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THE AGE OF THE 'SUPER BUREAUS'

By Simson Garfinkel

It's the supermarket approach applied to consumer reporting.

At least two firms -- one in Ohio, and another in California -- are giving companies the convenience of one-stop shopping for obtaining reports on the consumers with whom they do business.

These so-called "super bureaus" are actually information middlemen. For a hefty sign-up fee and from \$3 to \$20 per search, they let anyone with a personal computer and a modem easily conduct consumer searches. But many of the services they offer go far beyond those available from traditional consumer reporting agencies like Equifax or credit bureaus like TRW.

Super Bureau, Inc., in Campbell, Cal., operates its system through MCI Mail. In order to get a report, a person sends a message to the Super Bureau electronic mailbox with name, Social Security number, and other information about the person being searched. A computer operator at Super Bureau then rearranges the information into a format that is acceptable to a credit bureau, does the search, and sends the results back to the customer. Super Bureau offers a variety of services, from address verification and telephone number traces, to providing legal judgments, driver records, returned checks, and bankruptcy reports.

A far more sophisticated system is offered by National Credit Information Network, Inc., which allows subscribers to dial its computer directly and conduct on-line, real-time consumer searches of more than 200 million on-line consumer credit reports, nine million commercial credit reports on businesses, drivers license records from 49 states, and a nationwide database of Social Security numbers.

A prospective user of the system simply dials an 800 number for the super bureau's computer system and enters a password, which is used for billing purposes. The user is then presented with a menu of the various searches that the computer system can perform. The computer automatically routes requests for information to the credit bureau that is most likely to have the desired information.

"With nothing but the Social Security number we can provide you with the most recent address and as many as six previous addresses," said an NCIN sales representative, who described his company as "the gateway to information." The
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computer can also determine an individual's Social Security number, given a name and address. These services are frequently used by landlords searching for tenants who have "skipped" and by private investigators, the representative said. While the information used for a SSN search does not come from the Social Security Administration, NCIN claims that it has 82 percent success on searches.

Other information available at a searcher's fingertips includes date of birth and marital status and court records such as judgments and bankruptcy filings. Driver's history reports and motor vehicle registrations from every state except Massachusetts are on-line. NCIN's computer interfaces directly with the major consumer reporting companies in the country -- TRW, Trans Union, CBI -- plus "over a thousand independent credit bureaus."

"Almost, no matter what business you are in, if you do any investigating at all, you want to qualify who you extend credit to," said NCIN's representative. NCIN's sales brochure lists the permissible purposes for consumer credit reports under the Fair Credit Reporting Act (credit, insurance, employment and similar
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IN CONGRESS -- Viruses, Security

Sen. Patrick Leahy's Judiciary Subcommittee on Technology and Law plans to have FBI Director William Sessions and NSA computer security expert Robert T. Morris Sr. testify on computer viruses in late April. * * * On March 21 the House subcommittees on Transportation and on Science held oversight hearings on implementation of the Computer Security Act of 1987.

DON'T JUDGE A BOOK. . .

When Shell Oil Co. sent its credit-card holders a mass mailing, the wife of one of them got upset. The outside of the envelope said "Important: Reminder For Shell Credit Cardholder. Please Return By: August 15, 1986. PRE-CANCELLATION NOTICE." When John McCann heard about the notice from his wife, *he* became upset. Both of them thought that his account was in jeopardy. The notice turned out to be a solicitation for a new credit-card protection plan. John McCann, an attorney, sued Shell for defamatory injury to his reputation. But the Supreme Court of Rhode Island has held that the threatening mail piece did not imply a lack of creditworthiness and dismissed the lawsuit. McCann v. Shell Oil Co., 87-148 (Dec. 21, 1988).

The American Civil Liberties Union has engaged in this deception as well, sending out mailings that begin "CREDIT DENIED." The letter inside says that this *could* happen because of damaging information in a credit bureau and that by supporting the ACLU, you can diminish the chances...

The U.S. Congress is more sympathetic to consumers who receive deceptive mailings than is the Supreme Court in Rhode Island. The House has passed HR 4478, first proposed by Rep. Olympia Snowe, R-Me., to prohibit the use of government logos or other graphics and language that imply that the mailing is from an official federal agency. The Senate Government Affairs Subcommittee on Federal Services and Post Office held hearings Feb. 28 on a counterpart bill by Sen. John Heinz, R-Penn. (S 273).