



FTC Settlement Fact Sheet

January 26, 2006

Summary

The Federal Trade Commission (FTC) and ChoicePoint have reached a settlement resolving issues the FTC raised during its investigation into the Company's compliance with federal laws governing consumer information security and related issues, including the fraudulent data access incidents ChoicePoint previously reported to law enforcement. As part of the settlement, ChoicePoint and the FTC have agreed that ChoicePoint does not admit to the truth of, or liability for, any of the matters alleged by the FTC.

In sum, the settlement requires ChoicePoint to maintain a comprehensive information security program, provides for ongoing assessments and compliance monitoring, and requires certain changes in credentialing procedures for products subject to regulation under the Fair Credit Reporting Act (FCRA). ChoicePoint will also pay a \$10 million civil penalty and contribute \$5 million to a fund administered by the FTC to go toward helping consumers.

Settlement Requirements

The settlement includes specific credentialing and information security requirements, including those listed below.

Credentialing procedures for FCRA-governed products:

- Obtaining from each customer a written certification stating the nature of the customer's business and all purposes for which the customer plans to obtain consumer reports.
- Verifying the business identity of a customer that is a business, that such customer is a legitimate business, and that the customer has a permissible purpose under the Fair Credit Reporting Act (FCRA) for obtaining consumer reports. Subject to certain exceptions, on-site visual inspections are to be conducted of customers who receive consumer reports.
- In certain cases, requiring customers to make specific FCRA permissible purpose certifications each time consumer reports are requested.
- Verifying that customers are using consumer reports solely for permissible purposes. This may include auditing customers.
- Providing FCRA subscribers with a copy of the "Notice to Users of Consumer Reports: Obligations of Users Under the FCRA" and notice of the penalties for violating the FCRA.

ChoicePoint's procedures already include many of these features, but the settlement requires ChoicePoint to conduct additional site visits and to modify some of its certification procedures.

Information Security Program

- Maintaining a comprehensive information security program that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers.

- Obtaining periodic assessments of the Company's information security program by a qualified, objective, independent third-party professional.

The settlement also includes certain reporting and record keeping requirements.

What We Have Done

- ChoicePoint has already implemented, or is in the process of implementing the changes in its security policies and procedures sought by the FTC, including enhancing and strengthening the Company's credentialing and security procedures by adding new requirements for accepting an organization as a customer and expanding our site visit program.

In addition, although not required by the FTC, ChoicePoint has also:

- Restricted the delivery and display of sensitive personal information.
- Hired Carol DiBattiste, formerly a senior law enforcement and security official in both the Clinton and Bush administrations, to be our independent chief credentialing, compliance and privacy officer responsible for overseeing all of ChoicePoint's credentialing and privacy policies and for ensuring compliance.
- Engaged the services of an outside independent organization, Ernst & Young, to conduct a best practices study and help ChoicePoint develop additional, standard-setting privacy, credentialing and compliance practices.

As part of today's settlement, a portion of ChoicePoint's payment will go toward helping consumers who may have been affected by fraud incidents experienced by ChoicePoint. We believe that is the right thing to do. In fact, ChoicePoint has already provided benefits to those consumers who may have been affected, including providing dedicated call centers and websites to answer consumers' questions and providing consumers free three-bureau credit reports and a year of credit monitoring.

ChoicePoint is a leader in providing businesses, government agencies and not-for-profit organizations vital information necessary to reduce fraud and make society safer. We are continuing ongoing reviews and strengthening of our security procedures in an effort to be the leader in protecting personal information as well.