

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

FILED BY CLERK'S OFFICE
U.S.D.C.-Atlanta

JAN 30 2006

LUTHER D. THOMAS, Clerk
By: *[Signature]*
Deputy Clerk

UNITED STATES OF AMERICA,

Plaintiff,

v

CHOICEPOINT INC., a corporation,

Defendant.

Civil Action No.

1 06 - CV - 0198

**COMPLAINT FOR CIVIL PENALTIES, PERMANENT INJUNCTION,
AND OTHER EQUITABLE RELIEF**



Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission ("FTC" or "Commission"), for its Complaint, alleges that.

Plaintiff brings this action under Sections 5(a), 12(b), and 16(a) of the Federal

Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 52(a), 156(a), 157(a), 158(a), 159(a), 160(a), 161(a), 162(a), 163(a), 164(a), 165(a), 166(a), 167(a), 168(a), 169(a), 170(a), 171(a), 172(a), 173(a), 174(a), 175(a), 176(a), 177(a), 178(a), 179(a), 180(a), 181(a), 182(a), 183(a), 184(a), 185(a), 186(a), 187(a), 188(a), 189(a), 190(a), 191(a), 192(a), 193(a), 194(a), 195(a), 196(a), 197(a), 198(a), 199(a), 200(a), 201(a), 202(a), 203(a), 204(a), 205(a), 206(a), 207(a), 208(a), 209(a), 210(a), 211(a), 212(a), 213(a), 214(a), 215(a), 216(a), 217(a), 218(a), 219(a), 220(a), 221(a), 222(a), 223(a), 224(a), 225(a), 226(a), 227(a), 228(a), 229(a), 230(a), 231(a), 232(a), 233(a), 234(a), 235(a), 236(a), 237(a), 238(a), 239(a), 240(a), 241(a), 242(a), 243(a), 244(a), 245(a), 246(a), 247(a), 248(a), 249(a), 250(a), 251(a), 252(a), 253(a), 254(a), 255(a), 256(a), 257(a), 258(a), 259(a), 260(a), 261(a), 262(a), 263(a), 264(a), 265(a), 266(a), 267(a), 268(a), 269(a), 270(a), 271(a), 272(a), 273(a), 274(a), 275(a), 276(a), 277(a), 278(a), 279(a), 280(a), 281(a), 282(a), 283(a), 284(a), 285(a), 286(a), 287(a), 288(a), 289(a), 290(a), 291(a), 292(a), 293(a), 294(a), 295(a), 296(a), 297(a), 298(a), 299(a), 300(a), 301(a), 302(a), 303(a), 304(a), 305(a), 306(a), 307(a), 308(a), 309(a), 310(a), 311(a), 312(a), 313(a), 314(a), 315(a), 316(a), 317(a), 318(a), 319(a), 320(a), 321(a), 322(a), 323(a), 324(a), 325(a), 326(a), 327(a), 328(a), 329(a), 330(a), 331(a), 332(a), 333(a), 334(a), 335(a), 336(a), 337(a), 338(a), 339(a), 340(a), 341(a), 342(a), 343(a), 344(a), 345(a), 346(a), 347(a), 348(a), 349(a), 350(a), 351(a), 352(a), 353(a), 354(a), 355(a), 356(a), 357(a), 358(a), 359(a), 360(a), 361(a), 362(a), 363(a), 364(a), 365(a), 366(a), 367(a), 368(a), 369(a), 370(a), 371(a), 372(a), 373(a), 374(a), 375(a), 376(a), 377(a), 378(a), 379(a), 380(a), 381(a), 382(a), 383(a), 384(a), 385(a), 386(a), 387(a), 388(a), 389(a), 390(a), 391(a), 392(a), 393(a), 394(a), 395(a), 396(a), 397(a), 398(a), 399(a), 400(a), 401(a), 402(a), 403(a), 404(a), 405(a), 406(a), 407(a), 408(a), 409(a), 410(a), 411(a), 412(a), 413(a), 414(a), 415(a), 416(a), 417(a), 418(a), 419(a), 420(a), 421(a), 422(a), 423(a), 424(a), 425(a), 426(a), 427(a), 428(a), 429(a), 430(a), 431(a), 432(a), 433(a), 434(a), 435(a), 436(a), 437(a), 438(a), 439(a), 440(a), 441(a), 442(a), 443(a), 444(a), 445(a), 446(a), 447(a), 448(a), 449(a), 450(a), 451(a), 452(a), 453(a), 454(a), 455(a), 456(a), 457(a), 458(a), 459(a), 460(a), 461(a), 462(a), 463(a), 464(a), 465(a), 466(a), 467(a), 468(a), 469(a), 470(a), 471(a), 472(a), 473(a), 474(a), 475(a), 476(a), 477(a), 478(a), 479(a), 480(a), 481(a), 482(a), 483(a), 484(a), 485(a), 486(a), 487(a), 488(a), 489(a), 490(a), 491(a), 492(a), 493(a), 494(a), 495(a), 496(a), 497(a), 498(a), 499(a), 500(a), 501(a), 502(a), 503(a), 504(a), 505(a), 506(a), 507(a), 508(a), 509(a), 510(a), 511(a), 512(a), 513(a), 514(a), 515(a), 516(a), 517(a), 518(a), 519(a), 520(a), 521(a), 522(a), 523(a), 524(a), 525(a), 526(a), 527(a), 528(a), 529(a), 530(a), 531(a), 532(a), 533(a), 534(a), 535(a), 536(a), 537(a), 538(a), 539(a), 540(a), 541(a), 542(a), 543(a), 544(a), 545(a), 546(a), 547(a), 548(a), 549(a), 550(a), 551(a), 552(a), 553(a), 554(a), 555(a), 556(a), 557(a), 558(a), 559(a), 560(a), 561(a), 562(a), 563(a), 564(a), 565(a), 566(a), 567(a), 568(a), 569(a), 570(a), 571(a), 572(a), 573(a), 574(a), 575(a), 576(a), 577(a), 578(a), 579(a), 580(a), 581(a), 582(a), 583(a), 584(a), 585(a), 586(a), 587(a), 588(a), 589(a), 590(a), 591(a), 592(a), 593(a), 594(a), 595(a), 596(a), 597(a), 598(a), 599(a), 600(a), 601(a), 602(a), 603(a), 604(a), 605(a), 606(a), 607(a), 608(a), 609(a), 610(a), 611(a), 612(a), 613(a), 614(a), 615(a), 616(a), 617(a), 618(a), 619(a), 620(a), 621(a), 622(a), 623(a), 624(a), 625(a), 626(a), 627(a), 628(a), 629(a), 630(a), 631(a), 632(a), 633(a), 634(a), 635(a), 636(a), 637(a), 638(a), 639(a), 640(a), 641(a), 642(a), 643(a), 644(a), 645(a), 646(a), 647(a), 648(a), 649(a), 650(a), 651(a), 652(a), 653(a), 654(a), 655(a), 656(a), 657(a), 658(a), 659(a), 660(a), 661(a), 662(a), 663(a), 664(a), 665(a), 666(a), 667(a), 668(a), 669(a), 670(a), 671(a), 672(a), 673(a), 674(a), 675(a), 676(a), 677(a), 678(a), 679(a), 680(a), 681(a), 682(a), 683(a), 684(a), 685(a), 686(a), 687(a), 688(a), 689(a), 690(a), 691(a), 692(a), 693(a), 694(a), 695(a), 696(a), 697(a), 698(a), 699(a), 700(a), 701(a), 702(a), 703(a), 704(a), 705(a), 706(a), 707(a), 708(a), 709(a), 710(a), 711(a), 712(a), 713(a), 714(a), 715(a), 716(a), 717(a), 718(a), 719(a), 720(a), 721(a), 722(a), 723(a), 724(a), 725(a), 726(a), 727(a), 728(a), 729(a), 730(a), 731(a), 732(a), 733(a), 734(a), 735(a), 736(a), 737(a), 738(a), 739(a), 740(a), 741(a), 742(a), 743(a), 744(a), 745(a), 746(a), 747(a), 748(a), 749(a), 750(a), 751(a), 752(a), 753(a), 754(a), 755(a), 756(a), 757(a), 758(a), 759(a), 760(a), 761(a), 762(a), 763(a), 764(a), 765(a), 766(a), 767(a), 768(a), 769(a), 770(a), 771(a), 772(a), 773(a), 774(a), 775(a), 776(a), 777(a), 778(a), 779(a), 780(a), 781(a), 782(a), 783(a), 784(a), 785(a), 786(a), 787(a), 788(a), 789(a), 790(a), 791(a), 792(a), 793(a), 794(a), 795(a), 796(a), 797(a), 798(a), 799(a), 800(a), 801(a), 802(a), 803(a), 804(a), 805(a), 806(a), 807(a), 808(a), 809(a), 810(a), 811(a), 812(a), 813(a), 814(a), 815(a), 816(a), 817(a), 818(a), 819(a), 820(a), 821(a), 822(a), 823(a), 824(a), 825(a), 826(a), 827(a), 828(a), 829(a), 830(a), 831(a), 832(a), 833(a), 834(a), 835(a), 836(a), 837(a), 838(a), 839(a), 840(a), 841(a), 842(a), 843(a), 844(a), 845(a), 846(a), 847(a), 848(a), 849(a), 850(a), 851(a), 852(a), 853(a), 854(a), 855(a), 856(a), 857(a), 858(a), 859(a), 860(a), 861(a), 862(a), 863(a), 864(a), 865(a), 866(a), 867(a), 868(a), 869(a), 870(a), 871(a), 872(a), 873(a), 874(a), 875(a), 876(a), 877(a), 878(a), 879(a), 880(a), 881(a), 882(a), 883(a), 884(a), 885(a), 886(a), 887(a), 888(a), 889(a), 890(a), 891(a), 892(a), 893(a), 894(a), 895(a), 896(a), 897(a), 898(a), 899(a), 900(a), 901(a), 902(a), 903(a), 904(a), 905(a), 906(a), 907(a), 908(a), 909(a), 910(a), 911(a), 912(a), 913(a), 914(a), 915(a), 916(a), 917(a), 918(a), 919(a), 920(a), 921(a), 922(a), 923(a), 924(a), 925(a), 926(a), 927(a), 928(a), 929(a), 930(a), 931(a), 932(a), 933(a), 934(a), 935(a), 936(a), 937(a), 938(a), 939(a), 940(a), 941(a), 942(a), 943(a), 944(a), 945(a), 946(a), 947(a), 948(a), 949(a), 950(a), 951(a), 952(a), 953(a), 954(a), 955(a), 956(a), 957(a), 958(a), 959(a), 960(a), 961(a), 962(a), 963(a), 964(a), 965(a), 966(a), 967(a), 968(a), 969(a), 970(a), 971(a), 972(a), 973(a), 974(a), 975(a), 976(a), 977(a), 978(a), 979(a), 980(a), 981(a), 982(a), 983(a), 984(a), 985(a), 986(a), 987(a), 988(a), 989(a), 990(a), 991(a), 992(a), 993(a), 994(a), 995(a), 996(a), 997(a), 998(a), 999(a), 1000(a)

JURISDICTION AND VENUE


2. This Court has subject matter jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and under 15 U.S.C. §§ 45(m)(1)(A), 53(b), 56(a), and 1691c(c)



proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b)-(c) and 1395(a).

DEFENDANT

4 Defendant ChoicePoint Inc., including for all purposes in this Complaint its subsidiaries and operating companies, ("ChoicePoint" or "Defendant"), is a Georgia corporation with its principal place of business at 1000 Alderman Drive, Alpharetta, Georgia 30005. In connection with the matters alleged herein, ChoicePoint has transacted business in this District



DEFENDANT'S COURSE OF CONDUCT

ChoicePoint markets products and services to businesses, governments, and other

entities that use the information contained in ChoicePoint's databases for, among other things, identification and credential verification purposes. ChoicePoint's products and services draw upon billions of records collected and maintained by ChoicePoint that contain the personal information of consumers, including names, Social Security numbers, dates of birth, bank and credit card account numbers, and credit histories, much of which is sensitive and not publicly available

11. A business obtains data from ChoicePoint by entering into an agreement and

becoming a subscriber. In order to become a subscriber, an entity must submit an application that

by prospective new users to information supplied by prospective new users. compare information supplied

by prospective new users to information supplied by other applicants in order to identify suspect

by prospective new users to information supplied by other applicants in order to identify suspect

e. ChoicePoint approved, without further inquiry, the applications of subscribers notwithstanding the fact that the applicant left critical information, such as

business license number, contact information, or applicant's last name, blank on the

application;

f. ChoicePoint accepted applications transmitted by facsimile from public commercial locations, and accepted multiple applications for putatively separate businesses from the same facsimile numbers, without further inquiry to verify the authenticity of the applicant's business; and

g. ChoicePoint accepted and approved, without further inquiry, the applications of subscribers notwithstanding the fact that ChoicePoint's own internal reports on the applicant linked him or her to possible fraud associated with the Social Security number of another individual.

14. ChoicePoint also failed to monitor or otherwise identify unauthorized activity by subscribers, even after receiving subpoenas from law enforcement authorities between 2001 and 2005 alerting it to fraudulent accounts, and even when its own experiences with the subscriber should have raised doubts about the legitimacy of the subscriber's business. Examples of these failures include, but are not limited to, the following:

ChoicePoint was in the name of an individual not associated with the subscriber's

ChoicePoint account, the subscriber made multiple changes of address and/or telephone

numbers over a short period of time, and the subscriber made payments to ChoicePoint solely by commercial money orders drawn on multiple issuers.

19. In numerous instances, ChoicePoint has failed to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under Section 604 of the FCRA, has failed to make reasonable efforts to verify the identity of prospective new users of consumer

report information, and has failed to make reasonable efforts to verify the uses certified by each

24 The acts and practices described in Paragraphs 16, 19, and 21 constitute a pattern or practice of knowing violations, as set forth in Section 621(a)(2)(A) of the FCRA, 15 U.S.C § 1681s(a)(2)(A).

DEFENDANT'S VIOLATIONS OF SECTION 5 OF THE FTC ACT

COUNT III

25 [REDACTED] described in Paragraphs 12 through 14. ChoicePoint has not employed

[REDACTED]

reasonable and appropriate measures to secure the personal information it collects for sale to its subscribers, including reasonable policies and procedures to (1) verify or authenticate the identities and qualifications of prospective subscribers; or (2) monitor or otherwise identify

[REDACTED]

unauthorized subscriber activity

26 ChoicePoint's failure to employ reasonable and appropriate security measures to protect consumers' personal information has caused or is likely to cause substantial injury to consumers that is not offset by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers. This practice was, and is, an unfair act or practice in or

maintained, or furnished by ChoicePoint:

ChoicePoint uses administrative, technical, personnel, and physical safeguards to protect the confidentiality and security of personally identifiable consumer information in our possession. These safeguards are designed to ensure a level of security appropriate to the nature of the data being processed and the risks of confidentiality violations involved.

ChoicePoint maintains a website, www.choicepoint.com, which contains

to the general public and monitors the use of its public record information to ensure appropriate use.

30. Through the means described in Paragraphs 27 through 29, Defendant has represented, expressly or by implication, that ChoicePoint has implemented reasonable and

security of consumers' personal information, including a rigorous credentialing process for

[REDACTED]

which occurred each time ChoicePoint: (1) furnished a consumer report to a person who did not have a permissible purpose to obtain such a report; (2) furnished a consumer report under

[REDACTED]

circumstances where ChoicePoint failed to make a reasonable effort to verify the identity of the prospective user and the uses certified by such prospective user prior to furnishing such user a

[REDACTED]

consumer report, and (3) furnished a consumer report to any person when it had reasonable

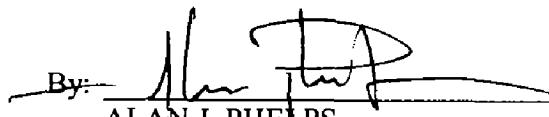
(3) Award Plaintiff monetary civil penalties from Defendant for each violation of the

FCRA and the FTC Act.

(4) Award all equitable relief that the Court finds necessary to redress injury to consumers resulting from Defendant's violations of the FCRA and the FTC Act.

FCRA and the FTC Act.

EUGENE M. THIROLF
Director
Office of Consumer Litigation

By: 
ALAN J. PHELPS
Trial Attorney
Office of Consumer Litigation

U S. Department of Justice
Washington, D C 20530
Tel: (202) 307-6154
Fax: (202) 514-8742

Attorneys for Plaintiff
United States of America

Exhibit A

AGREEMENT FOR SERVICE - AGENTS/OTHERS

CHOICEPOINT PRIVACY PRINCIPLES

November 9, 1999

PREAMBLE

ChoicePoint is a leading provider of credentialing information about people and businesses that facilitates the establishment of business relationships for smarter decision-making. ChoicePoint is also a business leader in protecting and advocating consumer privacy

ChoicePoint stands for responsible, effective and innovative use of personal information to help corporations,

security and will help people and businesses by bringing increased confidence to decision-makers. Just as importantly, this vision embraces developing consensual models to collaborate with consumers to deliver consumer services and to protect personal privacy. Increasingly, ChoicePoint will look to consumers as a source for the most accurate and timely information about the consumer and as partners in the appropriate use of consumer information to benefit both ChoicePoint's customers and the consumer.

Protecting privacy is always a ChoicePoint priority. Many of our products are already subject to important privacy protections provided by federal and state laws, such as the Fair Credit Reporting Act and its state law counterparts, or

AGREEMENT FOR SERVICE - AGENTS/OTHERS

ChoicePoint places priority on the reliability of its information sources. ChoicePoint carefully reviews its source's information practices prior to using a source and ChoicePoint ceases to use a source if the source ceases to provide accurate, complete and timely information.

Oftentimes, the consumer is one of the best sources of information about the consumer. Where appropriate and

~~ChoicePoint will seek to develop appropriate models to obtain consumer consent and information.~~

3. NOTICE/OPT-OUT

We inform consumers either directly or through notices in our brochures, on our web site, or through other public information and education opportunities, of the types of information we obtain about consumers, how and when that

AGREEMENT FOR SERVICE - AGENTS/OTHERS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit B

Click on the following state if you reside in: CA CT MA MD NH NJ NY VT WA

we've gone forward to protect their privacy, we have developed Fair

Information Practices. These practices are derived from the Federal Fair Credit

not required to remove accurate data from your file unless it is

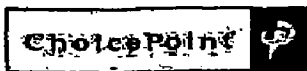
~~judged to be outdated, irrelevant, or excessive. If you are a~~

[Redacted]

[Redacted] Federal credit unions (words) National

Credit Union I

Exhibit C



ChoicePoint
Office of Privacy Compliance
1000 Alderman Drive, MD 71-K
Alpharetta, GA 30005

Dear Customer:

Thank you for using Your Personal Public Records Search from ChoicePoint. ChoicePoint is committed

[REDACTED]

1. Who is ChoicePoint®?

ChoicePoint is one of the nation's leading providers of identification and credential verification services for making smarter decisions in a world challenged by increased risks.

ChoicePoint is also a trusted source of decision-making information that helps reduce fraud and mitigate risk.

www.choicepoint.com

ChoicePoint Questions & Answers Product Sheet

4. What are our information sources for Your Personal Public Records Search report?

Public records sources include:

- Deed recorders offices – deed transfers
- Secretaries of State – UCC filings, business affiliations, officer of a business, trademarks, service marks
- Federal bankruptcy courts - bankruptcies
- County civil courts – liens and judgments
- State licensing boards – professional licenses
- Federal Communications Commission – marine radio licenses
- Drug Enforcement Administration – DEA controlled substance licenses
- Bureau of Alcohol Tobacco and Firearms – federal firearms and explosives licenses
- Department of Defense – Active U.S. military personnel records
- Securities and Exchange Commission – significant shareholder records

Publicly available sources include:

- Telephone directory listings

Non-public information sources include:

- Social Security Administration
- Credit bureaus

5. Who uses ChoicePoint's public records data?

ChoicePoint only provides government agencies and legitimate businesses that have a need for this information.



Questions & Answers Product Sheet

7. Do you have FBI files?

No. ChoicePoint does not have access to FBI files.

8. How do I contact the credit bureaus?

There are three major credit bureaus in the United States (Experian, Equifax and TransUnion). You may contact them directly to obtain a copy of your credit report or inquire about changes

and/or errors in your reported information. Toll-free telephone numbers for the three credit

Experian 888-397-3742
Equifax 800-685-1111
TransUnion 800-888-4213

9. What can I do if I believe I have been a victim of Identity Theft?

The number of resources available to help you recover your identity is...



Questions & Answers Product Sheet

www.usdoj.gov/criminal/fraud/idtheft.html

www.consumer.gov/idtheft/

www.privacyrights.org/ftrc-quiz1.htm



~~Public Records Search Board~~

1. Why are other names listed with my social security number? When should I be concerned?

Multiple names can appear with your social security number for a number of reasons including:

When applying for credit in the past, you may have used other names such as a nickname or maiden name, or

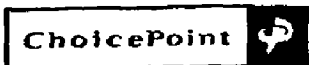
you may have used a name that is not your first name.



Questions & Answers Product Sheet

Corporation records are returned two different ways in your report:

1. Business affiliations derived from Secretary of State corporation records will be listed when



Questions & Answers Product Sheet

Our property records are matched based on a name and exact match on the address including

ZIP code. The information is retrieved from the county tax assessor's office on an annual basis. #



Questions & Answers Product Sheet

15. Why is my property appraised amount incorrect?

Property information is obtained from the county tax assessor's office. Each county reports on an annual basis. If you have specific questions about your property in the report, you may want to contact the county tax assessor for that property.

16. Can you get my court records?

No. The report only provides public records report information that is made available.

17. Will the report include criminal records?

No. Please visit the Self-Check Criminal product on www.ChoiceTrust.com.