

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairman  
Jon Leibowitz  
Julie Brill  
Maureen K. Ohlhausen  
Joshua D. Wright

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In the Matter of )  
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 ) DOCKET NO. C-4387  
EQUIFAX INFORMATION SERVICES LLC, )  
a limited liability company. )  
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COMPLAINT

The Federal Trade Commission, having reason to believe that Equifax Information Services LLC (“Equifax” or “Respondent”) has violated provisions of the Federal Trade Commission Act (“FTC Act”) and the Fair Credit Reporting Act (“FCRA”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Equifax Information Services LLC is a limited liability company organized, existing, and doing business under the laws of the State of Georgia. Respondent is a wholly-owned subsidiary of Equifax Inc. and has its principal place of business at 1550 Peachtree Street, N.W., Atlanta, Georgia 30309.
2. The acts and practices of Respondent, as alleged herein, have been in or affecting commerce, as “commerce” is defined in section 4 of the Federal Trade Commission Act.
3. Equifax is, and at all times relevant to this complaint, has been a “consumer reporting agency” (“CRA”) as that term is defined in section 603(f) of the FCRA, 15 U.S.C. § 1681a(f). Equifax regularly sells in interstate commerce information on consumers that it assembles for the purpose of furnishing consumer reports to third parties.
4. Equifax sells “prescreened lists,” which are lists of consumers that meet certain pre-selected criteria such as consumers who were, among other things, 30, 60, or 90 days late on their mortgage payments. Such prescreened lists are “consumer reports” as defined in section 603(d) of the FCRA, 15 U.S.C. § 1681a(d). Information such as whether a consume



its prescreened lists were being sold did not have a permissible purpose for obtaining the lists. Nonetheless, Equifax continued to sell prescreened lists to Direct Lending.

11. Equifax provided prescreened lists to Direct Lending through an online portal. Equifax also provided access to the portal to third parties in connection with Direct Lending's prescreening operations. Equifax did not make reasonable efforts to verify the identity of these entities, and accordingly could not ensure that these entities would only use the lists for a permissible purpose.
12. Equifax's failure to employ reasonable and appropriate measures to control access to the sensitive consumer financial information it maintains and sells for prescreening services resulted in prescreened lists being sold to a number of entities that were ultimately the subject of actions or warnings by law enforcement. Equifax's lack of reasonable procedures caused or is likely to cause substantial consumer injury that is not reasonably avoidable by consumers and is not outweighed by benefits to consumers or competition.

#### VOLATIONS OF THE FCRA

13. As described in Paragraphs 8 through 12, in multiple instances, Respondent furnished consumer reports to persons that it did not have reason to believe had a permissible purpose to obtain a consumer report. By and through the acts and practices described in Paragraphs 8 through 12, Respondent has violated section 604(c) of the FCRA, 15 U.S.C. § 1681b(c).
14. As described in Paragraphs 8 through 12, Respondent has failed to maintain reasonable procedures to limit the furnishing of consumer reports to the purposes listed under section 604(c) of the FCRA, has failed to make reasonable efforts to verify the identity of each new prospective user of consumer report information, and has failed to make reasonable efforts to verify the uses certified by each prospective user prior to furnishing such user a consumer report. By and through the acts and practices described in Paragraphs 8 through 12, Respondent has violated section 604(c) of the FCRA, 15 U.S.C. § 1681b(c).

this complaint constitute unfair acts or practices in or affecting commerce in violation of section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

THEREFORE, the Federal Trade Commission this fifth day of March, 2013, has issued this complaint against the respondent.

By the Commission, Commissioners Leibowitz and Wright not participating.

Richard C. Donohue  
Acting Secretary