



## Lesson Ten

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# Consumer Privacy



# privacy and information

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**information privacy:** privacy that involves the rights of individuals in relation to information about them that is circulating in society.

## why privacy is an important issue in the information age

- Computer systems record and store a lot of information about us and our consumer activities.
- Public and private organizations can share our computer files. For example, the IRS can access financial data about you from your bank.
- Computer data can travel and change hands in just a few seconds.
- Because of these factors, accurate data is paramount.

## why information privacy is a sensitive issue

- Information is a very valuable resource.
- Access to information in our society today offers many benefits to consumers, but also poses a potential threat to our privacy.



## types of information generally available from public sources

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- Demographic information (U.S. census)
- Telephone directories
- Birth, marriage, and divorce records
- Voter registration records
- Campaign contributions
- Driver's licenses/vehicle registrations
- Licenses and permits (hunting, fishing, etc.)
- Legal information (judgments, bankruptcies, real estate titles, etc.)



## **private databases available to only those with a legitimate purpose**

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- Employment information
- Credit reports
- Tax information (IRS/state tax boards)
- Criminal records
- Social service records (welfare, Medicaid, etc.)
- School records
- Medical records



# amending or correcting records

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**privacy act:** requires each federal agency that maintains records to permit individuals to request amendment of his or her record.

**to amend or expunge a record you must:**

- Contact the agency in question
- Await administrative review of request
- If request is denied, you can request a court review

**fair credit reporting act:** gives consumers the right to dispute inaccurate information and permits them to insert their own version of disputed information into a credit report.



## what's in a database profile?

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Database profiles are files of information about you that are stored in computer systems and may be used by a variety of organizations. This information includes:

- Address
- Phone and fax numbers
- Social Security number
- Credit card numbers
- Driver's license number
- Bank account numbers
- Student loan history
- Medical history
- Driving record
- Worker's compensation and insurance records
- Tax records
- Political affiliations
- Spending patterns
- Product preferences
- Estimated incomes



# what the law says: federal privacy protection

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## **1970: fair credit reporting act**

- Guarantees consumer rights in the collection and reporting of information for credit, employment, insurance, and other consumer business transactions.

## **1974: privacy act**

- Gives American citizens the right to request, inspect, and challenge their own federal records.

## **1974: family educational rights and privacy act**

- Gives parents and students over 18 access to the student's school records.

## **1975: equal credit opportunity act**

- Outlaws discrimination in granting credit due to age, gender, marital status, religion, ethnicity, national origin, or receipt of public assistance.

## **1976: tax reform act**

- Limits disclosure of tax information and requires that taxpayers be notified when their tax records are summoned from record keepers.

## **1978: rights to financial privacy act**

- Sets conditions under which federal investigators can access an individual's bank account records.



# what the law says: federal privacy protection

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## **1978: electronic fund transfer act**

- Requires banks that provide EFT services to disclose the circumstances under which account information can be disclosed to third parties.

## **1980: privacy protection act**

- Protects the press and others that disseminate information to the public from unlawful government searches and seizure of their work product and other materials.

## **1984: cable communications policy act**

- Protects the privacy of cable television subscriber records.

## **1986: electronic communications privacy act**

- Protects the privacy of electronic communications and transactional data such as telephone records.

## **1988: computer matching and privacy protection act**

- Protects individual privacy in connection with government benefit programs in which an individual's records at one government agency are compared against similar records at other agencies.

## **1988: video privacy protection act**

- Mandates a court order to gain access to videocassette rental records.

## **1991: telephone consumer protection act**

- Protects consumers from unwanted telemarketing calls, and restricts the timing of calls and the use of auto-dialers in telemarketing.





# protecting your privacy: your options as a consumer

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## “opting out” of direct marketing programs

- Ask merchant to be removed from his/her mailing list.
- Contact the Direct Marketing Association (DMA) to have your name removed from the mailing lists of its members:

Direct Marketing Association  
Mail Preference Service  
P.O. Box 9008  
Farmingdale, NY 11735-9008  
the-dma.org

- Contact the DMA to have your name removed from telephone lists of its members:

Direct Marketing Association  
Telephone Preference Service  
P.O. Box 9014  
Farmingdale, NY 11735--9014  
the-dma.org

## your options as a consumer

- Answer only necessary information on product warranty cards.
- Never give out personal or financial information over the phone unless you know the company and know how the information will be used.
- Don't give personal information at point-of-sale transactions.
- If a telemarketer calls and you don't want future solicitations, cite the federal law.



# what's in a credit report?

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## **identifying information:**

- Name, Social Security number, address, and sometimes phone number, previous address and employer.

## **credit history:**

- Previous and current types of credit, credit providers, payment habits, outstanding obligations and debts, and extent of credit granted.

## **public record information:**

- Usually limited to tax liens, judgments, and bankruptcies.

## **prior requesters:**

- Names of those who have requested information about this consumer in the recent past.



# reviewing your credit report

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## fair credit reporting act

Stipulates that an individual, upon request to the consumer-reporting agency, may have access to a copy of his or her credit report.

## to receive a copy of your credit report, contact:

- Experian Consumer Assistance Center

P.O. Box 749029  
Dallas, TX 75374-9029  
1-800-643-3334  
experian.com

- Equifax Credit Information Services

P.O. Box 105873  
Atlanta, GA 30348  
1-800-685-1111  
equifax.com

- Trans Union Consumer Relations

P.O. Box 390  
Philadelphia, PA 19064-0390  
1-800-916-8800  
transunion.com

## additional questions about your credit report rights can be directed to:

- Federal Trade Commission  
Correspondence Branch  
Washington, DC 20580



## telecommunication devices and services

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- Telephone (including cellular phones)
- Facsimiles (faxes)
- Online computer services
- Caller ID
- Automatic Number Identification (ANI)



# electronic monitoring in the workplace

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## types of electronic monitoring:

- Telephone monitoring
- Voice mail and electronic mail monitoring
- Computer keystrokes monitoring
- Locational detectors
- Surveillance video cameras