

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

August 17, 2011

Mr. Stuart K. Pratt  
Consumer Data Industry Association  
1090 Vermont Ave, NW, Suite 200  
Washington, DC 20005

*Re: In the Matter of SettlementOne Credit Corporation, File No. 082 3209  
In the Matter of ACRAnet, Inc., File No. 092 3088  
In the Matter of Statewide Credit Services, File No. 092 3089*

Dear Mr. Pratt:

Thank you for your letter on behalf of the Consumer Data Industry Association (“CDIA”) commenting on the Federal Trade Commission’s proposed consent agreements in the above-referenced proceedings. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission’s Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and has given it serious consideration.

Your comment raises several concerns. First, your comment expresses a concern that the Commission is imposing “potentially very significant new obligations” on consumer reporting agencies. Specifically, CDIA objects to the Commissioners’ statement that the FTC holds the resellers in these three cases “responsible for downstream data protection failures.” It further asserts that resellers “cannot be held responsible for the failure of end-users’ security programs.”

The Commission agrees that resellers should not be strictly liable for end user security breaches. In these three cases, the Commission has applied the standard that is consistent with its other data security cases – that of reasonable security. This reasonableness standard is flexible and recognizes that there is no such thing as perfect security. However, consumer reporting agencies that provide end users with online access to consumer report information must take into account the risks posed in providing such access, and must take reasonable steps to ameliorate these risks. This means that resellers should take reasonable steps to ensure that the end users’ systems for accessing the online portal are secure.

Also, your letter asserts that

