - Skip tracing (searching for individuals who have moved and still owe a balance on their account).
 - Mail returns (when mail is returned because the current address is no longer valid).
 - Name changes and misspelled names (to identify any other names this individual may be using).
 - Student loan defaults (to locate new addresses for collection purposes).
 - Identity verification.
 - When a SAFESCAN warning appears.
 - Use to determine whether or not to continue to pursue collection efforts. (SAFESCAN warning

EQUIFAX MEMORANDUM

TO ECIS RVP's, RSM's, ASM's and Affiliate Executives

FROM Keener Walton-Odom - ECIS Sales Support

SUBJECT SALES-USE OF DAS/BEACON SERVICE (CREDIT BUREAU REPORTS-CBR CUSTOMERS)

DATE April 9, 1991

RE CORRES

COPY TO D. Hill, VP-CSC
W. Price, Pres.-CBC
George Beyer, SVP-ECIS
Jennie L. Boardman, VP-ECIS
Jess Travers, Director-ECIS
ECIS General Managers

ECIS Sales Support has finalized the assignment of local member numbers for existing CBR customers. We will be requesting local numbers on a continuous basis as CBR acquires new customers.

Recently, we have received several requests from CBR to activate customers on DAS or BEACON. ECIS Marketing has reviewed the possibility of serving CBR in this capacity. Because of the extensive training required to sell and service these products, it was decided not to sell these products directly to a third party broker at this time.

When a CBR customer requests either of these products, their CBR representative will have to contact Sales Support or the local bureau to request the service. The local bureau will be requested to acquire a DAS/BEACON contract and set up customer training programs.

If you have any questions, please contact me at (404) 885-8051.

KCW/dad

4. HOW TO OBTAIN "NON-PERMISSIBLE PURPOSE" OUTPUT:

- A. The "Customer Attribute Table [CAT]" is used to determine which version a member number is to receive.
- B. The "DTEC only" select on the Customer Attribute Table will be changed to "Non-Permissible Purpose" on 4/24/91.
- C. The "Non-Permissible Purpose" indicator default is "N".
- D. If a member number has permissible purpose, NO ACTION IS REQUIRED. The "Non-Permissible Purpose" indicator will automatically be set to "N".

EXCEPTION: All VC, VS, VF and VZ member numbers will automatically be set to "Y". This may be changed manually to "N" if applicable.

- E. If a member number does not have permissible purpose, the "Non-Permissible Purpose" indicator must be set to "Y".

NOTE: ALL MEMBER NUMBERS WITH A "Y" IN THE FORMER "DTEC ONLY" BLOCK WILL AUTOMATICALLY BE SET TO "Y" FOR "NON-PERMISSIBLE PURPOSE".

5. ACTION REQUIRED FOR "NON-PERMISSIBLE PURPOSE" MEMBER NUMBERS:

- A. Determine "non-permissible purpose" customers.
- B. For "non-permissible purpose" member numbers - make sure the Customer Attribute Table is set to "Y".
- C. To establish "non-permissible purpose" customers in the CAT:
 - * Access the Customer Attribute Table [CAT] from a supervisor terminal:
 - Sign on to ACRO.
 - Enter DCAT-123XX45678. [ENTER]
 - Change "NON-PERMISSIBLE PURP" from "N" to "Y".
 - Go to "Enter Function Code:" and type "U" to update the member number's record. [ENTER]

For additional information on DTEC or the I.D. REPORT contact:

ECIS Sales Support
(800) 926-HELP

or

ECIS Product Management
Debby Goolsby
Product Manager
(404) 885-8323

EQUIFAX MEMORANDUM

TO ECIS RVPs, RSMs, ASMs and Affiliate Executives

FROM Debby Goolsby, Product Manager, ECIS Marketing

SUBJECT SALES - DTEC and I.D. REPORT - NON-PERMISSIBLE PURPOSE SERVICE VARIATIONS - EFFECTIVE 4/24/91

DATE April 9, 1991

RE CORRES

COPY TO

D. Hill, VP-CSC
W. Price, Pres.-CBC
G. F. Beyer, SVP-ECIS
General Managers
ECIS Officers

1. WHY WERE VARIATIONS CREATED FOR DTEC & I.D. REPORT OUTPUTS?
The FTC recently reviewed what comprises a "consumer report" and "permissible purpose" as defined by the FCRA. The FTC concluded that a consumer report contains age or date of birth, marital status and employment data. To obtain a "consumer report", a customer must have permissible purpose as defined by the FCRA.
2. WHY ARE TWO OUTPUT VARIATIONS FOR DTEC and I.D. REPORT AVAILABLE?
A demand exists for DTEC and the I.D. REPORT from industries (i.e. governments, law enforcement, etc.) which do not have permissible purpose to receive all of the information currently contained in these reports. To serve non-permissible purpose, customer output variations will be available April 24, 1991.

3. WHAT ARE THE SPECIFIC DIFFERENCES?

DTEC:

WITH PERMISSIBLE PURPOSE

*Output:

Name
Addresses (CA/FA)
Employer/Occupation
Age

- *Inquiry posted to M1 file.
- *Inquiry displayed only for consumer disclosure.
- *Inquiry purged - 6 months.

WITHOUT PERMISSIBLE PURPOSE

*Output:

Name
Addresses (CA/FA)

- *Inquiry posted to M1 file.
- *Inquiry WILL NOT display.
- *Inquiry purged - 6 months.

I.D. REPORT:

WITH PERMISSIBLE PURPOSE

*Output:

Name
Addresses (CA/FA/F2)
Employment data
I.D. data (age/DOB)
AKAs
SSN provided, if available.

- *Inquiry posted to M1 file.
- *Inquiry displayed only for consumer disclosure.
- *Inquiry purged - 6 months.

WITHOUT PERMISSIBLE PURPOSE

*Output:

Name
Addresses (CA/FA/F2)
AKAs

- *Inquiry posted to M1 file.
- *Inquiry WILL NOT display.
- *Inquiry purged - 6 months.

November 2

Bluefield, WV
Danville, VA
Dublin, VA
Newport News, VA
South Boston, VA
Thomasville, GA
Gainesville, FL
Gray, TN

November 3

Idaho Falls, ID
Kansas City, MO
La Grange, GA
Lexington, KY
Marysville, CA
Minneapolis, MN
Norton, VA
Opelika, AL
Anderson, IN

November 4

Austin, TX
Bellingham, WA
Dayton, OH
Duluth, MN
El Paso, TX
Eugene, OR
Hawaii
Lafayette, IN
Middletown, OH

November 9

Richardson, TX
Union City, TN
All others

fn:bccaffil

October 12

Akron, OH
Amarillo, TX
Bartlesville, OK
Buffalo, NY
*Carlsbad, NM
Chillicothe, OH
Columbia, MO
Corpus Christi, TX
Decatur, IL
Enid, OK
Farmington, NM

October 13

Albany, NY
Baton Rouge, LA
Beaumont, TX
Canton, OH
Cedar Rapids, IA
Clarksville, TN
Columbus, OH
*Dallas, TX
Des Moines, IA
Evansville, IN
Finlay, OH

October 14

Albuquerque, NM
Bismark, ND
Bloomington, IN
Cape Girardeau, MO
Charleston, WV
Cleveland, OH
Corbin, KY
*Danville, VA
Elkhart, IN
Fargo, ND
Ft. Wayne, IN

October 19

Grand Forks, ND
Hickory, NC
Jefferson City, MO
Knoxville, TN
Little Rock, AR
Manassas, VA
Marion, OH
Memphis, TN
Nacogdoches, TX
Oak Ridge, TN
Oklahoma City, OK

October 20

Greenville, MS
Houston, TX
Joplin, MO
Lake Charles, LA
Louisville, KY
Mansfield, OH
Martinsville, VA
Milwaukee, WI
Nashville, TN
Norton, VA
Okmulgee, OK

October 21

Honolulu, HI
Jackson, TN
Jonesboro, AR
Lexington, KY
Lubbock, TX
Marion, IN
Muskogee, OK
Newark, OH
Omaha, NE
Opelousa, LA

October 26

Petersburg, VA
Rochester, MN
St. Cloud, MN
Shreveport, LA
Springfield, MO
Tallahassee, FL
Tulsa, OK
Waterloo, IA
Hickory, NC

October 27

Ponca City, OK
Rochester, NY
St. Louis, MO
Sioux Falls, SD
Springfield, OH
Terre Haute, IN
Valpariso, IN
Wenatchee, WA
*Red Bluff, CA

October 28

Richmond, IN
Rocky Hill, CT
San Antonio, TX
South Bend, IN
Stillwater, OK
Toledo, OH
Victoria, TX
Wichita, KS
Zanesville, OH

* Not Applicable

Red Bluff, CA; No equipment (FX into Redding)
Carlsbad, NM; Tail site ou of Albuquerque, NM
Dallas, TX; Sales office, no equipment

Listed below is the schedule to insert your new "masking" diskettes. The diskette is easily recognizable by the distinctive yellow highlighted label.

IMPLEMENTATION DATES TO INSTALL DISK ON HARRIS 9126 CONTROLLER

September 21

Albany,GA
Anderson,SC
Ashville,NC
Athens,GA
Bellingham,WA
Bessemer,AL
Carrollton,GA
Durham,NC

September 22

Casper,WY
Charlotte,NC
Chattanooga,TN
Coeur D'Alene,ID
Columbus,GA
Concord,NC
Dublin,GA
Hanford,CA

September 23

Elizabeth C.,NC
Florence,AL
Gainesville,GA
Gastonia,NC
Greensboro,NC
Greenville,NC
Hattiesburg,MS

September 28

Billings,MT
Florence,AL
Jacksonville,NC
Lewiston,ID
McComb,MS
Modesto,CA
Ocala,FL
Redding,CA

September 29

Bristol,VA
High Point,NC
Johnson City,TN
Macon,GA
Meridian,MS
Montgomery,AL
Panama City,FL
Rocky Mount,NC

September 30

Fairfield,CA
Huntsville,AL
Kalispell,MT
Marianna,FL
Missoula,MT
New Bern,NC
*Port Angeles,WA
Rome,GA

October 5

Sacramento,CA
Spokane,WA
Tuscaloosa,AL
Walla Walla,WA
Charlottesville,VA
Fredricksburg,VA
Indianapolis,IN
Pikeville,KY

October 6

Salisbury,NC
Statesville,NC
Twin Falls,ID
Winston-Salem,NC
Cincinnati,OH
Grand Junction,CO
Lynchburg,VA
Roanoke,VA

October 7

*Sanford,NC
Stockton,CA
Valdosta,GA
Yakima,WA
Fort Walton Bh.,FL
Galax,VA
Norfolk,VA

* Not Applicable

Port Angeles,WA: Dial up via 800 network
Sanford,NC; Bought by Winston-Salem,NC

SAMPLE ANNOUNCEMENT TO CUSTOMERS

IMPORTANT SECURITY INFORMATION

In the coming weeks Equifax will implement an additional Direct Access Terminal (DAT) security measure that we have been extensively testing with several customers. Because of its success, we are rolling it out across the country in phases during the next several weeks. The measure involves "masking" customer account numbers and pass codes when credit information is accessed by DAT.

The new DAT system feature will instruct terminal printers to print over sign-on information to make it unreadable. Our tests found that the majority of terminals are equipped to handle this change. If you have a question about your terminals, please contact your local sales representative.

There are no other changes in the DAT procedure. Your terminal operators will sign-on as usual. The only difference is that your account number and security digits will not show on the hard copy. Please cover this new change with your DAT operators. On the day of implementation, a reminder message will appear when the DAT operator signs on to the Equifax system.

This is but one of several additional security steps that we have been testing and will implement this year. We are pleased to be able to present this latest security feature to protect the use of your equifax account number and to further protect consumer information from access by unauthorized persons.

BROADCAST ANNOUNCEMENT

During the day that each area begins the masking feature, there will be a broadcast message on each DAT sign-on that states:

A new Equifax Credit Information Services security feature begins today. Your Equifax sign-on account number and security digits will now be blocked out on the hard copy of the first file you access after signing on to Equifax. There are no other changes.

Call your local sales representative for help if you have a question.

INSTALLATION OF THE MASKING DISK INTO THE HARRIS 9126 CONTROLLER

General Managers, Department Managers, Office Supervisors who are responsible for sites where Harris 9126 controllers are located should follow these instructions:

- * Understand that there should be two disks for each controller.
 - + As of the date masking starts for your site, the disk you keep in the controller will now be the YELLOW LABEL disk that features the masking process.
 - + Your current disk will now become your backup disk. It should be on standby at all times in case the masking disk causes a problem. (When you place this backup disk in the controller you will not have the masking feature)
- * Call Network Control (404) 740-4357 when your masking disks arrive to verify your site now has the YELLOW LABEL masking disk ready for installation on your confirmed date to install.
- * Observe the date you should change the disk in each controller at your location. Change disks on the morning of that date by reloading each 9126 controller with the YELLOW LABEL disk and pressing the program/ load button.
- * Should you experience any difficulty, please contact Network Control at (404) 740-4357.

As a reminder to the customer, there will be a broadcast message displayed on all DAT-accessed reports on the first day masking takes place in each area.

This masking procedure has been tested in many types of terminal equipment and software with positive results. However, there may be an occasional terminal that will not function properly because of the "masking" process. If you do receive a call from one of your customers encountering problems, we would request that the following steps be employed:

1. Your sales or customer representative should first attempt to correct the problem by swapping the terminal for one that has been tested and known to work with the "masking" process.
2. Your sales representative or customer service representative should next contact the equipment vendor for assistance.
3. If the vendor is unable to assist, have the vendor contact EISC/Support at (404) 612-3128.
4. If the interface is with an internally designed PC package, or a vendor supplied package please refer these calls to Scott Tippetts at (404) 740-5051 for assistance.

NOTE: PLEASE DO NOT HAVE YOUR CUSTOMERS CONTACTING EISC/SUPPORT OR SCOTT TIPPETTS.

CONTACT: Larry Lowe, Bureau Consultant, ECIS Affiliate Services -
(404) 885-8680.

EQUIFAX MEMORANDUM

TO:.....Affiliate Bureau Managers, Sales Managers

FROM:.....John Roesler, Assistant Vice President -
ECIS Affiliate Services

SUBJECT:.....NEW DAT SECURITY FEATURE: MASKING

DATE:.....August 31, 1992

COPIES TO:.....Wendell Tarkenton, Vice President, Affiliate
Services, ECIS
Bill Gastel, Vice President, Operating, ECIS
Larry Lowe, Bureau Consultant, Affiliate
Services, ECIS

MESSAGE: A significant event is about to take place that will
increase the security of the ECIS database: the
"masking" of all DAT sign-on numbers.

EFFECTIVE
DATE:

The masking project will start on 9/21/92 and the
scheduled completion is 11/09/92.

EXPLANATION: DAT "masking" will block out the sign-on information
automatically on the hard copy of each DAT accessed
file, making it unreadable. This security feature
is now installed in all ECIS owned areas. The
purpose of "masking" is to discourage growing
instances of unauthorized access to the database. A
nominal charge of \$56.12 per disk will be charged to
each affiliate for this upgrade.

ACTION
REQUESTED:

Included in this package is the schedule for the
"masking" project. Please do not deviate from the
date shown on the schedule in changing the disk in
your controller/processor. It will be necessary to
have a person on site to change the operating disk
in each controller and/or processor on the morning
of the assigned date.

The accompanying letter has mailed to all major
customers outlining the timing of DAT security
upgrade. You may also want your customers to be
aware of this security upgrade as well. In addition, you
may want to have your sales people carry a supply of
the advisory letters and hand-deliver copies to the
many major DAT customers as possible before the
implementation date for your Bureau. This will
ensure you are communicating with the appropriate
audience.

EQUIFAX MEMORANDUM

TO

System Affiliates (All)

FROM

ECIS System Affiliates Support

SUBJECT

CREDIT REPORTING (Posting DTEC Inquiries)

DATE

July 27, 1990

RE CORRES

COPY TO

ECIS Officers
Key Affiliate Executives
Regional Vice Presidents-
Sales
Management Services Div.
Legal Department

Effective July 17, 1990, a System change was implemented to post DTEC inquiries with the following conditions:

1. The inquiry will post to "M1" file only.
2. "DTC" inquiries will display under "J" code only (i.e. consumer disclosure purposes).
3. The inquiry display will be:
"DTC (member name - maximum 6 characters) 999BB000123 07/17/90"
4. "DTC" inquiries will be purged in six (6) months.
5. A DTEC "No Record" will not create a file, hence no "DTC" inquiry.
6. Should a "DTC" inquiry need to be deleted from the file, follow standard procedures to delete foreign inquiries as the DTEC inquiry will be posted as a foreign inquiry (FI):

Example: FI-07/17/90, DTC (name) 999BB000123, CANCEL.

This System change was brought about because the recent FTC Commentary stated that name, address, and employment information constitutes a "consumer report" when provided by a consumer reporting agency.

As has been the case since DTEC's introduction, the Equifax position has been that a user of DTEC must have "a legitimate business need for the information in connection with a business transaction involving the consumer" (i.e. permissible purposes).

If you have any questions concerning this change, please contact Debby Goolsby at (404)885-8323, or Field Support at (404)885-8532.

CV:mod

DTEC and I.D. REPORT
OUTLINE OF AVAILABILITY

Page 2

10/25/91

3. WHEN CAN DTEC & I.D. REPORT BE USED? (continued)

* CONSUMER PURPOSES - FORMERLY KNOWN AS "PERMISSIBLE" (Complete DTEC/I.D. Information) - continued:

- (5) Location of beneficiaries (insurance, stockholders, pension funds, unclaimed assets or property).
- (6) Child support payment enforcement.
- (7) Opening/reviewing checking/savings accounts.
- (8) Verification of a credit file "No Record".
- (9) Location of stockholder or pensioner.
- (10) Default on loans.
- (11) Location of former employee (send W-2, retirement benefits).

* NON-CONSUMER PURPOSES - FORMERLY KNOWN AS "NON-PERMISSIBLE" (Name & Address Information ONLY):

- (1) Claims/Subrogation.
- (2) Process servers to locate witnesses or defendants.
- (3) Government agencies who lack a "permissible" purpose.
- (4) College/University alumni associations.
- (5) Mail returns.
- (6) Law enforcement.
- (7) Location of relatives listed on a credit application to obtain information on how to contact a debtor.

B. Corporate decisions have been made not to consider offering DTEC or the I.D. Report in the following situations:

- (1) Bail bondsmen.
- (2) Genealogical or heir researchers or locators.
- (3) Detective agencies or private investigative agencies.
- (4) To locate property for repossession, where the property is held by someone other than the debtor.
- (5) To locate missing children.

ECIS Marketing must be consulted, PRIOR TO PROVIDING THE SERVICE, if a customer requests DTEC or the I.D. REPORT for situations other than those stated above.

This memorandum is a broad summary of various ECIS bases, policies and the FCRA. In each case, the details of applicable bases, policies and sections of the FCRA must be consulted and applied with.

If you have any questions about DTEC or the I.D. REPORT, contact:

ECIS Sales Support - (800) 803-HELF

OR

Debby Goolsby, Product Manager, (404) 803-8323.

EQUIFAX MEMORANDUM

TO..... All ECIS Sales Associates

FROM..... Debby Goolsby, Product Manager, ECIS Marketing

SUBJECT..... DTEC and I.D. REPORT - OUTLINE OF AVAILABILITY

DATE..... October 25, 1991

RE CORRES.... D. Goolsby-4/9/91

COPY TO..... P.J. Springman
G.P. Becknel
W. Tarkenton
R.J. Thomas
J.E. Roesler

This is a follow-up to the 4/24/91 introduction of "Consumer" (formerly known as "permissible") and "Non-Consumer" (formerly known as "non-permissible") DTEC and I.D. Reports and will further clarify the use of those reports.

1. FTC DEFINES "CONSUMER REPORT":

Disclosure of age or date of birth, marital status or employment information, even without trade line information, is considered a consumer report. A permissible purpose, as defined by the FCRA, is necessary to obtain such a report.

2. PERMISSIBLE PURPOSE AS DEFINED BY SECTION 1681b (604) OF THE FCRA:

"A consumer reporting agency may furnish a consumer report under the following circumstances and no other:

- (1) In response to the order of a court having jurisdiction to issue such an order.
- (2) In accordance with the written instructions of the consumer to whom it relates.
- (3) To a person which it has reason to believe---
 - (A) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or
 - (B) intends to use the information for employment purposes; or
 - (C) intends to use the information in connection with the underwriting of insurance involving the consumer; or
 - (D) intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or
 - (E) otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer."

3. WHEN CAN DTEC & I.D. REPORTS BE USED?

A. Listed below are situations where DTEC and I.D. REPORT may be used:

B. CONSUMER PURPOSES - PREVIOUSLY KNOWN AS "PERMISSIBLE PURPOSES" (DTEC/I.D. Information Available)

- (1) Credit granting.
- (2) Collection of money owed via a credit transaction.
- (3) Employment purposes.
- (4) Obtaining a license.

EQUIFAX MEMORANDUM

TO..... AFFILIATE EXECUTIVES AND SALES MANAGEMENT
FROM..... JOHN E. ROESLER, ASSISTANT VICE PRESIDENT
SUBJECT..... SALES (DTEC AND ID REPORTS - OUTLINE OF AVAILABILITY)

DATE OCTOBER 25, 1991

RE CORRES D. GOOLSBY 04/09/91
04/24/91
10/25/91

COPY TO WENDELL TARKENTON, VP
JEAN MARTIN, DIRECTOR

The attached memorandum is being sent today to the ECIS sales organization personnel. Items 1 and 2 are taken directly from the FTC Commentary. Item 3 outlines ECIS policy regarding the use of these products. Please review this release carefully for consideration of adoption within your organization.

If you have any questions, please feel free to contact me at (404) 885-8138.

**AGREEMENT FOR SERVICE
(DTEC Service)**

THE CREDIT BUREAU, INCORPORATED OF GEORGIA
CREDIT NORTHWEST CORPORATION

1. The undersigned, desiring to use your DTEC services at the regular prices established by you from time to time, agrees that all information, whether oral or written, whether by report or otherwise, will be submitted and received subject to the following conditions:
2. Information will be requested only for our exclusive use. All information received from you, other than name and address information from a DTEC report, will be held in strict confidence, except to the extent that disclosure to others is required by law.
3. Recognizing that information is secured by and through fallible human sources and that for the fee charged you cannot be an insurer of the accuracy of the information, we understand and agree that the accuracy of any information furnished is not guaranteed by you and we release The Credit Bureau, Incorporated of Georgia and Credit Northwest Corporation and their agents, employees, and independent contractors from liability for any negligence in connection with the preparation of DTEC reports and from any loss or expense suffered by us resulting directly or indirectly from DTEC reports from you or your affiliated companies.
4. All reports will be charged to the undersigned at the regular rates of The Credit Bureau, Incorporated of Georgia/Credit Northwest Corporation in the city in which the service is rendered. Such charges shall be paid for by the undersigned upon rendition of monthly statements.
5. Written notice by either party will terminate this agreement, but the obligations and agreements of the undersigned set forth in the second, third, and fourth paragraphs above will remain in force.
6. We certify that:
 - a) we will only use DTEC reports to locate or further identify the subject of the report and that we will not order or use DTEC reports in whole or in part to determine eligibility for credit, employment, or insurance or any other purpose that permits a consumer report to be ordered, except in connection with the collection of a debt.
 - b) if adverse action is to be taken against the subject and the information to be used has been obtained from DTEC, it will be verified by another source. The DTEC information will be used as lead information only.
 - c) no consumer reports will be ordered from you pursuant to this agreement. If the need for a consumer report should arise, we will contact you to arrange for this service.
 - d) it is understood that obtaining consumer reports under false pretenses is a violation of federal law and may subject us to a fine of not more than \$5,000 or imprisonment of not more than one year, or both.
7. We understand and agree that this letter constitutes all agreements and conditions of DTEC report service made by you and your affiliated companies. DTEC reports from affiliated companies shall be paid for at their prices established from time to time. No changes in this agreement may be made except by consent in writing of an officer of The Credit Bureau, Incorporated of Georgia/Credit Northwest Corporation.

Company _____

By _____

Title _____

Dated _____ at _____

City _____ State _____

Service _____ Other _____ Total _____ Per _____

Beginning _____

Mailing Address _____

Street Address _____

Account Number _____ Telephone No. _____

**CBI DIRECT ACCESS
FOR DTEC
SOCIAL SECURITY SEARCH**

1. Dial Computer # _____, get "CARRIER", hit RETURN twice.
2. Computer will respond with: "PLEASE SIGN-ON"
3. Type your sign-on: _____, P. RETURN LINEFEED CTRL S
CODE # OPR
4. Computer will respond with: "PROCEED"
5. Type: DTEC-XXX-XX-XXXX. RETURN LINEFEED CTRL S
SSN
6. Computer will respond with:

M1 OF 3 NM-CRAWFORD,ROBERT,E CA-111, AVERY, RD, ROME, GA, 30361, 04/88
FA-984, HILLVIEW, AV, ATLANTA, GA, 30316, 05/88 ES-

SS-143-77-7890 AGE 38

M2 OF 3 NM-CRAWFORD, RIBERT, E., LORNA CA-111, AVERY, AV, ATLANTA, GA, 30316, 09/88
AGE 28

M3 OF 3 NM-CRAWFORD, BOB, E CA-111, AVERY, RD, ROME, GA, 30316, 01/88

SS-143-77-7890 AGE 43 &

END OF REPORT CBI AND AFFILIATES - 01/20/89

(NOTE: Up to 4 records may be delivered. Former address, employment and age information provided when available.)

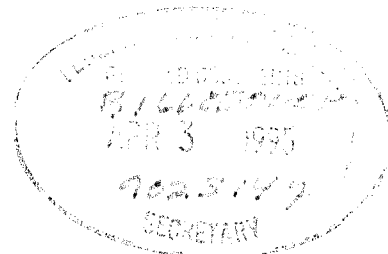
If no record found output will be:

51 NO RECORD FOUND

DTEC SOCIAL SECURITY WARNING MESSAGES

- * SOCIAL SECURITY NUMBER OUT OF RANGE
- * SOCIAL SECURITY NUMBER REPORTED DELETED
- * SOCIAL SECURITY NUMBER MISUSED

Stephen J. Shaw
6615 6th St., NW
Washington, DC 20012
202/291-3315



March 25, 1995

Office of the Secretary
Federal Trade Commission
6th St. and Pennsylvania Ave., NW
Washington, DC 20012

Re: In the Matter of Equifax Credit Information Services, Inc.

Please accept these comments concerned the proposed settlement agreement between the Federal Trade Commission and Equifax Credit Information Services, Inc.

In light of the Federal Trade Commission's proposed settlement with Equifax Credit Information Services, I would like to bring to your attention an ongoing situation that will shed some light on how Equifax handles some of the issues addressed in the proposed agreement with consumers, rather than simply what it tells government regulators. I think you will agree that Equifax clearly is attempting to subvert the proposed settlement, even while the FTC is considering it.

In September, 1993, I requested my credit file from Equifax. Under the section on the report entitled "Companies That Requested Your Credit History," the following notation appeared: "DAT EMPLDEPT OF DE," dated 2/12/93. Since I first learned this, I have unsuccessfully sought to find out from Equifax exactly to whom, and why, they provided my consumer report in connection with that inquiry.

Bear with me for a moment while I explain why it is extremely important to me to monitor to whom Equifax sells the highly personal and private information that appears on my consumer report. In 1991, Equifax provided my reports to a Florida car salesman without my knowledge or authorization. The salesman then used the information from the reports to steal my identity, opening 35 or so accounts under my name and charging approximately \$100,000. Notice of the fraudulent accounts eventually appeared on my credit reports (the most recent one turned up late last year, three-and-a-half years after the initial assault.) As I'm sure you can imagine, it's been nothing short of a nightmare attempting to remove the fraud-related information from my consumer file, convincing creditors I was not the one responsible for their accounts, and seeking redress for the cavalier manner with which Equifax treated my personal information.

When I saw the mysterious "DAT EMPLDEPT OF DE" notation, I notified Equifax that I did not recognize the organization, and that the request did not relate to any offer of employment, credit, or any other legitimate purpose of a credit report. I requested that Equifax tell me exactly who the requester was, and remove the notation from my credit report. I never received a response from Equifax.

Following a federal lawsuit against Equifax and others involved in the fraud case, I received in January, 1995, the latest copy of my Equifax consumer report. The 2/12/93 notation appeared again, only this time the requester was listed as "DAT EMPLU S GOVER."

I spoke with the manager of Equifax's office of consumer affairs in Atlanta and asked who received my consumer report in connection with the "DEPT OF DE/U S GOVER" notation. I was told the information "on the system" indicated only that the report had been pulled by an unspecified agency of the U.S. government with an address given as "Washington, DC, 20301."

The Atlanta Equifax official also gave me what she had as the phone number of the unnamed U.S. agency --- 301/680-2151 --- a Maryland phone number for a government agency with a Washington, DC, address.

I called the number, assured by Equifax that I would get the agency that could explain who it had obtained my credit report and why. Instead, the call was answered by the Silver Spring, Md., office of Equifax. More specifically, the number belonged to Alison Wade, who identified herself as the federal account representative for Equifax.

I requested, several times over the next few weeks, that Ms. Wade identify the organization that had received my credit report from Equifax. She declined each time. In one conversation in early February, Ms. Wade stated that she would confirm her refusal in a letter to me. As of this date, I have not received any such letter from her.

Ms. Wade did inform me that the "U S GOVER" notation on my credit report was part of a background security check on my wife, who does hold various security clearances. Ms. Wade did say that the government agency should not have pulled my credit report. She added, "You could probably sue them."

Ms. Wade also told me that the "DAT EMPLDEPT OF DE" notation from my earlier report actually referenced the Department of Defense, but, again, she declined my request to identify the specific agency that had received my report. She added that the Department of Defense reference was later changed in the Equifax system to the "U S GOVER" notation to make the inquiry notation "broader."

At this point, it was obvious that even the Department of Defense notation was fictitious. Again, I repeated my request that Equifax identify who had received my credit report from them, and why. The only assurance Ms. Wade would offer was that she would contact the responsible Equifax subscriber, and have someone from their organization contact me.

I complained about this refusal, if not outright deception, to identify the recipient of my credit report to Equifax's consumer affairs manager in Atlanta, only to be told that all responsibility for the matter had been turned over to Ms. Wade.

Several weeks later, I received a call from Thomas Peebles, who identified himself as a trial attorney from the U.S. Department of Justice. Mr. Peebles said that he was representing the still-unidentified U.S. government agency in this matter and wanted to meet with me to discuss the matter.

In our subsequent meeting, Mr. Peebles said that he could not provide the information I had requested from Equifax unless I signed a secrecy agreement, which would have required me "never to divulge, publish, or reveal, either by work, conduct or any other means, such information..." I have attached a copy of that proposed agreement. Mr. Peebles stated that he and his unnamed client required the agreement because the information I sought involved "a classified contract."

I informed Mr. Peebles that I was not interested in a classified contract, I wanted to know to whom Equifax had provided my credit report, and why, as required by federal law. Mr. Peebles said he could not provide any details unless I signed the agreement.

Despite my refusal to sign the agreement, Mr. Peebles stated that my report was pulled in connection with "a spousal relationship." He added that his unnamed client had asked him to pass along the message to me "to lay off Equifax, they're just doing what they're told."

I told Mr. Peebles that I did not consider "a spousal relationship" to be an adequate reason for his unnamed client to receive my credit report. In addition, I told Mr. Peebles that I considered this to be a violation of federal law governing the use of credit reports since I was not being considered for employment, nor was his client intending to make a firm offer of credit to me.

Finally, I informed Mr. Peebles that I considered his insistence on a secrecy agreement to be unreasonable and a violation of federal law that explicitly states that credit bureaus shall "clearly and accurately disclose to the consumer...the recipients of any consumer report on the consumer which it has furnished." I informed Mr. Peebles that I could not find any reference that requires consumers to sign a secrecy agreement to obtain information that federal law says they are entitled to.

Equifax has declined to respond to additional phone calls and faxes about this issue.

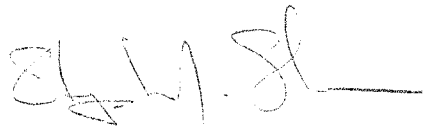
Equifax, by the admission of its own employees, has provided my credit report to users that did not have a permissible purpose for that information. Furthermore, Equifax has repeatedly refused to abide by the obligations clearly stated in the Fair Credit Reporting Act to identify to whom it has sold the personal and confidential information contained on my consumer report. I find this behavior to be

reprehensible, especially in light of the fact that it occurred at precisely the same time as the proposed settlement agreement on these very points was announced by the Federal Trade Commission.

I also am outraged by the behavior of the U.S. Department of Justice, which has not only condoned these violations, but has encouraged them, and by the actions of the unidentified government agency that now has on file highly confidential and personal information about me to which it has no right or purpose.

I urge you to re-consider the proposed settlement agreement with Equifax. I request that you investigate this situation and, if needed, file criminal charges against the individuals and organizations responsible for the continuing breaches of federal law.

Sincerely,

A handwritten signature in dark ink, appearing to read "S. J. Shaw", with a horizontal line extending to the right.

Stephen J. Shaw

Enc.

SECRECY/NONDISCLOSURE AGREEMENT

1. I hereby consent to the terms of this agreement in consideration of being granted access to certain official information that is classified or otherwise legally protected (hereinafter referred to as "National Security Information") in accordance with Executive Order 12356, as amended or superseded, and/or which is protected from disclosure pursuant to statutory authority. I understand that, by granting me access to National Security Information, the United States Government (USG) reposes special confidence and trust in me, and that I am obligated to protect this information from unauthorized disclosures.

2. In consideration of being provided National Security Information pursuant to this agreement, I agree that I will never divulge, publish, or reveal, either by work, conduct, or any other means, such information unless specifically authorized to do so by an appropriate official of the USG.

3. The provision of National Security Information pursuant to this agreement does not constitute any waiver by the USG of any statutory, evidentiary, common law, or other privilege.

4. These restrictions are consistent with, and do not supersede, conflict with, or otherwise alter certain obligations, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. section 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosures that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 713(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.

5. I understand that this agreement remains binding upon me unless I am otherwise released from this obligation by an authorized official of the USG.

DATE

By: _____
SIGNATURE

Please Print Name

DATE

WITNESS

Please Print Name