

FEDERAL TRADE COMMISSION  
IDENTITY THEFT VICTIM ASSISTANCE WORKSHOP

ONE STOP SHOP BREAK-OUT SESSION

MODERATORS:  
CHRISTOPHER KELLER  
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TUESDAY, OCTOBER 24, 2000

A T T E N D E E S

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John McGee  
Bob Ryan  
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## PROCEEDINGS

MR. KELLER: At yesterday's session, the notion of a one stop shop was raised, and a few preliminary remarks were made. I'm wondering if we could just open this up to any observations about that process as --

MS. FOSTER: I'm so sorry. I got caught by a reporter, not a court reporter. So we know that we're all in the right place now that we're probably late, what we're talking about here is one stop shop for fraud alert notification among the consumer reporting agencies. If your issue is reporting fraud to creditors or reporting fraud to other entities, probably your time would have been better spent upstairs at the standard fraud alert discussion because what we're going to focus on here is really credit reporting agencies and how we can make communicating with them a little easier. Now, the proposal of one stop shop has a long history at this point. We've been talking about it for about 18 months, and it's had various generations, so I want to make sure that we all understand what it is we're talking about when we say one stop shop. The idea at its core is that a consumer should be able to place one call. Without making any assumptions about what number they're calling, they should be able to place one call, and that call would have the effect of placing a fraud alert on their report at all three of the major credit reporting agencies. From the Federal Trade Commission's aspect, we have offered to be involved in this process whether as just to facilitate it happening or if our 800 number could be one of those numbers that would have that effect, but there are issues there and wide ranging issues, and that's what we're here today to kind of parse out is where are we seeing -- even more than we did yesterday, where are we seeing the road blocks to this process and how can we move it forward. Having had 18 months to kind of think about it and talk about it, I think that consumers certainly, I think Congress certainly because we get asked this regularly, are expecting us now to move forward, and that's what we're here to discuss. So I would like to start -- yesterday I looked at my notes from our session, and I had asked the question of what we thought the barriers were, and what I heard from I believe it was Stuart Pratt was that there were concerns about the intersection between the fraud alert notification process and a credit reporting agency's obligations under the FCRA, and obviously that's a concern. If there's an intersection there, we need to be able to deal with that and make that clear. The other concern that Stuart expressed was possible consumer confusion. If you completely recalibrate the fraud alert notification system and reorient it so that no longer do you have to call three people but you have -- or three numbers, but now you have to call one. There may be some confusion between that and the dispute process, that consumers may feel that one call is enough to dispute all of these items on their consumer report which in fact it's not, so those are two issues that I have down as hurdles to work over. Are there other things that I haven't identified? This is a free for all, so you guys can just?

MR. WOLFF: I'm Dave Wolff with TransUnion Corporation, and actually I think that one of the challenges that the one stop shop concept presents us with is even earlier in the process -- our company handles fraud victim assistance a little differently perhaps than some of the other reporting agencies, but our experience has been that when the consumer realized through a phone call from a collector or whatever situation reveals that they've been victimized, that's a very

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frightening, frustrating, they don't know which way to turn, experience for them. I think it's very well known by the public today that there are some steps that you can take; call your credit card companies if you've lost your wallet. Then call the credit bureaus to put a fraud alert on your file. But our experience is, because our 800 number is served by a live agent for our victim assistance unit. Our experience is the consumer really wants information about what's happening to them, and by virtue of the fact that our company does give them a live agent, we really do counsel those consumers on their first contact with us. The thing they want to know is, "Am I at risk?" There's a sense of fear on the part of the consumer. They don't know what necessarily is happening to them, and in fact, almost half of all the calls we receive are preventative calls in nature. They have lost their identification. It's been compromised somehow. They may not have been a victim of identity theft yet, but they want to take preventative measures through a fraud alert. And the thing that we can provide them on the telephone is the ability to counsel them and say to them, "There aren't any recent inquiries on your credit report; there aren't five inquiries yesterday from these companies, and here are the names of these companies; there aren't any brand new accounts; it doesn't look like you're at risk right now, and we can put that fraud alert out there." Now, just by virtue of the credit reporting system in this country, it's a competitive industry. There are three nationwide repository companies, I think as everybody knows, and several very large regional affiliate companies across the country, and if you call TransUnion, we can tell you what we're seeing, but if you have to talk to Experian to see what they may have because we may not have the same inquiries on our files. Our customers use different companies for our services so for the consumer to get a complete picture, I really think they need to be in touch with all three credit reporting companies to be able to accurately understand the scope of what potentially they may be facing here. I don't know how a one stop shop gets that accomplished. Clearly calling a 1-800 number, that's certainly convenient for people, that's one number to call, and it may also be convenient if you set up a system where we can automatically put these alerts out there. But our experience, and we're pretty experienced at this -- we've had a fraud victim assistance department for eight years -- our experience is that the consumer really wants more than just the fraud alert put on their credit report. They really want to know if something's happened to them, and I don't know -- Mr. Greer's been a victim of both the credit side of it as well as a much more frustrating side of it with criminal records being reported in his name. From looking at his testimony it seemed to me that he was able to take care of the credit side pretty quickly because he caught it early in the process, so I don't know how the system worked for him on the credit side of things, but I think the fact of a one stop shop does represent some challenges for the credit reporting industry because I think it might not go far enough in terms of what we think consumers are really looking for in terms of assistance.

MS. FOSTER: What we've identified here is I think a central tension that we're going to have to balance, and maybe there is no balance that can be struck, but I would like to think there is. Between, we hear from consumers just like you do that we want live assistance, we want someone to hold my hand and tell me what's on my credit report, and I want to know what the steps are I should take now. Now, the Federal Trade Commission provides one end of that which is steps you can take, but of course we can't tell them what is on their credit reports. They have to speak to you about that. We also get calls from consumers -- and I wouldn't even venture where

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this weighs out in terms of numbers, but we do get calls from consumers who say, "But all I wanted to do was just make sure that fraud alert was on, and I'll get a copy of my credit report, and I'll take care of the rest of it when I can see it, but I need to get that fraud alert on immediately." And they're very frustrated sometimes, and we spoke about this yesterday, the automated systems don't work if your file has been mixed up enough that you can't make a match. But so there's the tension there, the tension between folks who really want to have that live assistance and that live contact, and folks who want that immediate fraud alert, and maybe there's two separate resolutions to that problem.

MR. MCGEE: John McGee with Computer Science Corporation. The case that you just mentioned though where the addresses have been changed, placing a call to the FTC is not going to solve that. You're still going to have to talk to the repositories because they have the data. And I think we're all going to set an unrealistic expectation for consumers that they can call any one place and resolve the issue. You're going to have to make those calls, and I think that the repositories are better able to explain to the consumers what's in their files, how do they get it corrected, how they can take proactive steps to be preventative in having downside occurrences of ID fraud impacting, and I just don't see the -- I think we're going to set a new expectation.

MS. FOSTER: Bob was next and then Janine.

MR. RYAN: Bob Ryan with TransUnion also. Just to reiterate two points, perhaps three real quick ones, to reiterate Stuart's point in his testimony or in his presentation yesterday, in the example that you gave and in Dave's, many times the individual does have some fragmentary information about the event that precipitated the problem or the call from the collection agency. And so our concern, or Stuart's concern, is that there's great difficulty, if not impossibility, to separate that dispute resolution, the dispute placement process which is an FCRA responsibility when the consumer calls and they are a victim, and they call with the understandable expectation, especially if it's marketed frankly and publicized as a one stop shop.

MS. FOSTER: Unfortunate.

MR. RYAN: It's an unfortunate phrase, and that's perhaps my third point. That's point 1. Point 2 is that in your own presentation and the statistics that one of your representatives gave at the beginning of the sessions yesterday it was clear the credit reporting issues themselves are an important part but only a part of this whole identity theft issue. There are a lot of public record problems. There's a lot of account take over I think was your biggest category which may or may not even reflect on the credit history. There are all of the issues that were discussed today of criminal -- false criminal records, so I would be concerned about just the name and holding up the expectation to the public of one stop shop. And a final quick observation, I don't think that was in the charter that Congress created with the identity theft for the central repository role that you have begun to play --

MS. FOSTER: No.

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MR. RYAN: -- as a central clearinghouse of information and to build the database and all the things that you're doing, you're doing, and God bless -- that's good, but it wasn't -- a one stop shop was not in the charter.

MS. FOSTER: That is true, and to be real clear just to clarify Bob's point, he's referring to the Identity Theft Assumptions Deterrence Act which created a role for the Federal Trade Commission as a central repository of consumer complaint data, complaints of identity theft. It is true that nobody in that bill, I don't think you could even stretch the language to interpret it to say that creating a one stop notification system for fraud alerts or anything like that is part of what our mandate was. What our job was laid out to be was to collect consumer complaints, provide consumer assistance and to share that information with consumer reporting agencies and to the extent that we can, which is maybe an entirely different discussion but also something that we haven't been able to get off the starting blocks in the last 18 months, so that's kind of where that -- what the mandate is. What we have been looking at this as is our roles as facilitators. We're not saying this is a regulatory requirement. We're not saying we are required to do it. We're not saying you are required to do it. We looked at it as a voluntary initiative that seemed to have a lot of popular support. Not everything that has popular support always ends up being a great idea, but that is how we were looking at it, as something that seems like a positive for consumers, and if it is a positive for consumers, let's get it done. If it's not, let's take it off the table and move in another direction. Janine was next.

MS. BENNER: I definitely agree with you guys and I wish all the credit reporting bureaus had live assistance. I think if that were the case, then we wouldn't have to worry about that. You would just have to make three phone calls, get the fraud alert, get counseling and figure out what needs to be done, but unfortunately that's not the case, as we've heard from consumer after consumer. And I don't think that these tensions need to mean that there can't be a one stop fraud alert. You don't have to call it one stop shop, and we shouldn't portray it as the single number you have to call to solve your identity theft problem. But if there was one number that you called and, first of all, before you did anything right after you canceled your credit cards, boom, get the fraud alert on all of them, then go through the steps of calling TransUnion and getting to talk to a live person and calling the other credit bureaus and going through the number -- having that reassurance I think would be very helpful for victims that you do have the fraud alert on there before you start going through all the other tasks. And I agree with you guys that it's very important to make sure consumers realize it's not a fall back, it's not the only thing you need to know, but I still think it's a great idea, and I think having the FTC to facilitate, even if it's just collecting a phone call and somebody from your office making these three other phone calls to the credit bureaus.

MS. FOSTER: Robert, you were next.

MR. GREER: Having been on the other side of the phone, a position I wouldn't want to wish on anybody here, talking to a real person has been key at each of the three agencies, and because of the recency of activity on my accounts and the fact that not a lot of information has hit the reports

yet, I was able to get through and talk with people and start the dialogue and get things cleaned up very quickly. When I called up, what I was most concerned about was placing the security alert as well as finding out what the recent activity was including contact and phone number. With that information I was able to work that end of the case as well and jot down the accounts at the store instead of waiting for the security alerts to catch new accounts, and I was also able to dispute accounts in those recent activity entries, so through that action, I was able to work it from both sides of the same equation.

MS. FOSTER: Can you envision basically what would be a two step process, so maybe one step is becoming a really bad terminology, where we would say, The first thing you need to do is place a fraud alert, call this number or call one of these numbers. The second thing you need to do is get in touch with the consumer reporting agencies and find out what's on your file. Now, as Janine points out, TransUnion is in a better position because you call there and you get a human being. Are there any representatives here of the other two credit reporting agencies?

MR. MCGEE: We're the largest affiliate of Equifax. We operate our own consumer disclosure facility, our own fraud facility. We have live operators who take the calls. MS. FOSTER: So your customers who call in -- or I'm sorry, not your customers, but consumers who call you -- also get a live person?

MR. MCGEE: I think that's true.

**(Discussion off the record.)**

MR. ELLMAN: Eric Ellman with Associated Credit Bureaus, and that's true with all three systems. All three systems have either dedicated fraud assistance units within those systems or have specially trained fraud personnel to handle the calls from the consumer that call in.

MS. FOSTER: I am Helen Foster from the Federal Trade Commission, but that's not -- I guess the difference is how they're publicizing those numbers. They keep their fraud numbers until someone has a copy of their credit report, and then if you have a copy of your credit report in front of you, now you've got a live person. But in terms of fraud alert notification, they don't publicize those numbers, so it's not like if someone calls the Federal Trade Commission and says, "Give me the number for Experian; I want a fraud alert," the number we give them is an automated number, and we know that.

MR. MCGEE: John McGee again with Computer Science Corporation. I think part of the problem is the consumer really doesn't know how to disclose or describe what happens and they get -- they go to their phone book, and they get the number that's in the phone book or they get it from a creditor and dial the number, and that's the number that starts down the decision tree and whatever type of phone system that may be available. But there is a number, and if they go to their creditor, typically the credit grantors have our numbers. Whether or not they disclose them, that's a different story. They have our numbers. You folks I suspect have our numbers for fraud.

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If you don't, then we ought to give those to you so when you give a consumer referrals, you can refer them to us.

MS. BENNER: Can I get those numbers too? Can we get those and make them popular.

MR. GREER: This is Robert Greer again, and I was able to talk to fraud investigators out of each of the three bureaus, but getting through to the investigator was difficult, and most recently in August, I've forgotten which bureau it was, it was one of the E bureaus. It took me about four hours to get a person on the phone, and that is extremely frustrating. All of the numbers on all of the prior reports had fraud 800 phone numbers to call, and for reasons which I don't understand, but I'm sure there are valid reasons, that number changes for security reasons or something, so a phone number I had for access to a fraud real live person was not active 8 to 10 to 12 months later when I needed it, and I couldn't get back, so I had to go through the process all over.

MR. WOLFF: I can say it wasn't us.

MS. FOSTER: The other two bureaus do change their fraud numbers.

MR. GREER: Absolutely, but I was able to confirm -- I confirmed with the person on the phone they do change the numbers occasionally. Going back to the purpose of this discussion, what would have been very important to me is to have an agency that I go to that can give me the names and phone numbers and contacts of all of the reporting agencies as well as other possible agencies to contact and what I am exposed to, how do I go about clearing this up. I became my own investigator.

MR. WOLFF: I think the FTC --

MR. GREER: Exactly, exactly.

MR. WOLFF: -- consumer assistance has done very well.

MS. FOSTER: If we can, I know it's hard, maybe the way to do this is parse out the issue of live assistance. I think that yesterday the victims made a very clear and compelling case for live assistance and expanded live assistance from what we've got now in terms of availability and recognizing that there are fraud departments but that there are difficulties getting through to them is somewhat of a separate issue. If we focus in -- although I think it's a great idea, if we focus in now on just getting that fraud alert placed, if we can all agree that that's step one, and we can talk about, well, is it a good idea to separate these two issues. But, if step one is getting that fraud alert, would it or would it not be better to be able to call one number and get that fraud alert. I have to get Phil, and then I'll get you.

MR. MCKEE: Phil McKee from the National Consumers League National Fraud Information Center. I think if you think about getting the fraud alert by calling a single phone number that is

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outside of the three major credit reporting agencies, you run the risk of running into a problem that already exists in the phone tree systems, and that is the lack of a match up in extreme cases where the person's address has been changed on the credit report to reflect the address of the ID thief. In that case, if you were dealing with a one stop shop or this outside shop that does not have full and total access to the databases of each of the CRAs, they're going to take the information, report it to the CRAs, and then get back an error code if it's being done electronically because there's no match.

MR. WOLFF: You're exactly right.

MR. MCKEE: And so the only way to make an outside phone number work is if that outside number has complete and total access, even including modification ability and admin control on each of the CRA's databases.

MS. FOSTER: Not it.

MR. MCKEE: I don't think anyone would ever want that, but you run into that problem if you have that extreme case, and so that's a logistical issue that needs to be worked out. How do you deal with non matches when the ID thief has gone that far?

MR. WOLFF: I would tell you that at least based on our experience that -- and I realize that many of these victims don't realize that they're victimized until many months until after the ID theft has occurred, so in those circumstances, yeah, it would happen that the PO Box or the mail drop or whatever address was switched could find its way down to our files, but I would like to believe and we get a lot more calls than the Federal Trade Commission does, trust me --

MR. MCKEE: Oh, yeah.

MR. WOLFF: -- from people who are concerned about being at a risk for identity theft. As I said earlier, the overwhelming majority of calls we receive are from people who haven't been necessarily victimized yet. They feel that they're at risk, and they want to get that fraud alert on to their credit report in all three agencies obviously, but by far the greatest number of calls we get are from -- we get calls from every person in America that loses their wallet. It has become second nature now. Everybody who counsels potential victims knows the steps to take in reporting it to the police. They're filling out a police report, contact the three credit reporting agencies, contact your creditors. It's a pretty routine process from that respect. But we literally get calls from everybody in America who loses their purse or has their wallet stolen or their identification compromised in some way, and that's become fairly routine, and I think the public is much more educated today than they were two or three or five years ago about this issue. You can hardly read a magazine or turn on Dateline or 60 Minutes or any other news media publication without seeing awareness being brought to the public through the media about this issue. And so a lot of this stuff we get is preventative, and it's a good thing that they're taking those steps, and we do it and put those alerts out there, but the gentleman here is absolutely

correct, whether you call the credit reporting agency directly and whether their practice is to put you through an electronic step by step process that will initiate that fraud alert, if there's -- if there's algorithm that they use to select a file out of their database based on your address and your social and your Zip Code or whatever they ask for in their automated system, to automatically place that alert, whatever other data exchange you and I set up, the same thing is going to happen. The consumer is going to give you something, their Social Security number, their date of birth perhaps and their Zip Code and their address, and when an agency or a one stop shop says, "We would like to work with the three credit reporting companies and have this information transmitted to you," we're going to do that in an electronic fashion, and we're going to run into the same complications I believe.

MS. FOSTER: Robert and then Janine.

MR. CROSS: Had I known or had it been in place and had I known of a program like what we're discussing right now, I certainly would have used that, but I'm the type of my person who when somebody wrongs me, I want to know who it is, why it is and I want to make it right and documented so when it happens again I have proof that it's been done. I'm the type of person, type of victim that acts very proactively, so I would have gone through this process, but I would have also been very active with each of the agencies.

MS. FOSTER: I think we're recommending that.

MR. GREER: There's a second group of victims that are very disinterested, and I think that group is going to be a lot more difficult than anything, and putting information through this other agency adds a little bit of delay because there's going to be a lag time or lead time between the information reaching the FTC and from the FTC to the agencies. And there's also two more -- sorry, one additional information transaction which adds the possibility of honest mistakes, just entry errors.

MS. FOSTER: Janine was next.

MS. BRENNER: Again I don't think this was necessarily a hurdle we can't overcome. When a consumer calls this 1-800 number, they leave a call back number, and if you have trouble accessing the report, you call them back and say, "You're going to call each one of these credit reporting bureaus separately." I think that's fine because if I were to call as a victim and the information was wrong, I probably would have to send something in writing to them anyway, and secondly, the fact that it's going to be used by a lot of people who haven't been victims to proactively put a fraud alert on their account, I don't think that's a problematic at all either. In fact, I personally would encourage everybody to have a fraud alert on their account. I don't understand why all accounts can't have a fraud alert. I would want to be notified any time somebody had a fraud alert.

MS. FOSTER: There's a practical problem with that, but, Bob, if you can address it in a few

words.

MR. RYAN: Yeah, real quickly. Obviously because it dilutes the value. The bill that was defeated in California, Senator Bowen's bill, in effect encouraged everyone, everyone in the state of California to put a fraud alert on their file, and then what are the client -- what are our clients, the banks -- then they call and check everyone, yes, you might say.

MS. BRENNER: That would be great.

MR. RYAN: Yeah, that would be great, but that creates a lot of practical problems.

MS. FOSTER: Robert Cross.

MR. CROSS: Recently, we're a subscriber to all the credit bureaus as well as being a credit card issuer, and I recently experienced a lot of frustration trying to work with a couple customers' problems, and I don't think there's anybody in this room who found they were a victim of identity theft who must call and talk to a VRU and go through the frustration that I did that's kind of -- I'm sorry, an automated call answering --

MR. WOLFF: Voice response unit.

MR. GREER: Voice mail jail.

MR. CROSS: Or not being able to talk to somebody to have the comfort of knowing that they're protected from this type of fraud. We take thousands of lost and stolen reports every week on our customers, and it's a high stress situation. The bureaus are not stepping up to the plate except for TransUnion, not to mention any other names.

MS. FOSTER: I think that one of the things we were trying to address with this idea was that if you had the Federal Trade Commission which does have live assistance available, that if some of those calls came to us, that we could fill in some of that gap.

MR. CROSS: Then you have the responsibility. I don't think it would -- the one stop shop would be a problem. It's not a problem to make three phone calls, if you can make three phone calls, but you can't. Personally I had to go through our reps, and we're a large subscriber. We pay lots of money to these credit bureaus to provide us with information, and when I called and called, I went through the gears as an insider and had numbers and everything to call, and then they give me the -- they put me through and transferred me through, and I ended up in a VRU again. So needless to say I got a lot more numbers now than I used to, but it wouldn't be -- certainly he wouldn't have been able to get in there. Robert.

MR. GREER: I'm a persistent son of a gun though.

MR. CROSS: Unfortunately I am very much sympathetic with the consumers on this just having kind of been involved in it. I mean, you want a human being to talk to. We spend a lot of time maintaining a 24-7 operation. It's real easy to leave the information; we'll call you back, but when your personal identity is at risk, you want to talk to somebody, you want to talk to somebody now. And as far as I'm concerned, the credit bureaus, their customers and their clients are the banks and not the consumers, and I really don't think that they care or are willing to make the investment to service the consumers because they're not their customers, but they are, as this young lady mentioned yesterday, certainly totally relying on all -- they're selling yours and mine and everybody else's information. Well then, don't they have some type of an obligation to society to help protect them when they're contributing to the problem, not just the banks, not that the banks aren't guilty because the banks also contribute to the problem? Anybody can pick up a phone and change your address. If they've got your name, if they steal your mailer out of the mail, they'll go through and put a change of address on your house, so the banks are contributing too, but we're talking about credit bureaus here.

MS. FOSTER: So we've wandered kind of far afield from our main topic of fraud alerts and whether or not it would be a useful process to be able to place fraud alerts outside of the dispute process and have live assistance. Phil has mentioned a really important problem that I just wanted to recap, which is we could have those two systems where you call a number to get a fraud alert and then you deal with the dispute process with each individual bureau, which I think you would have to do, but you come up with a problem of a non match when you have someone who has filed, for whatever reasons, either because of identity theft or because of other problems, simply doesn't match the information that they're giving you, and you can't link those two up. I agree with Janine, I think this is a problem we can work on some solutions to, but it shouldn't be insurmountable. Bob?

MR. RYAN: There's the other aspect though that I repeat, not to lose sight of it, the point that Mr. Greer made, that some part of the population or victims are persistent and after that first call will make the other calls, but there is the other part of the population, that was your point, that will not, that will say, Oh, now I've got my fraud alert posted and won't listen perhaps as thoroughly as you might want them to to the admonitions of your operator -- you have to call here or you have to take these steps if it's a criminal problem, you have to take these steps if it's an account take over, you have to take these steps calling the bureaus.

MR. GREER: Or they don't want to be bothered. MR. RYAN: Or they don't want to be bothered, and they figure, At least I've taken care of the fraud alert through the FTC and that should be enough.

MS. FOSTER: But if that's their choice, isn't that their choice?

MR. WOLFF: Let me also explain what all the reporting agencies do in our fraud alert assistance. Whether we pick up the phone or not, the fraud alert placement is the first step in the process. Whether you go through an automated system or whether you get to talk to a live person, you're

getting that fraud alert on. The second thing that happens for those passive members of the population who really don't care is we send you a copy of your credit report. Disclosure of the credit file is, I believe, Eric, correct me if I'm wrong because I haven't been on those work groups that our industry has convened over the last several years, but as an industry, all of us send the consumer who believes they are at risk for identity theft -- when they contact us for that fraud alert, we send them a copy of their credit report. Our company happens to talk to you on the phone at least to look at recent activity, but all of us send you a copy of the credit report.

MS. FOSTER: Right, and I don't think we were thinking of separating them.

MR. WOLFF: You can see recent inquiries. You can see new accounts that you don't think belong to you. You're going to get a copy of your credit file. That's required by the statute.

MS. FOSTER: Right, which is how the dispute process works outside of identity theft. I get a copy of my credit report in the mail. I see that there is an incorrect account. I dispute it. I send it back to you guys to take care of it, so I don't think we were thinking of separating that from a fraud alert. We would still say, If you have one call to place that fraud alert it still needs to generate an automatic credit report.

MR. WOLFF: I bring that up just around the discussion of the individuals who really aren't actively participating and doing the things that a consumer like Mr. Greer has done, to be aggressive in trying to engage the process that's just unfortunately befallen upon them, so the consumer, when they place the alert, does get a scope of their credit report. When they get that credit report, also by statute, we provide them with an 800 number.

MS. FOSTER: Right.

MR. WOLFF: And also by consent agreement have to be answered by a live agent.

MS. FOSTER: I'm familiar with that consent.

MR. WOLFF: Unfortunately the last time I sat around a conference table with you it was under less pleasant circumstances.

MS. FOSTER: You've made a really good point -- which I think we want to emphasize -- is if you keep that problem and getting a credit report together, now you've taken care of some of your passive consumers because now they're going to get a follow up in the mail that has your credit report and they're going to -- that's smacking your face with it, here it is and it's got all these accounts on it that I don't recognize. So I think that goes a little bit to mitigate that problem. Janine and then --

MR. GREER: At that point it does become their choice.

MS. FOSTER: Correct. Janine and then the gentleman back there.

MS. BRENNER: I think the point we're making is as a lazy consumer, let's say I were one, if I were to call each of the credit bureaus separately and try to go through the system, I would probably give up, and I would leave some message saying place a fraud alert. I wouldn't know if it was done. It may not be done. Information might not match, and then I probably wouldn't follow up to get the fraud -- to get the credit report sent in. Even if it was, I might not follow up after that, or I can call a 1-800 number, get someone live to talk to, get a fraud alert placed for sure and get my credit report sent for sure unless of course I'm one of those extreme cases in which case the 1-800 number, pointing at you because the FTC maybe would call --

MR. ELLMAN: Does the FTC user number contemplate having live people 24 hours a day?

MR. MCGEE: Are they going to work on a resolution? We've already said that the addresses on many of the fraudulent files have been changed so that they are fraudulent addresses, so how are you going to get back to unscrambling that identification problem that's there by placing a call to FTC?

MS. FOSTER: I do think that's an issue we need to address. I'm not minimizing that. I'm trying to get off the starting block here in terms of what does Federal Trade Commission do. We do have live people, we have them there now nine to eight, and we're willing to work with you to talk about what -- if there's something we can do to step up to the plate here and how those solutions should work out. There's nothing that's off the table. We want to play our role. We want to do what we can do.

MR. MCGEE: It appears to me it's redundant if you have a live operator because we got to handle them anyway, so if the industry would give you the numbers, and you should have access to the numbers, I have no problem with that, but to go and set up another duplicate set of people who are answering the same calls that we are simply to take the call --

MS. FOSTER: Well, I think that the idea here is not that everybody would automatically call the FTC to place a fraud alert. I think the idea is that that would be one avenue, but that if you called any of these -- you got through to any of these other fraud departments that they should be able to communicate with the other two to complete the loop, so no matter what your point of entry is, you're still getting that fraud alert placed on all three credit reports. It's a communication issue, and I do believe that the mismatches are going to be one of the most significant problems we're going to deal with here because, you're right, you're going to have to come up with a mechanism whereby you can contact that consumer or reconfirm that information and get a match, and if you can't do that, you're dead in the water, and that's something we have to work on.

MR. WOLFF: As you well know, Helen, Stuart couldn't be here today, but our industry has been talking about those types of cooperative interconnections. We've talked with the Commission as well about doing such a thing, so I don't think those are totally off the table. We've talked about a

lot of issues within our industry. One commitment we've made -- we're probably not implementing it until next year some time -- but one commitment we've made is to send fraud alert -- identity theft victims to monitor their credit file and send them notification of new activity that hits their file. I think that's an absolute magnificent next step for our industry. We've made that commitment in our fraud committee groups. I suspect that all three of us -- I can't speak for Experian and Equifax that we'll have that in place sometime next year, and one of the problems consumers experience is that you may be a victim today but your identity might not be used. There are accounts that haven't hit your credit report yet so you don't know what you're disputing because it's not on your file yet, so we have absolute plans to continue to advise victims by monitoring their files for a period of at least six months I believe, and that will trigger any new account that hits, any inquiry that hits. The public record, it was a pretty extreme case that Mr. Genera had yesterday, but here's a creditor that sent him these letters confirming that, yeah, these were fraud accounts but yet they ended up taking default judgment against him in a civil court. That's a pretty extreme situation.

MS. FOSTER: I don't think anybody here would doubt the value of the monitoring program that you're proposing, and I think it's things like that that encourage us. That took a lot for you guys to get past some of your industry issues to make that type of thing happen, and that kind of thing is encouraging to me that perhaps we can make the issue that we're talking about here today in terms of -- however we're going to call it, if we're not going to call it one stop shop fraud alert but making a one call fraud alert a possibility. And we have to close but what I would like to hear from the people around this table is that we're going to keep working on this. I think there are solutions to be had.

MR. WOLFF: I don't know if Janine had a final comment, but I do.

MS. FOSTER: We'll go right down the line Phil, Janine.

MR. MCKEE: I wanted to caution that I know that in the comments we've made so far today everyone has been saying the FTC possibly, so that always leaves open the option of setting up a hot line in some other location under someone else's aegis, and I would caution about considering creating an outside entity. Coming from an organization that runs a nonprofit consumer assistance hot line, unless you set up some kind of permanent funding solution of mandatory ties almost from the CRAs to fund that operation, inevitably someone decides that it's not within their best interest even though they were a founding member of the group. And the hot line staff spend far too much of their time trying to find continuing funding and not doing their job of helping the consumers.

MS. FOSTER: Under the rubric that nothing is off the table, and I'm not going to say we wouldn't consider it, but as we had looked at the proposal so far, it was more of a joint effort between the FTC and the three main repositories.

MR. MCKEE: Keep it as that.

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MR. WOLFF: My final comment is before we indict fellow reporting agencies here, I'm not personally familiar with how their fraud VRUs work and what the process is there. Certainly I think that they would share with you hopefully exactly how that process works and if it works effectively. I mean, there are a lot of anecdotal messages that come out in forums such as this, but I don't know how it works, and unfortunately they're not here today to explain that.

MS. FOSTER: That is unfortunate.

MR. WOLFF: They were here yesterday, but before we jump to conclusions about that, that can never get in or that it doesn't work or whatever, certainly I would encourage the staff to look in very -- in a very detailed fashion whether it's through associated credit bureaus or whatever or directly with those companies. I understand how those properties work.

MS. FOSTER: That's exactly what we're looking to do, and when I said I was looking for a commitment to keep talking, that's exactly what I'm looking to do. I would like to be able to, like I said, move this forward in terms of if it's a good idea, let's get on with it. If it's not a good idea, let's acknowledge that and move on to something that's more productive. And I think we've gone a long way today. I have eight things on my pad here that are obstacles that we've identified, which is a good first start. I think that just at first blush, most of these we can overcome together if we can work together, but it is important that we have to be able to work together so I'm hoping I can elicit to you a commitment to keep talking about this.

MR. WOLFF: And Stuart Pratt ably assists our register, and I'm sure he will engage you.

MS. FOSTER: I did hear that yesterday. He did say that.

MR. ELLMAN: Helen, Eric Ellman. We're certainly open to lots of different ideas, and we've been talking about lots of things within our industry, and we're always trying to look for new vehicles and devices to assist consumers and reduce the instance of ID theft. So certainly our door is always open to these issues. We recognize of course that there are a number of operational hurdles for this. We're willing to continue to keep talking and discussing and thinking as well.

MS. FOSTER: Great. John, I've been ignoring you.

MR. MCGEE: I was just going to say I agree that we're always looking for ways to help consumers in this issue. We're very appreciative of the pain and the agony that they go through, and in fact, as you're probably well aware, we're proactive at the state level in getting ID fraud and legislation passed in a number of states, so this is not an issue that we're turning away from, but we just wanted to make sure that what we do is really bringing true value to consumers and doesn't add to the frustration that we know that they go through.

MS. FOSTER: Agreed. Janine, you're going to have the final word I think.

MS. BRENNER: I guess the point I just want to make finally is that it may be difficult, it may be inconvenient for the credit bureaus or the creditors to set up a system like this, but it's the consumers that matter because basically you're going to hate me for saying this, that it's the victim -- thief's fault but it's also your fault that we have our identities stolen. I think that, Joe, the victim who left yesterday made a really good point. He said if you guys had been doing your jobs I wouldn't be here so I don't think it doesn't necessarily have to be at the burden of the consumer to clean up this mess but the burden of the credit bureaus and the creditors, and that's who should come to the system.

MS. FOSTER: Robert, did you have something you wanted to add?

MR. GREER: I just wanted to add that or just reiterate that when you're in this position, what you want most of all is information. You want to know who to contact, how to contact them and be able to do so.

MS. FOSTER: I think that we need to go back to the main session now. I thank all of you for your comments. You will be hearing from me. We're not done with this issue. Thank you very much.

**(Whereupon, the break-out session was concluded.)**

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I, Debra Maheaux, do hereby certify that the foregoing proceedings were taken by me in stenotype and thereafter reduced to typewriting under my supervision; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

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