

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

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<b>In the Matter of</b>	)	
	)	<b>DOCKET NO. C-4331</b>
<b>ACRAnet, Inc.,</b>	)	
<b>a corporation.</b>	)	
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**COMPLAINT**

The Federal Trade Commission (“FTC” or “Commission”), having reason to believe that ACRAnet, Inc. has violated the Commission’s Standards for Safeguarding Customer Information Rule (“Safeguards Rule”), 16 C.F.R. Part 314, issued pursuant to Title V, Subtitle A of the Gramm-Leach-Bliley Act (“GLB Act”); 15 U.S.C. §§ 6801- 6809, the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 et seq.; and Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent ACRAnet, Inc. (“ACRAnet”) is a Nevada corporation with its principal office or place of business at 521 W. Maxwell, Spokane, Washington 99201.
2. The acts and practices of respondent as alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
3. ACRAnet contracts with the three nationwide consumer reporting agencies, Equifax, Experian, and TransUnion (“nationwide CRAs”) to orts” are “consumer reports” as define

Section 603(d) of the FCRA, 15 U.S.C. § 1681a(d).

4. Respondent sells these trimerge reports to mortgage brokers and others to determine consumers’ eligibility for credit. In creating and selling the trimerge

reports to end user clients, respondent ACRAnet is a consumer reporting agency as that term is defined i



- c. failing to evaluate and adjust the information security program in light of known or identified risks; and
- d. failing to develop, implement, and maintain a comprehensive information security program.

### **VIOLATIONS OF THE FCRA**

- 13. Section 604 of the FCRA, 15 U.S.C. § 1681b, prohibits a consumer reporting agency from furnishing a consumer report except for specified “permissible purposes.” As described in Paragraph 9, in multiple instances, respondent furnished consumer reports to hackers that did not have a permissible purpose to obtain a consumer report. By and through the acts and practices described in Paragraphs 6 through 10, respondent has violated Section 604 of the FCRA, 15 U.S.C. § 1681b.
- 14. Section 607(a) of the FCRA, 15 U.S.C. § 1681e(a), requires every consumer reporting agency to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under Section 604 of the FCRA, 15 U.S.C. § 1681b. As described in Paragraphs 6 through 10, respondent failed to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under Section 604 of the FCRA. By and through the acts and practices described in Paragraphs 6 through 10, respondent has violated Section 607(a) of the FCRA, 15 U.S.C. § 1681e(a).
- 15. Section 607(a) of the FCRA, 15 U.S.C. § 1681e(a), prohibits a consumer reporting agency from furnishing a consumer report to any person if it has reasonable grounds for believing that the consumer report will not be used for a permissible purpose. As described in Paragraphs 9 and 10, in numerous instances, respondent furnished consumer reports under circumstances in which it had reasonable grounds for believing that the reports would not be used for a permissible purpose. By and through the acts and practices described in Paragraphs 9 and 10, respondent has violated Section 607(a) of the FCRA, 15 U.S.C. § 1681e(a).
- 16. By its violations of Sections 604 and 607(a) of the FCRA, and pursuant to Section 621(a) thereof, 15 U.S.C. § 1681s, respondent has engaged in unfair and deceptive acts and practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **VIOLATIONS OF THE FTC ACT**

- 17. As described in Paragraphs 6 through 10, respondent has not employed reasonable and appropriate measures to secure the personal information it maintains and sells. Respondent’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 affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a).

**THEREFORE**, the Federal Trade Commission this seventeenth day of August, 2011, has issued this complaint against respondent.

By the Commission.

Richard C. Donohue  
Acting Secretary