Industry Code of Practice would depend primarily on the reporting of all horses diagnosed to be infected with the CEM organism and their contacts with other horses, and secondarily on following prescribed procedures. Without proper reporting, infected animals could not be traced and other horses with which they came in contact could not be identified. Poor reporting would make the disease virtually uncontrollable.

3. Strengthening the current program.

APHIS could establish federal regulations to prevent the introduction of CEM into the United States or enter into cooperative State-Federal agreements to prevent the spread of the disease if it exists in the United States. In this connection, APHIS could:

a. Impose requirements on the importation of horses from all countries not found to be free of CEM.

b. Impose restrictions on the importation of horses not currently regulated because of CEM, such as horses under 2 years of age.

c. Impose more strict requirements on horses imported primarily for competitive events such as racing.

d. Quarantine and test United States horses that have traveled abroad when they reenter the United States.

e. Restrict the interstate movement of horses to prevent the spread of CEM.

Strengthening the current program would help reduce the possibility of infected horses introducing the disease into the United States. However, more research on CEM could be required in order to design more effective regulations. Also, additional personnel would be needed for a strengthened regulatory program, and the cost to the government and regulated persons would likely increase.

Comments on the adequacy of the current CEM program and whether or not, and in which ways, the program should be changed, and comments on the changes outlined above would be greatly appreciated.

List of Subjects in 9 CFR Part 92

Animal diseases, Imports, Livestock, Poultry and poultry products, Quarantine, Reporting and recordkeeping requirements.

Done at Washington, D.C., this 8th day of June 1983.

K. R. Hook,

Acting Deputy Administrator Veterinary Services.

[FR Doc. 83-15874 Filed 6-13-83; 8:45 am]

BILLING CODE 3410-34-M

FEDERAL TRADE COMMISSION

16 CFR Part 13

[Docket No. 772 3037]

Trans Union Credit Information Company; Proposed Consent Agreement with Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would require a Chicago-based computerized consumer credit reporting agency and its credit bureaus, among other things, to cease furnishing reports to investigative agencies, government law enforcement agencies and others who are not properly certified, or to whom the company has reason to believe would use the information for impermissible purposes. The agency would have to advise users of the reports that anyone obtaining credit information under false pretenses is subject to a fine and/or imprisonment under Federal law. In making file disclosures to properly identified customers, the company would be required to disclose the nature and substance of all information retained on the consumer, no matter how recorded. The reporting agency would also be required to reinvestigate disputed credit information; advise the consumer of the results of its reinvestigation; and record the current status of the information within a reasonable period of time. Credit information reports would have to include clear and accurate dispute statements filed by consumers, or summaries of such statements. Further, when responding to telephonic requests for information, the dispute statement would have to be read before the challenged information is disclosed. The order would also bar the company from purging any consumer file containing credit account information that is solely non-derogatory and whose most recent date of activity is less than five years old, unless it advises users of the reports that such purges are performed periodically. Additionally, the company would be required to review its credit reporting system in accordance with the procedures set forth in the order to detect and remedy erroneous information maintained or reported by the system.

DATE: Comments must be received on or before August 15, 1983.

ADDRESS: Comments should be directed to FTC/S, Office of the Secretary, Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: Anne P. Fortney, FTC/PD, Washington, D.C. 20580. (Phone: (202) 724-1119).

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the following consent agreement containing a consent order to cease and desist and an explanation thereof, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with § 4.9(b)(14) of the Commission's Rules of Practice (16 CFR 4.9(b)(14)).

List of Subjects in 16 CFR Part 13

Consumer credit reports.

[File No. 772-3037] Agreement Containing Consent Order To Cease and Desist

In the matter of Trans Union Credit Information Company, a corporation.

The Federal Trade Commission having initiated an investigation of certain acts and practices of Trans Union Credit Information Company ("Trans Union"), a corporation, and it now appearing that Trans Union, hereinafter sometimes referred to as respondent, is willing to enter into an agreement containing an Order to cease and desist from the use of the acts and practices being investigated.

It is hereby agreed by and between Trans Union and its attorneys, and counsel for the Commission that:

1. Respondent is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 111 West Jackson Boulevard, in the city of Chicago, State of Illinois.

2. Respondent admits all the jurisdictional facts set forth in the draft of complaint here attached.

3. Respondent waives:

(a) Any further procedural steps;

(b) The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and

(c) All rights to seek judicial review or otherwise to challenge or contest the validity of the Order entered pursuant to this agreement.

4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission it, together with the draft complaint contemplated thereby will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify respondent, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by respondent that the facts as alleged in the draft complaint here attached are true or that any law has been violated.

6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of § 2.34 of the Commission's Rules, the Commission may, without further notice to respondent: (1) Issue its complaint corresponding in form and substance with the draft of complaint here attached and its decision containing the following Order to cease and desist in disposition of the proceeding; and (2) make information public in respect thereto. When so entered, the Order to cease and desist shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Order shall become final upon service. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to Order to repondent's address as stated in this agreement shall constitute service. Respondent waives any right it may have to any other manner of service. The complaint and the intitial compliance report may be used in construing the terms of the Order, and no agreement, understanding, representation, or interpretation not contained in the agreement, Order or intitial compliance report may be used to vary or contradict the terms of the Order.

7. Respondent has read the proposed complaint and Order contemplated hereby. It understands that once the Order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Order. Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Order after it becomes final.

It is hereby ordered, That respondent Trans Union Credit Information Company ("Trans Union" or "respondent"), a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the furnishing of consumer reports by its owned bureaus derived from consumer files owned by Trans Union, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, shall forthwith cease and desist from:

I. Failing to maintain reasonable procedures designed to limit the furnishing to private investigative or detective agencies of consumer reports to the purposes listed under Section 604 of the Fair Credit Reporting Act ("FCRA"). For the purpose of this Order such procedures consist of:

A. Requiring all users to certify in writing, before respondent furnishes any consumer reports to such users, the nature of their businesses, the purpose(s) for which they will use respondent's consumer reports and that the consumer reports will be used for no other purpose. For current users for which respondent does not possess such certifications, respondent shall obtain such certifications within six months of the date this Order becomes effective.

B. Making reasonable efforts to verify the identity of a prospective user, the nature of its business and its proposed uses of respondent's reports prior to furnishing consumer reports to such user.

C. Requiring private investigative agencies and detective agencies to certify in writing or orally at the time of each request for a consumer report:

1. The specific purpose or purposes for which each consumer report is sought;

2. That the information will be used for no other purpose; and

3. That the user understands that Federal law provides that a person who obtains information from a consumer reporting agency under false pretenses shall be fined no more than $5,000 or imprisoned not more than one year or both.

If the user's certification is oral rather than in writing, respondent shall either: (1) Request the user to confirm the certification in writing within ten business days after such request or (2) maintain a written record of the identity of the requestor, the date of the request, the identity of the consumer (name and address) on whom the consumer report was requested and the purpose(s) certified for the request. For any such user for which respondent requests subsequent written certification rather than maintains a written record, respondent may not furnish additional consumer reports if it does not receive such certification within the ten-day period. In such cases, additional consumer reports may be furnished after the written certification is received.

Private investigative agencies and detective agencies do not, for the purpose of this provision, include credit bureaus that prepare or issue investigative consumer reports, as that term is defined in Section 603(e) of the FCRA.

D.1. With respect to each prospective user, after six months from the date this Order becomes effective, either: (1) Consulting the current telephone yellow pages for the geographical areas in which respondent sells consumer reports for a listing of all detective agencies, private investigative agencies, investigators, and security services, or (2) conducting an on-site inspection of the premises of such user, in order to determine whether it is a detective agency or private investigative agency, and is thus a user from which the certification described in (C) above must be obtained.

2. With respect to current users, within six months from the effective date of this Order, either: (1) Consulting the current yellow pages for the geographical areas in which respondent sells consumer reports and determining whether any of the businesses listed therein as detective agencies, private investigative agencies, investigators, or security services are current subscribers, or (2) conducting on-site inspections of the premises of such current users, in order to determine, for each current user, whether it is a detective agency or a private investigative agency and is thus a user from which the certification described in (C) above must be obtained.

E. Furnishing a consumer report to any detective agency or private investigative agency when that agency has not certified a specific permissible purpose for obtaining that consumer report or when respondent has otherwise received notice that such agency is seeking to obtain the consumer report for a purpose that is not permissible under Section 604 of the FCRA. For the purpose of this provision, certifications of specific permissible purposes include, but are not limited to, certifications of one of the purposes listed in § 604(3)(A)–(D) of the FCRA.

II. Failing to maintain reasonable procedures designed to limit the furnishing of consumer reports to government agencies, or departments of government agencies, which have as a principal function the enforcement of civil or criminal laws and which do not in the ordinary course of business regularly extend credit or insurance for personal, family or household use or evaluate consumers' eligibility for licenses or government benefits for which the agency is required by law to consider the applicant's financial responsibility or status, to the purposes listed under Section 604 of the FCRA. For the purpose of this Section respondent is required to cease and desist from:

A. Failing to require such agencies or departments to certify either in writing or orally at the time of each request for a consumer report:

1. The specific purpose or purposes for which each consumer report is sought;

2. That the information will be used for no other purpose; and

3. That the user understands that Federal law provides that a person who obtains information from a consumer reporting agency under false pretenses shall be fined no more than $5,000 or imprisoned not more than one year or both.

If the user's certification is oral rather than in writing, respondent shall either: (1) Request the user to confirm the certification in writing within ten business days after such request; or (2) maintain a written record of the identity of the requestor, the date of the request, the identity of the consumer (name and address) on whom the consumer report was requested and the purpose(s) certified for the request. For any such user for which respondent requests subsequent written certification rather than maintains a written record of the certification, respondent may not furnish additional consumer reports if it does not receive such certification within the ten day period. In such cases additional consumer reports may be furnished after the written certification is received.

The requirements of Section II of this Order do not apply to requests by government agencies for information limited to the consumer's name, address, former addresses, places of employment and former places of employment.

B. Furnishing a consumer report to any such government agency or department when it has not certified a specific permissible purpose for obtaining that consumer report or when respondent has otherwise received notice that such agency or department is seeking to obtain the consumer report for a purpose that is not permissible under Section 604 of the FCRA.

For the purpose of this provision, certifications of specific permissible purposes include, but are not limited to, certifications of one of the purposes listed in section 604(3)(A)–(D) of the FCRA.

III.A. Failing to follow reasonable procedures to avoid issuing any consumer report, except as authorized by Section 605(b) of the FCRA, containing any account placed for collection or repossession or charged to profit and loss whose date (month and year) so placed or charged, or if not available whose date (month and year) first furnished to or received by respondent, antedates the report by more than seven years.

B.1. Failing to follow reasonable procedures designed to assure that, for each account placed for collection or repossession or charged to profit and loss entered into the data base, the date (month and year) the item first reached the indicated status or, if not supplied, the date (month and year) the item was first furnished to or received by respondent, is inserted into the data base as the purge date for such item.

2. Failing to follow reasonable procedures designed to assure that such purge dates are not advanced by the submission by credit grantors or collection agencies of subsequent information about the accounts in question.

C.1. Within one hundred eighty (180) days of the effective date of this Order, respondent shall:

(a) Produce a computer dump of all accounts with the corresponding names and addresses of the consumers in whose files they are maintained in the data base bearing a manner of payment code "08", "8A", "8D", "09", or "9B" and bearing purge dates of July 1978 through March 1979;

(b) Mail, to each credit grantor or collection agency for which account information meeting the criteria described in (a) above exists in respondent's data base, a completed copy of the form letter included as Exhibit A to this Order, requesting that the recipient review or permit respondent to review the actual dates closed or placed for collection or repossession of accounts held by the recipient and meeting the criteria described in (a) above. The letter shall contain an estimates of the number of credit grantor's or collection agency's accounts to be reviewed.

If the credit grantor or collection agency has not replied to the letter within forty-five (45) days of the date it was mailed respondent shall, within fifteen (15) days of the expiration of that 45 day period, send a follow-up letter again requesting that the recipient perform the review or permit respondent to perform the review.

If the recipient replies that it will perform this review, respondent shall deliver to it, within two weeks of receipt of that reply, that portion of the computer dump described in (a) above that pertains to accounts held or handled by the recipient. If the credit grantor or collection agency replies that it will permit respondent to perform this review, respondent shall commence such review within sixty (60) days of receipt of the credit grantor's or collection agency's reply.

2. (a) For those accounts for which the credit grantor or collection agency responds, or respondent determines, upon performing the review, as having an earlier date on which the indicated status was reached or the item was first furnished to respondent than the purge date contained in the data base, respondent shall replace the purge date contained in the data base with such earlier date.

(b) For accounts held by those credit grantors or collection agencies which do not respond to either of the letters described in 1(b) above, or respond that they will not perform the review or permit respondent to perform the review, respondent may maintain the purge dates contained in the data base, except as respondent is otherwise required to change or delete such date pursuant to the consumer dispute and reinvestigation procedures of Section 611 of the FCRA.

D. For any of respondent's bureaus, with respect to that portion of the data base pertaining to such bureau or any part of that portion of the data base, respondent may, as an alternative to performing the procedures described in (C) above, purge all accounts bearing one of the above-mentioned manner of payment codes and a purge date falling within the above-designated period.

IV. A. 1. Failing, upon request and proper identification of any consumer, to clearly and accurately disclose to the consumer the nature, substance and source of all information on that consumer recorded and retained by respondent regardless of how the information is stored.

2. Failing, in any bureau that furnishes any consumer report(s) to a user or users by means of a cathode ray tube (CRT) terminal, to make disclosure to consumers as required by (A)(1) above by CRT terminal using the same point score threshold, and allowing for display of the same number of files

whose score equals or exceeds that threshold, as the CRT terminal(s) used for furnishing consumer reports to users.

V. Failing, when issuing a consumer report containing information with respect to which the consumer has filed a dispute statement pursuant to Section 611(b) of the FCRA, to clearly note in any subsequent consumer report containing the information in question that such information is disputed by the consumer and provide to the user either the consumer's statement or a clear and accurate codification or a summary thereof, and in particular:

A. Failing, for each written or printed consumer report issued containing information with respect to which the consumer has filed a dispute statement, to provide in the consumer report itself the dispute statement or a clear and accurate codification or summary thereof.

B. Failing, in each consumer report issued by telephone containing information with respect to which the consumer has filed a dispute statement, to read to the inquiror the contents of the dispute statement, or a clear and accurate codification or a summary thereof, before reading the disputed information, and to refuse to read the disputed information if the inquiror does not permit the dispute statement or the codification or summary thereof to be so read.

C. Failing, for each consumer report issued by telephone concerning a consumer who has filed a dispute statement, to maintain a record of the identity of the consumer, the identity of the inquiror and the date the dispute statement or codification or summary thereof was supplied to the inquiror, unless respondent previously incorporated such dispute statement or codification or summary thereof in the consumer's file in the data base.

VI. Purging from the data base or any portion thereof, after one hundred eighty (180) days from the date this Order becomes effective, consumer files containing credit account information that is solely non-derogatory and whose most recent date(s) of activity is (are) less than five years old, unless respondent:

A. Delivers, by first class mail or in person, a separate printed notification to the user's (other than another credit bureau) personnel listed below. This notification shall state that respondent's bureaus from time to time perform such purges and that respondent will, upon written request, disclose in writing the dates and criteria of any purges performed within the past two years on the portion(s) of respondent's data base pertaining to the bureau(s) from which the user principally purchases respondent's reports, as well as any other bureau for which the user requests such information. This notification shall also contain a recommendation that the information contained in it be transmitted to the user's employee in charge of developing consumer credit or benefit evaluation criteria and employee who supervises the consumer credit application or benefit evaluation process.

1. Any individual who is to execute a subscriber contact or agreement with respondent on behalf of any person, business, or government agency.

The notification may be delivered to this person together with the contract or agreement form to be signed.

2. Within thirty days after the execution of such contract for any prospective user, and within one hundred eighty (180) days after the effective date of this Order for any user authorized to obtain consumer reports from respondent, such user's individual in charge of consumer credit or benefit operations. For any previous user not authorized, as of the effective date of this Order, to obtain consumer reports from respondent, respondent need not deliver the notification until thirty (30) days after the user is reauthorized to obtain consumer reports.

The notification shall not be delivered to this person together with any billing invoice.

B. Upon written request from an existing or prospective user (other than another credit bureau), makes the disclosure specified in (A) above, with the exception that respondent need not make the disclosure for such purges as may have been performed prior to the effective date of this Order, and for which, as of that date, it was not in possession of records. In the case of that exception, respondent need only disclose instead that there may have been purges performed prior to that date, for which it is no longer has the exact dates of criteria.

C. Inserts into the consumer's file (including, when necessary, reestablishing a file on the consumer), upon the consumer's request, any item of account information when a consumer, disputing the completeness of his or her file, indicates he or she has such account under this or her name, and when that account is held by a subscriber to respondent's consumer reporting services and is verifiable.

Section VI of this Order does not apply to purges of files on consumers whose current addresses, as reflected in the file, do not fall within the geographic area covered by the portion of the date base in which the files are maintained. It does not apply to purges of files performed as part of a purge by respondent of all files in a portion of the data base pertaining to a specific geographic area. It does not apply to purges of files performed at the request of consumers to whom those files pertain, and it also does not apply to purges of trade line information performed at the specific request of a subscriber to which it pertains.

VII. Failing, when the completeness or accuracy of any item of information contained in his or her file (as defined in Section 603(g) of the FCRA) is disputed by a consumer and that dispute is directly conveyed to respondent by the consumer, to:

A. Reinvestigate and record the current status of that information within a reasonable period of time after the dispute is directly conveyed, unless respondent has reasonable grounds to believe the dispute is frivolous or irrelevant.

B. Inform the consumer of the results of the reinvestigation, orally or by placing the results in first class mail, within a reasonable period of time after the completion of the reinvestigation.

It is further ordered, That respondent shall:

VIII.A. Have its management, and the staff of its Cronus Support, Quality Control and Systems and Programming Departments, continue to review its credit reporting system. Such review will include the detection and remedying of significant inaccuracies in information maintained or reported by the system. During the period from thirty-six (36) months to five (5) years from the effective date of this Order, respondent will document the procedures it uses for such review, the results of such review, and measures it takes to increase accuracy.

B.1. Review the display algorithm of its credit reporting system with respect to its functions of distinguishing between seniors and juniors; consumers with the same last name and first initial living at the same address; consumers with the same last name, first initial and house number and living at different addresses; consumers with the same last name and first initial and having different social security numbers; and preventing display of "B" files that pertain to different consumers than the "A" files displayed. Respondent shall also review the merge algorithms of its credit reporting system with respect to their functions of preventing mixing in the same file of information on juniors and seniors or individuals otherwise having the same last name.

2. Determine, for each of the functions mentioned in (B)(1), whether the measures specified in the initial compliance report filed concurrently with this Order are feasible and effective in increasing the accuracy of respondent's computerized credit reporting system. Such determination shall be made on the basis of a documented cost-benefit analysis (*i.e.* dollar expenditures or decrease in reporting information pertaining to the consumer inquired on versus decrease in reporting information not pertaining to the consumer inquired on).

3. Compliance with the cost-benefit analyses referred to in (B)(2) with respect to display algorithm changes (aside from ascertaining dollar expenditures) shall be made by conducting empirical studies employing methodology similar to that used by respondent in the empirical studies it previously conducted [(a) through (d) below describe that methodology] to determine whether a display algorithm change would result in retrieval of additional files in response to inquiries. Compliance with the cost-benefit analyses with respect to merge algorithm changes shall be made by conducting similar empirical studies to determine whether such changes could reduce merger into individual files of information pertaining to different consumers below that occurring presently without reducing to an undue extent the merger into individual files of information that pertains to the same consumer.

The methodology for the display algorithm cost-benefit analyses includes:

(a) Compiling a sample of captured inquiries actually made by users and inquiries devised by respondent that adequately addresses the relevant variables and is large enough to provide a basis for determining the effect of the measure(s) over the general population of inquiries and data base files;

(b) Processing these inquiries against the data base using the existing display algorithm;

(c) Examining the files retrieved from the data base to determine which do and which do not pertain to the consumer inquired on and analyzing what changes in the display algorithm would result in retrieval of fewer files not pertaining to the consumers inquired on;

(d) Devising modified display algorithm(s) and testing them to determine if they reduce retrieval of files not pertaining to the consumer inquired on, without reducing to an undue extent retrieval of files pertaining to the consumer inquired on.

4. For each function, if respondent determines pursuant to (B)(2) and (B)(3) above that the measure(s) specified in the initial compliance report are feasible and effective in increasing accuracy, respondent shall implement such measure(s) or alternative measure(s) that respondent determines, pursuant to the above-described type of cost-benefit analysis, are as or more effective in increasing accuracy as the measure(s) specified in the initial compliance report.

5. If respondent determines that any of the measures listed in the initial compliance report, after performing the relevant cost-benefit analysis, is not effective in increasing accuracy beyond that produced by respondent's current algorithms, respondent need not make that change.

6. For each function described in (B)(1), multiple measures need not be implemented if they have only substantially identical, and not supplemental, effects on accuracy.

Any actions required under Section VIII(B) of this Order shall be completed within eighteen (18) months of the effective date of this Order.

C.1. During the period from eighteen (18) months to twenty-four (24) months from the effective date of this Order, and on a one-time basis only, take reasonable steps to identify other types of significant inaccuracies that may be occurring concerning reporting information pertaining to consumers other than the ones inquired on, other than those inaccuracies which are caused by a credit grantor's insolated and non-systematic errors in recording information concerning a consumer's account, or which involve a disagreement between the consumer and the credit grantor over the time or amounts of payments made by the consumer on the account, or which involve disputes over the quality of goods or services purchased. These steps include (a) having the managers of respondent's bureaus document the types of such inaccuracies reported to those bureaus by credit grantors or other users of respondent's reports during that period and (b) examining, for each of respondent's bureaus, the consumer relations files established for the first, third, and fifth months of that six month period.

The bureaus shall prepare and forward to respondent's Computer Division written summaries of the types of such inaccuracies indentified pursuant to (a) or (b). The bureaus shall also attach actual examples of reports contining those types of inaccuracies.

2. Devise measure(s) that can reduce the occurrence of the types of inaccuracies identified pursuant to (C)(1) above.

3. Implement those of the measures devised pursuant to (C)(2) above that respondent determines to be feasible and effective in decreasing the occurrence of the types of inaccurancies identified pursuant to (C)(1) above on the basis of documented cost-benefit analyses, as described in Section (B) above.

For each type of inaccuracy identified pursuant to (C)(1) above, multiple measures need not be implemented if they have only substantially identical, and not supplemental, effects on accuracy.

Any actions required under Order Section VIII(C) (2) and (3) shall be completed within the period of twenty-four (24) to thirty-six (36) months from the effective date of this Order.

It is further ordered, That respondent shall:

IX.A.1. Immediately, upon the date this Order becomes effective, begin to develop systematic procedures, whether performed by computer or otherwise, to perform the functions described in (2) below.

2. After eighteen (18) months from the effective date of this Order, ascertain, each time a credit grantor computer tape is processed and for each manner of payment code contained in the account information submitted, the number of accounts bearing that code, and to review those statistics and compare them to previous months' statistics for that credit grantor as a means of detecting likely systematically erroneous codes submitted by the credit grantor or otherwise inserted into the data base.

If the above-mentioned comparison process is automated, respondent shall within eighteen (18) months of the effective date of this Order provide to the Commission the criteria employed in such comparison.

3. After eighteen (18) months from the effective date of this Order, provide the credit grantor printed copies of the statistics described in (A)(1) above following any significant change in the computer program used to process the credit grantor's account information into the data base or whenever respondent determines that the statistics for that credit grantor are, in respondent's good faith judgment based upon its experience gained pursuant to its obligations under Section IX (A)(1) of this Order, significantly different from previous statistics.

4. After eighteen (18) months from the effective date of this Order, if respondent has reasonable grounds for

believing based on the review described in (A)(2) above or otherwise that any credit grantor is supplying systematically erroneous manner of payment codes or that systematically erroneous manner of payment codes are being produced by respondent's procedures for processing the information on credit grantor tapes into the data base, take reasonable steps to correct the erroneous codes entered into the data base and take reasonable steps to assure that:

(a) Subsequent tapes submitted by that credit grantor do not contain systematic transcription or formatting errors that cause erroneous manner of payment codes to be processed into the data base; and

(b) Respondent's credit grantor tape translation programs or other procedures for processing information into the data base do not by themselves, or in conjunction with the types of problems described in (a) above, generate erroneous manner of payment codes.

With respect to any tapes submitted to respondent which contain account information pertaining to more than one credit grantor and whose processing results in the printing out of aggregate manner of payment code statistics rather than statistics for each credit grantor, the requirements contained in (A) (1)–(4) above with respect to individual credit grantors shall apply instead to the supplier of the tape. With respect to any credit grantor that furnishes more than one tape to respondent in any month, respondent is not required to aggregate all monthly statistics for that credit grantor but shall rather treat the statistics generated from each tape separately.

B. Alternatively, respondent may satisfy its obligations under Section IX of this Order by instituting other reasonable procedures to detect and correct systematic errors in manner of payment codes as submitted by credit grantors or otherwise processed into respondent's data base.

Respondent may institute alternative procedures only if it determines after reasonable documented inquiry that the alternative procedures will be substantially as effective as the procedures describe in (A) above.

It is further ordered, That respondent shall submit to the Commission, within seven (7) months after the date of service of this Order, a compliance report detailing the actions respondent has already taken and intends to take to comply with each of the provisions of the Order. Respondent shall also maintain for a period of five (5) years from the effective date of this Order, unless a shorter time period is specified, and make available upon written request made by Commission staff:

1. A printout of respondent's computer maintained subscriber listing, current as of the date of receipt of Commission staff's request.

2. The written certifications and records called for by Sections (I) (A) and (C) and II(A) of this Order, for the most recent twenty-four (24) month period.

3. The records specified in Section V(C) of this Order, for the most recent twelve (12) month period.

4. Such written requests as are received from users pursuant to Section VI(B) of this Order, for a period of twelve (12) months from the date received.

5. Documentation required by Section VIII(A) of this Order and documentation generated for the purpose of, in the course of conducting, or as a result of any of the analyses, determinations, reviews, identifications, examinations, implementations, information gathering and other actions called for by Sections VIII (B) and (C) of this Order.

6. With respect to the monthly statistics mentioned in Section IX(A) of this Order, respondent shall maintain records of such statistics for six months after their generation. Upon written request made by Commission staff, respondent shall prepare with respect to each individual subscriber tape (or with respect to each tape containing information from multiple credit grantors whose processing produces only aggregate statistics) and for the designated month(s) a summary form indicating the percentage change, positive or negative, in the number of accounts processed into the data base under each manner of payment code. Respondent shall, for each summary form, designate the subscriber (or tape supplier) by a consistently used identifying number rather than by name. Respondent shall make a special indication on the form when it pertains to a tape that produces only aggregate statistics for multiple credit grantors.

This provision does not require respondent to supply any documents or information to the Commission that would identify the subscriber to which the above mentioned statistics or reports pertain.

7. The documented inquiry called for by Section IX(B) of this Order, if Section (B) is followed as an alternative to section (A).

8. Any and all written or printed materials used by respondent to make any of the disclosures or notifications mentioned in provisions of this Order, except those required by Order Section VII and except that with respect to Order Section III, respondent shall, for twelve (12) months after completion of its obligations under that section, maintain and make available upon written request by Commission staff: the number of credit grantors, and the number of accounts, contained in the computer dump produced pursuant to Section III(C)(1)(a); the number of letters sent to credit grantors; and the number of credit grantors or collection agencies that responded to the letters under III(C)(1)(b); the number of credit grantors or collection agencies that performed the review themselves; the number of credit grantors or collection agencies for which respondent performed the review; which bureaus, if any, determined to purge all or some of the relevant accounts rather than contact the credit grantors or collection agencies; and the number of accounts entirely purged and the number of accounts for which changed purge dates were inserted in the data base.

It is further ordered, That respondent shall maintain, for a period of five (5) years from the effective date of this Order, the computer dump required under Order Section III(C)(1)(a), copies of the letters sent to credit grantors or collection agencies, and written responses received and respondent's records of oral responses received pursuant to Order Section III(C)(1)(b).

It is further ordered, That respondent's obligations under Section VI of this Order shall terminate five (5) years from the date this Order becomes effective. Respondent's obligations under Section IX of this Order shall terminate five (5) years from the date respondent completes implementation of the procedures required by Section IX(A)(1)–(4), or Section IX(B), of this Order.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in its corporate structure such as dissolution, assignment or sale resulting in the emergence of successor corporations, the creation or dissolution of subsidiaries or any other changes in the corporation which may affect compliance obligations arising out of this Order.

It is further ordered, That the respondent shall forthwith distribute a copy of this Order to each of its management personnel and to each of the management personnel of each of its owed bureaus.

Exhibit A—Trans Union Credit Information Company

Dear (Credit Grantor/Collection Agency name): We are contacting you to request your

assistance in verifying dates for certain consumer account information that (name) has supplied to Trans Union Credit Information Company as a subscriber to Trans Union's credit reporting services. As you know, Trans Union's computerized credit reporting system is designed to purge itself of most adverse information on consumers within seven years from the date the item reached the indicated adverse status. To perform this function, the system fixes a date in the data base for each item of adverse information (the "purge date"). In the latter part of 1978 and early 1979, Trans Union instituted new procedures for fixing the purge date for accounts that are rated "08", "8A", or "8D" (repossessions), "09" (bad debt; placed for collection) or "9B" (collection account). Trans Union currently is reviewing all accounts in its data base that have one of the above manner of payment ratings and purge dates falling between July 1978 and March 1979 in an effort to assure that such purge dates are correct.

Our own research indicates that there are (number) such accounts reported by (name) currently maintained in our data base. To verify the correctness of the purge dates we have fixed for these accounts, and make any required changes, it will be necessary to review your records concerning these accounts to determine the dates on which the accounts actually reached the indicated status. We have a listing of accounts you have supplied to us which meet the criteria described above which we will provide to you. We request that you then review your records and inform us, for each of these accounts, of the month and year on which each such account first reached the indicated status, if different from the date contained in the listing. We also request that you inform us as to which accounts (if any) you cannot, from your records, determine the applicable date. Alternatively, if (name) would prefer that Trans Union perform this review of your records, we would be willing to supply Trans Union personnel to do so.

We request that you advise us within 30 days whether this information is available and, if so, whether (name) would be willing to participate in this review. Upon your affirmative response we will forward you the listing of accounts to be reviewed or arrange date(s) on which our personnel will review your records. Your cooperation would be most appreciated. If you have any questions, please contact (name of Trans Union contact person) at (phone number).

Sincerely,

Analysis of Proposed Complaint and Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from Trans Union Credit Information Company, a computerized consumer credit reporting agency that owns credit bureaus in thirteen states.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

The complaint alleges that Trans Union has violated various provisions of the Fair Credit Reporting Act (FCRA), and Section Five of the Federal Trade Commission Act. Counts I and II of the complaint allege that Trans Union furnished credit reports on consumers to detective and government law enforcement agencies without following reasonable procedures to assure that such agencies have permissible credit or employment-related purposes for obtaining the information (FRCA Section 607(a)). In the case of such agencies, these procedures include obtaining an individual certification of the specific purpose for which each report is sought. Count II also alleges that Trans Union violated Section 604 of the FCRA in furnishing reports to law enforcement agencies when Trans Union had reasonable grounds to believe they would be used for impermissible law enforcement purposes.

Count III alleges that Trans Union's credit reporting system in the past failed to assign dates, to some charged-off or collection accounts, to be used to remove such information before expiration of the permissible reporting period of seven years. (FCRA Sections 607(a), 605). The count further alleges that Trans Union subsequently established "purge dates" for such accounts which it reasonably should have known were incorrect. As a result, the count alleges Trans Union reported adverse information on consumers beyond the permissible seven year period.

Count IV alleges that Trans Union, in some of its bureaus, in making file disclosures to consumers by teleprinter computer terminals has failed to disclose certain information that can be reported to credit grantors obtaining credit reports over the telephone. (FCRA Section 609).

Count V alleges that Trans Union has issued reports via teleprinter terminals that do not contain dispute statements (or clear and accurate codifications or summaries of such statements) filed by consumers concerning information contained in those reports. (FCRA Section 611).

Count VI alleges that Trans Union has deleted from its data base, at the request of various of its individual bureaus, consumer files that contain only positive credit history concerning accounts that have been inactive for a period frequently no greater than one year, without informing purchasers of its reports that it deletes such information. The count alleges that such deletions can result in the furnishing of "no file" reports on consumer even though positive credit history on them was previously supplied to Trans Union (FCRA Section 607(b), FTC Act Section 5).

Count VII alleges that Trans Union has failed to reinvestigate within a reasonable period of time information in its files whose accuracy or completeness has been disputed by consumers. (FCRA Section 611(a)).

Count VIII alleges that Trans Union has reason to believe that it has issued significant numbers of erroneous reports that contain information on more than one consumer or that pertain to the wrong consumer. It further alleges that Trans Union knew or reasonably should have known that there were measures it could take to reduce the occurrence of the errors but failed to take reasonable steps to determine whether the possible remedial measures would reduce such errors, and failed to implement those measures that were found to be feasible and to reduce errors but not found to entail excessive monetary costs or cause an undue decrease in the completeness of reports (FCRA Section 607(b)).

Count IX alleges that Trans Union has been made aware that erroneous account payment status ratings have been entered in consumer files, and that it knew or reasonably should have known that periodic review of system-generated summaries of the ratings received from credit grantors would permit detection of possible systematic errors. The Count alleges that Trans Union failed to follow reasonable procedures to assure maximum possible accuracy in failing, for each credit grantor supplying information on computer tape, to review summaries on a monthly basis to enable detection and correction of systematic errors and take actions to prevent the recurrence of such errors (FCRA Section 607(b)).

The consent order contains provisions addressing each of these violations. Under Order Sections I and II, Trans Union must comply with the requirements of Section 607(a) of the FCRA by taking reasonable steps to assure that it furnishes reports to detective and government law enforcement agencies only for purposes permissible under Section 604 of the FCRA. For non-governmental subscribers, it must either consult the yellow pages or perform an on-site inspection to verify whether that subscriber is a detective or private investigative agency. Trans Union must

obtain advance certification of a specific permissible purpose for each report to be supplied to a detective, private investigative or government law enforcement agency. Trans Union is prohibited from supplying consumer reports if it is on notice that the report will be used for an impermissible purpose or if a specific permissible purpose has not been certified.

Order Section III requires Trans Union in the future to assign, as "purge dates" for charged off or collection accounts, the dates the accounts actually reached that status or were first furnished to Trans Union. Trans Union must also initiate a reinvestigation of accounts having suspect purge dates (June 1978–March 1979) and, for those found to have incorrect purge dates, insert the correct purge dates. Alternatively it may purge these accounts from its data base.

Order Section IV requires that, in making file disclosures to consumers, Trans Union must disclose the nature and substance of all information it retains on the consumer, not matter how stored. Trans Union must use cathode ray tube terminals to make consumer disclosures in any of its individual bureaus that sell reports via cathode ray tube terminals. Under Order Section V, Trans Union must also, when furnishing reports by teleprinter terminal, include in the body of such reports any dispute statements filed by consumers, or clear and accurate codifications or summaries of such statements. When a report is issued by telephone, the dispute statement must be read to the inquiror before the disputed information is read.

Order Section VI prohibits Trans Union, for a period of five years, from purging from its data base consumer files containing only positive account information less than five years old unless its notifies present and future subscribers of the fact that it performs such purges and, at the subscriber's requrest, indicates the specific dates and criteria of purges performed with the prior two years.

Order Section VII requires that, when a consumer disputes the accuracy or completeness of information in his or her file, Trans Union must complete reinvestigation and record of the current statue of that information within a reasonable period of time. Trans Union must also inform the consumer of the results of that reinvestigation within a reasonable period of time after completing it.

Order Section VIII requires Trans Union to continue to review its credit reporting syetem to detect and remedy significant accuracy errors. This review must include the types of errors the complaint alleges Trans Union made in issuing files on consumers other than those inquired on, *e.g.* files on consumers having different social security numbers or living in diffierent cities from the consumers inquired on, or files issued on seniors in response to inquiries on junior or vice versa. The order requires Trans Union to evaluate possible system changes empirically to determine the degree to which they may reduce the types of alleged errors, as well as their costs and the degree to which they reduce the completeness of reports. Trans Union must, within a period of eighteen months, implement changes found to reduce errors and not found to be excessively costly or detrimental to completeness. Trans Union must, for another eighteen months, monitor its system to ascertain if other significant inaccurancies are occurring and take similar remedial measures.

Order Section IX requires Trans Union to establish within eighteen months, and to operate for five years thereafter, a system to review on a monthly basis, either by computer or otherwise, the system-generated summaries of payment status codes supplied by each automated credit grantor. If likely systematic errors are detected, Trans Union must take reasonable steps to prevent further errors and to correct errors already made.

The Commission believes that the proposed order will provide substantial benefits to consumers. It will lead to increased accuracy of information reported, better and prompter efforts to correct erroneous files, and increased privacy protection with regard to permissible recipients of reports.

The purpose of this analysis is to facilitate public comment on the proposed consent order. It is not intended to constitute an official interpretation of the agreement and proposed order or to construe or modify their terms in any way.

Emily H. Rock,

Secretary.

[FR Doc. 83-15951 Filed 6-13-83; 8:45 am]

BILLING CODE 6750-01-M

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 101

Del Bonita and Wildhorse, Montana; Proposed Change In Hours of Service

AGENCY: Customs Service, Treasury.

ACTION: Notice of proposed change in hours of service; solicitation of comments.

SUMMARY: This notice solicits public comments on a proposed modification in the hours of service currently provided at the Customs port of Del Bonita and station of Wildhorse, Montana, located on the U.S.-Canadian border, in the Great Falls, Montana, Customs District.

Because traffic at Del Bonita and Wildhorse has not justified the current hours, it is propsed to change the hours of service for both locations.

The proposed change, which was coordinated with the Immigration and Naturalization Service (INS), would enable Customs and INS to obtain more efficient use of their personnel, facilities, and resources.

DATES: Comments must be received on or before August 15, 1983.

ADDRESS: Comments (preferably in triplicate) should be addressed to the Commissioner of Customs, Attention: Regulations Control Branch, U.S. Customs Service, 1301 Constitution Avenue, NW., Room 2426, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT: A. Donald Gilman, Office of Inspection and Control, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229 (202–566–9425).

SUPPLEMENTARY INFORMATION:

Background

In general, § 101.6, Customs Regulations (19 CFR 101.6), provides that each Cusomts office shall be open for the transation of Customs business between the hours of 8:30 a.m. and 5:00 p.m. on all days of the year except Saturdays, Sundays, and national holidays. It also provides that services performed outside a Customs office generally shall be furnished between the hours of 8:00 a.m. and 5:00 p.m. However, because of local conditions, different but equivalent hours may be necessary to maintain adequate and efficient service.

Del Bonita and Wildhorse, located in the Great Falls, Montana, Customs District, are two man border crossings, jointly staffed by Customs and the Immigration and Naturalization Service (INS). The current hours of service at these locations are as follows:

Del Bonita

June 1–September 15—8:00 a.m.–9:00 p.m.

September 16–May 31—9:00 a.m.–6:00 p.m.