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Congress of the United States
House of Representatives
Washington, DC 20515-2107

May 21, 2007

The Honorable Deborah Platt Majoras
Chairman
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, DC 20580

Dear Chairman Majoras:

I am writing to express my outrage about practices described in a recent New York Times report indicating that infoUSA, one of the largest compilers of consumer data, is marketing and selling information within its database that is specifically tailored to target vulnerable populations attractive to fraudsters, who then purchase the information to prey on these individuals through various schemes ("Bilking the Elderly, with a Corporate Assist", May 20, 2007, A1). According to the article, infoUSA has advertised lists for sale with descriptions such as of "Suffering Seniors", composed of 4.7 million people with cancer or Alzheimer's disease and "Oldies but Goodies", which contains information about 500,000 gamblers over 55 years old. Such predatory practices appear to cater to criminals seeking to bilk unsuspecting individuals of their savings, and as a member of the Energy and Commerce Subcommittee on Commerce, Trade and Consumer Protection and Co-Chair of the Bi-Partisan Bicameral Congressional Task Force on Alzheimer's disease, I am deeply disturbed by this report. Accordingly, I request that the Federal Trade Commission (FTC) respond to the questions that follow.

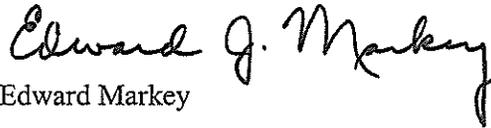
- (1) When did the FTC become aware of the practices described in the article cited above? Upon discovery of these practices, what activities did the FTC undertake? In addition to infoUSA, does the FTC have reason to believe that additional firms are involved in similar activities? If yes, what are the names of all the firms the FTC believes are employing similar tactics? Is the FTC aware of any contracts that infoUSA or any other firm employing similar practices may currently have with the Federal government? If yes, please provide the names of the firms with contracts with the Federal government.
- (2) Has the FTC notified infoUSA, and any other firms engaged in similar practices, that its products are abetting crimes against consumers? If yes, please provide the date of the notice(s), the individuals and entities notified, and copies of all correspondence and emails associated with the notice(s), including correspondence sent from the FTC and responses from the entities. If any entities have not responded to FTC notices, please indicate which have not.
- (3) How many FTC staff members currently are responsible for investigating telemarketing schemes? For each year from 2003 through 2006 for which the FTC has data, please provide the number of actions the FTC has taken against entities for telemarketing fraud and note, if applicable, whether the fraud targeted elderly or other vulnerable populations.
- (4) Please describe how the FTC leverages the expertise of other government departments and agencies, including state attorney generals, to coordinate the investigation and pursuit of telemarketing scams. Have the resources provided to the

FTC limited its ability to identify, investigate or pursue cases of telemarketing fraud?
If yes, please explain.

- (5) According to the article, financial institutions such as Wachovia bank accepted fraudulent checks in the names of victims. Specifically, Wachovia reportedly accepted \$142 million of unsigned checks from companies that made unauthorized withdrawals from thousands of accounts belonging to fraud victims and failed to shut down the accounts or take action in response to warnings from other financial institutions that the companies submitting the checks were fraudsters. Is this accurate? What legal obligations, if any, do financial institutions have to perform such investigations? Has the FTC contacted the appropriate banking regulators regarding this matter? If not, why not? If so, what action, if any, have they taken in response?
- (6) Does the FTC have any recommendations for remedial legislation that would strengthen the ability of the FTC and other government regulators to successfully pursue and prosecute cases of telemarketing fraud?

Thank you for your prompt attention to this matter. Please provide answers to the questions above within 10 business days, or no later than June 4, 2007. If you have questions about this request, please have a member of your staff contact Mark Bayer on my staff at 202-225-2836.

Sincerely,


Edward Markey