

Wider Threat to Privacy Seen As Computer Memories Grow

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By JOHN MARKOFF

Computer-based technologies that have brought sweeping changes in the way Americans work and play have also increased — by several orders of magnitude — threats to their privacy. Taken in isolation, each new technology, like a computerized supermarket checkout system, is reasonably harmless. But drawn together, they create the potential for sketching a detailed electronic profile of virtually every American citizen.

And they are being drawn together, as private companies and Federal agencies increasingly use powerful computer systems to link and compare disparate data bases, including Internal Revenue Service files, credit rat-

ings, criminal records, bank records, telephone calls and medical records, sometimes down to the computer records of drugs purchased at local pharmacies.

The Federal agencies and private companies that are compiling these data and comparing them electronically say they are simply streamlining information systems within the bounds of ethics and the law. But according to Robert Ellis Smith, editor of *The Privacy Journal*, a public-interest publication based in Washington, the resulting electronic dossiers can tell outsiders where you travel, what you eat, what your style of living is and whom you speak with.

Potential for Abuse

Civil libertarians acknowledge that such dossiers can be used for purposes as harmless as direct-mail marketing, or as well-intentioned as a credit check by a bank considering a loan application. But given the number and kinds of data being computerized, the increasing number of links among data bases and the inadequacy of laws on access to these data, there is potential for abuse.

"A great deal of sensitive personal information on individuals is being collected at greater rates than ever based on new technologies," said Janlori

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A series of slowdowns and other job actions by the drivers' union have curtailed distribution of *The New York Times* in some areas. These actions are associated with contract negotiations, and *The Times* is unable to say how long the disruptions may continue. We regret the inconvenience to our readers.

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Computers' New Ability to Invade Lives

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Goldman, a privacy expert at the American Civil Liberties Union in Washington. "Just about everyone is at risk. If you have a credit card or a bank card or write checks, information can be very easily assembled on you at this point."

Mary Karen Dahl, a researcher at Computer Professionals for Social Responsibility, a public-interest group in Palo Alto, Calif., warned: "People don't understand what is known about them and where that information is going. We're beginning to believe that almost all computer networks can be tied together."

It is commonplace that privacy is invaded daily at the supermarket, where scanners record the price and nature of every purchase. Store clerks in most states also record certain vital statistics about you at the checkout line: your social security number, for example, or your driver's license number, if you pay by check. In Connecticut, however, some stores are combining these two types of data in a permanent electronic record of each customer's purchases.

Employers are also playing computer matching. Last December, for example, the Postal Service announced plans for collecting files from various Federal agencies and comparing them with its payroll records to identify employees who are delinquent debtors.

The increased availability of commercial data bases for use by private corporations may pose an even greater threat to privacy, said Mr. Smith of The Privacy Journal.

A case in point is TRW Inc., one of the first companies to automate the collection of credit information dur-

ing the 1970's. Its Consumer Financial data base is integrated into an information bank called the TRW Performancedata System, and includes current bank card balances for more than 101 million people. Meanwhile, TRW Consumer Database includes information on more than 138 million names in roughly 84 million households; it lists such things as age, sex, marital status, income, length of residence, dwelling type, telephone number and number of children. This information is available, for a fee, to creditors and, increasingly, to advertisers and marketing companies.

Of particular concern to privacy experts are "predictive" services offered by credit bureaus like TRW. The company's computers merge different data bases to create a profile that a credit grantor can use to identify people likely to default on a consumer loan. TRW is now creating a system that will identify individuals associated with companies that have filed for bankruptcy.

"Computer techniques are permitting a company to say if a person has certain characteristics, they will act certain ways," Mr. Smith said. "Technologies that predict behavior and categorize people accordingly diminish individuality."

Credit bureau officials say that the assertions of civil libertarians are misplaced.

"I don't think there is a privacy concern here," said Dennis Benner, vice president of TRW's information services division in Orange, Calif. "All of the data we have are handled with the consumer in mind."

He added that by permitting advertisers to direct their mailings at particular audiences, "we think we'll be able to reduce the clutter in your mailbox."

Mr. Benner said TRW has been a

A wealth of personal data is available.

pioneer in developing privacy guidelines for the credit industry and that everything the company does with the information it collects and disseminates to private corporations is consistent with ethics and law.

With the increased computer matching capabilities, however, if that information is incorrect, it can now seriously damage individuals, as it did Terry Dean Rogan. Between 1982 and 1984, Mr. Rogan was arrested five times in Michigan and Texas for crimes he did not commit. His birth certificate had been stolen and used by a criminal, and it was Mr. Rogan's name that made the rounds of the F.B.I.'s National Crime Information Center system, a computerized data base to which law-enforcement agencies have access. He eventually received \$55,000 as a result of a lawsuit he filed against Los Angeles for not removing his name from a data base.

New electronic forms of communication are equally vulnerable to abuse. Americans annually transmit more than 2 billion electronic messages to each other via computer, creating unparalleled opportunities for snooping, as in a recent case involving a young West German.

Using his home computer to skim through thousands of electronic records stored in American military computers, he perused the correspondence of United States military officers worldwide.

Civil liberties groups are seeking to limit the sharing of material stored on data bases, or computer matching, especially by Federal agencies. They succeeded to an extent in the 1974 Privacy Act, which required that information collected by the Federal Government for one purpose could not be used for another purpose without the individual's consent. They hope to build new defenses with a computer matching and privacy protection bill introduced in the House of Representatives last week, which would extend restrictions to interactions between Federal data bases and ones operated by states or private concerns.

But the new technologies have outpaced laws, often rendering them inadequate, according to the A.C.L.U. Between 1980 and 1984, according to the group, the number of data matches performed by the Government tripled, with 11 Cabinet-level departments and 4 independent agencies conducting 110 computer matching programs. More than 2 billion records have been matched.

Some Federal officials are now advocating a new kind of computer matching called "front-end verification." It matches information about individuals, like Social Security numbers, against multiple Federal data bases whenever those people apply for a grant or other Federal program like Aid to Families With Dependent Children. Critics warn that such a system could establish hundreds of permanent computer links between data bases, creating a structure for far broader computer matching programs in the future.