

INDUSTRY PRINCIPLES — COMMENTARY

BACKGROUND:

The Individual Reference Services Group (**IRSG**) is composed of leading companies of the individual reference services industry. In recognition of the heightened interest in issues related to their services, the **IRSG** has developed self-regulatory principles. The focus of these principles is non-public information; that is, information **about** an individual that is of a private nature and not generally available to the public nor obtained from a public record. Signatories to these principles include individual reference services, as well as those companies that supply information to such services.

Individual reference services provide information that identifies or locates individuals. These services provide important societal benefits. For example, information obtained from these services helps locate witnesses to crimes and parents who are delinquent in their child support payments, and assists in important governmental and business **functions** such as fraud prevention and detection. The principles do not apply to functions other than identifying or locating individuals or **verifying** individual identities. For instance, database services of newspaper archives, or of prior business records relating to an individual, and database services used primarily for risk assessment, lie outside the scope of the principles.

Increased market demand, a highly mobile society, as well as rapid advances in technology, have spurred increased reliance upon and availability of information obtained through services provided by companies in the individual reference services industry,

This increased reliance upon and availability of information has heightened consumer interest regarding privacy and identity fraud concerns, as well as services provided by companies within the individual reference services industry. It is notable that there is no evidence these services are used for **unlawful** purposes. Nor has any organization or study, including the Federal Reserve Board in its specially commissioned 1997 report to Congress, been able to point to a single case of identity fraud that resulted from the misuse of an individual reference service.

Members of the individual reference services industry recognize the importance of minimizing risks associated with their services, and are strongly committed to taking a leadership role on these issues. The

protected by these principles, the industry has adopted the consistent practice of masking the last four or more digits of social security numbers. These exclusions are intended solely for non-public information, and will not apply to public or publicly available information that may contain social security numbers or similar data.

In order to protect against abuse in both

children. For this reason, the principles strictly limit the availability of non-public information concerning anyone identified as being under the age of eighteen.

The signatories of these principles commit to having annual assurance reviews conducted of those services they offer that they identify as being subject to the principles. These reviews will be conducted by qualified independent professional services such as accounting firms, law firms, or security consultants. These independent professional services will use criteria developed by assurance professionals and approved by the signers as a group. As experience and changing circumstances require changes in the principles or in the criteria used for assurance reviews, the approval of the signers as a group will be needed to adopt such changes,

Companies will have a reasonable opportunity, determined by the nature of the concern and circumstances that surround it, to respond to any concerns that are expressed in such