



March 20, 2000

Secretary – Federal Trade Commission
Room H-159
800 Pennsylvania Avenue, NW
Washington, D.C., 20580

To Whom It May Concern:

This letter is in reference to proposed implementation of Title V of *The Financial Modernization Act* in which both the intent and scope of this privacy provision by regulatory agencies poses significant security issues to the interests not only of American business, but the American people.

American Background Information Services, Inc., is a federally regulated Consumer Reporting Agency, as defined by the Fair Credit Reporting Act, for the specific purpose of performing pre-employment screening on behalf of a national clientele. American Background has been successful in its mission to augment existing recruitment programs by assisting clientele in the evaluation of personal and professional qualifications of applicants by the assimilation of personal data into a consumer report and forwarding such to the qualified end-user. Prior to conducting such service, American Background has secured not only a client's certification in relation to their understanding of the permitted use of the consumer report, but the express written permission of the individual subject prior to engagement of a consumer report.

While Title V of *The Financial Modernization Act* specifically clarifies that nothing within the title is intended to modify, limit, or supersede the operation of the Fair Credit Reporting Act, the proposed interpretation of *The Financial Modernization Act* by the Federal Trade Commission (Regulation P of the Privacy of Consumer Financial Information), would in fact modify, limit, and supersede the function of American Background in relation to the Fair Credit Reporting Act.

Specifically, proposed regulations in relation to credit information reporting which denies access to header data associated with credit reports would prove significantly detrimental to the consumer reporting process given that header data confirms the subject's current/previous addresses, date of birth, and social security number. In relation to pre-employment screening, this information is vital in meeting the FCRA definition of a consumer report which includes, "...communication of any information by a consumer reporting agency bearing on a consumer's ... character, general reputation, personal characteristics, or mode of living which is used...in establishing the consumer's eligibility for employment purposes." Without proper validation of key subject

"Uncovering the Past to Protect Your Future"

identifiers provided by the header information associated with a credit report, neither American Background nor the end-user of the subsequent consumer report may have any degree of confidence regarding either the identity of the subject or the subject's qualification of previous residence history which may or may not be represented accurately by the subject on the application for employment. This verification of information directly impacts the FCRA mandate cited above by failing to provide vital, reliable personal data utilized by courts from the local to federal levels to determine identity, document convictions, and indicate which jurisdictions of the 3,300 plus a consumer reporting agency should make inquiry regarding such convictions in order to assure a proper level of due diligence.

While American Background applauds the effort of Congress to protect consumer interests regarding the use of financial information, the proposed misinterpretation of this act by the Federal Trade Commission in relation to pre-employment screening services will seriously undercut the personal, business, and social protection currently afforded by previous federal regulations as well as proper application of *The Financial Modernization Act*. Therefore, we would urge the Federal Trade Commission to better ascertain original Congressional intent in relation to the legitimate use of credit report header information as it pertains to the vital service performed by pre-employment screening services.

I appreciate your willingness to review this matter and look forward to your reply.

Most Sincerely,

A handwritten signature in black ink, appearing to read 'R. A. Raker', written over a horizontal line.

Roger A. Raker
Director of Corporate Communications

RAR/ta