OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Lisa Madigan
ATTORNEY GENERAL

October 10, 2017

Craig Boundy
Chief Executive Officer
Experian North America
475 Anton Blvd.
Costa Mesa, CA 92626

RE: Credit Freeze Fees

Dear Mr. Boundy:

As you know, numerous data breaches have been announced in recent years in which consumers' Social Security numbers and other extremely sensitive data have been stolen. The recently announced Equifax data breach affecting nearly half of the United States population is just a recent and very large example of such a data breach. As U.S. PIRG stated in its 2015 report, "A never ending stream of news reports about data breaches... is a constant reminder that you're at risk of a data breach and therefore, identity theft", if you participate in this modern economy by using credit or debit cards, paying taxes, having health insurance, attending college, patronizing any business that keeps customer records, or work for the government or a company.[1]

As a result of all the data breaches, U.S. consumers have been struggling to figure out how to protect themselves from the very real potential for identity theft. Among other advice, we have been advising our residents to consider placing credit freezes with the major Consumer Reporting Agencies (CRAs) in order to protect themselves against the possibility of a thief using their information to open a new account. U.S. PIRG also recommends that all consumers place a credit freeze with all the major national CRAs, because it is their "best protection against new account identity theft".[2]

For the most part, consumers do not choose to do business with CRAs, yet they are at the CRAs' mercy for data security and accuracy of their credit report. We have heard from our consumers that they are outraged that they should have to pay a company with which they do not choose to do business in order to protect themselves from identity theft as a result of a breach that was not their fault. The crisis in confidence extends to the entire credit reporting industry.

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[1] Mike Litt and Edmund Mierzwinski, *Why You Should Get Security Freezes Before Your Information is Stolen, Tips To Protect Yourself Against Identity Theft & Financial Fraud,* October 2015, http://www.uspirg.org/sites/pirg/files/reports/USPIRGFREEZE_0.pdf.
[2] *Id.*, at 1, 21.

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Seven states[3] currently prohibit CRAs from charging fees to place a credit freeze. In addition, at least two states, Illinois and Massachusetts, have introduced legislation that would require CRAs to offer credit freezes to all consumers free of charge, and some others may do so in the near future. At least two bills introduced in Congress also would require CRAs to offer credit freezes to all consumers free of charge. The legislation also would prohibit CRAs from charging consumers to lift or temporarily lift a freeze.

We believe this legislation will be successful given the public outcry in the wake of recent massive breaches where Social Security Numbers and other extremely sensitive information have been compromised. Unfortunately, consumers are scrambling now to protect themselves with credit freezes, and they need help now.

We write to urge you to announce immediately that you will not charge any freeze-related fees. Consumers should be able to protect themselves now by freezing their credit report with all the major CRAs. We will be reaching out to Experian North America shortly to discuss. If you have any questions, please contact Matt Van Hise at 217/782-4436.

Sincerely,

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On behalf of: Arkansas, Colorado, Delaware, District of Columbia, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico; North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming

[3] Colorado, Indiana, Maine, New Jersey, New York, North Carolina, and South Carolina.