

August 15, 2012

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Representative Edward J. Markey  
U.S. House of Representatives  
2108 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Markey,

Thank you for your letter of July 25 with other members of the Privacy Caucus requesting information about Acxiom's use of information. We are pleased to address your questions and view this as an opportunity to promote a better understanding of the information industry and how information is used.

The information services industry is a vital part of the American economy. We would appreciate the opportunity to meet with the Privacy Caucus and in the years to come to explain how the industry and Acxiom contribute to the economy and specifically what we do to incorporate privacy into everything we do.

Acxiom has long history of proactively engaging with policy makers and the public, to promote a broader understanding of business processes, information flows, and the implications for privacy.

- We consider privacy implications before we launch a product or service. People are devising new information uses all the time, and we believe companies devising the uses can and should be the first ones to think about the policy implications. This is a central part of what some have called "privacy by design."
- We are in numerous policy groups, and in some cases, have been a driving force in their creation. They include the Centre for Information Policy Leadership, the Direct Marketing Association, the Interactive Advertising Bureau, the Mobile Marketing Association, the Digital Advertising Alliance, the Email Service Provider Coalition, the Coalition for Sensible Public Record Access, the Center for Democracy & Technology, the National Business Coalition on E-Commerce and Privacy and the International Chamber of Commerce. We have been successful because privacy is built into the core of our business. We are leaders in this regard.



- We have testified before members of Congress seven times since 2001, including before the House Energy and Commerce Committee five times. We also frequently participate in regulatory stakeholder meetings and processes, including those hosted by the Federal Trade Commission and the Department of Commerce.
- We have supported development of and comply with industry self-regulatory structures and best practices.
- We have supported certain federal data security and breach notice legislation for years, and distinct from others, we have supported and engaged in discussions on federal privacy legislation though we believe the legislation we have seen should be considered a work in process.

Acxiom has long had mechanisms in place for the benefit of consumers: access, correction, and a choice to opt out of certain uses of information.

We understand your concerns here are privacy-centric. Nevertheless, we urge the Caucus to gain a broader understanding of information use, including its very important benefits, not just the privacy implications. Our Constitution balances privacy interests with other interests, so it is important to understand both the privacy implications and the commercial, law enforcement, and other beneficial uses of data. An overview on the benefits of appropriate use of consumer data is provided in our response.

Please do not hesitate to contact me at [jennifer.glasgow@acxiom.com](mailto:jennifer.glasgow@acxiom.com) or 501-252-2316 if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Barrett Glasgow". The signature is fluid and cursive, with the first name being the most prominent.

Jennifer Barrett Glasgow  
Global Privacy and Public Policy Executive  
Acxiom Corporation

## Information Services Fuel the Global Economy and Infrastructure

Every business, large and small, must understand its customer base and have a means of communicating with its customers. Thus, every business needs data on some level – a need that is more pronounced in the era of digital commerce. Data fuels modern commerce, creating jobs and economic growth.

A considerable amount of global commerce takes place on the Internet. Global online transactions are estimated to total \$10 trillion annually.<sup>1</sup> In the United States alone, according to the U.S. Census, domestic online transactions are currently estimated to total \$4.1 trillion annually.<sup>2</sup> In 2010 alone, online retail sales accounted for over \$169 billion in retail sales for U.S. companies.<sup>3</sup>

The Internet is increasingly important to the personal and working lives of individual Americans, and is creating new kinds of jobs. 96% of working Americans use the Internet as part of their daily life, while 62% of working Americans use the Internet as an integral part of their jobs. Between 1998 and 2008, the number of domestic IT jobs grew by 2%, four times faster than U.S. employment as a whole. According to one estimate, as of 2009, advertising-supported Internet services directly or indirectly employed three million Americans, 1.2 million of whom hold jobs that did not exist two decades ago.<sup>4</sup> By 2018, IT employment is expected to grow by another 22 percent.<sup>5</sup>

The revenue generated by online advertising supports the creation and entry of new businesses, communication channels (e.g., micro-blogging sites and social networks), and free or low-cost services and products (e.g., email, photo sharing sites, weather, news, and entertainment media). Online advertising enables consumers to compare prices, learn about products, and find out about new and local opportunities. Additionally, the Internet empowers small businesses, enabling them to flourish and compete where costs otherwise would hinder their entry into the market. Consumers value the tremendous benefit that they gain from such ad-supported services and products and from the diversity of online companies.<sup>6</sup>

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<sup>1</sup> The Information Technology and Innovation Foundation (ITIF), *The Internet Economy 25 Years After .Com* (March 15, 2010), available at <http://www.itif.org/files/2010-25-years.pdf>, at 43.

<sup>2</sup> U.S. Census Bureau, *E-Stats* (May 10, 2012), available at <http://www.census.gov/econ/estats/2010/2010reportfinal.pdf>, at 2.

<sup>3</sup> Note 2, *supra*, at 3.

<sup>4</sup> Interactive Advertising Bureau (IAB), *Economic Value of the Advertising-Supported Internet Ecosystem* (June 10, 2009), <http://www.iab.net/media/file/Economic-Value-Report.pdf>.

<sup>5</sup> Department of Commerce Internet Policy Task Force, *Commercial Data Privacy and Innovation in the Internet Economy: A Dynamic Policy Framework* (December 16, 2010), at 14.

<sup>6</sup> Public Comment of the Interactive Advertising Bureau (IAB) to FTC Privacy Roundtables Project No. P095416, dated April 14, 2010.

In contrast to the relatively high barriers to entry in traditional media marketplaces, the Internet offers commercial opportunities to an unusually large number of innovators, and the rate of new service offerings and novel business models is quite high. Taken together, these characteristics give the Internet its strength as a global open platform for innovation and expression.<sup>7</sup>

Thus, in achieving balance, it is important to first recognize that appropriate use of information is beneficial to the economy, is contributing to job growth, is empowering innovation and creating new business models.

## **Consumers Benefit from Appropriate Use of Information in Numerous Ways**

### ***Low-cost or free services and goods***

Through the provision of information products, 'data brokers' help businesses, non-profit organizations, government agencies and political organizations and candidates understand and connect with people in an effective fashion. Data brokers save their clients millions of dollars by more effectively coordinating their marketing and fundraising communications and utilizing channels the consumer prefers. These cost savings allow companies and organizations to offer products and services at a lower price to consumers. No one benefits from misdirected or irrelevant advertising or fundraising efforts.

In addition, online advertising makes useful information available to consumers, including information about product availability and comparative pricing.<sup>8</sup> Consumers can more easily compare and find the lower priced product.

Finally, appropriate information use underwrites the cost of online applications and services, permitting consumers to access search engines, social media applications, games, publications, and blogs, free of charge.<sup>9</sup>

### ***More relevant ads and greater consumer choice***

Appropriate information use enables companies to target their offers to a sub-segment of the overall consumer population that is most likely to respond favorably to the offer. This both increases the relevance of the advertising to its audience and reduces the total number of advertising impressions that are produced. Targeted advertising, in which only a selected sub-segment of the population receives a marketing solicitation, does reduce advertising "clutter" to the benefit of consumers. It also provides a more personalized online experience for consumers, tailored to their particular interests.

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<sup>7</sup> Note 6, *supra*, at 19.

<sup>8</sup> See generally Technology Policy Institute, *In Defense of Data: Information and the Costs of Privacy* (May 2009), available at <http://www.techpolicyinstitute.org/files/in%20defense%20of%20data.pdf>.

<sup>9</sup> Interactive Advertising Bureau (IAB), *Economic Value of the Advertising-Supported Internet Ecosystem* (June 10, 2009), <http://www.iab.net/media/file/Economic-Value-Report.pdf>, at 4 (estimating that the advertising-supported Internet accounts for \$300 billion of economic activity).

Further, small businesses and entrepreneurs now have the opportunity to connect with consumers that they may not have reached using more traditional methods, fueling robust competition and innovations online.

Competition and the growth of small businesses (with unique product offerings) allow for greater consumer choice. An online environment with a low barrier to entry insures and drives innovation and consumers benefit from increased and differentiated product offerings.

### ***Expansion of free speech applications***

As previously discussed, targeted advertising underwrites the rich variety of online content and services available, and application providers can offer their services at little or no cost to the consumer. The increased revenues associated with relevant advertising are vital to supporting the continued growth in free of charge Web content and services (the business model for which consumers have expressed strong preference as compared to fee/subscription based content and services).<sup>10</sup>

For little or no cost to them, consumers can exchange photos and videos with their friends and families; read blogs, news and publications that are of particular interest to them; network socially and professionally; meet friends and potential spouses online; play games; find caretakers; seek out hobbies, politics, sports or local community events – the possibilities are virtually endless.<sup>11</sup>

### **Proper Use of Information Enriches and Improves Lives**

The beneficial uses of information are not in the least limited to endeavors of a commercial or personal nature. Proper use of information can impact health, prevent crime, and promote free speech. The World Economic Forum provided two examples in their report entitled *Big Data, Big Impact: New Possibilities for International Development*<sup>12</sup>:

- “In the wake of Haiti’s devastating 2010 earthquake, researchers at the Karolinska Institute and Columbia University demonstrated that mobile data patterns could be used to understand the movement of refugees and the consequent health risks posed by these movements. Researchers obtained data on the outflow of people from Port-au-Prince following the earthquake by tracking the movement of nearly two million SIM cards in the country. They were able to analyse the destination of over 600,000 people displaced from Port-au-Prince, and they made this information available to government and humanitarian organisations dealing

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<sup>10</sup> Public Comment of the Network Advertising Initiative to FTC Privacy Roundtables Project No. P095416, dated Nov. 6, 2009. In 2007 the New York Times abandoned an online-subscription based model in favor of an advertising-supported model available to all readers. See Richard Perez-Pena, *Times To Stop Charging for Parts of Its Site*, N.Y. Times (Sept. 18, 2007), available at <http://www.nytimes.com/2007/09/18/business/media/18times.html>.

<sup>11</sup> See generally <http://www.iab.net/longtail/> (offering video examples of the extraordinary diversity in subject matter and business types of small Web publishers).

<sup>12</sup> Available at [http://www3.weforum.org/docs/WEF\\_TC\\_MFS\\_BigDataBigImpact\\_Briefing\\_2012.pdf](http://www3.weforum.org/docs/WEF_TC_MFS_BigDataBigImpact_Briefing_2012.pdf).

with the crisis. Later that year, a cholera outbreak struck the country and the same team used mobile data to track the movement of people from affected zones. Aid organisations used this data to prepare for new outbreaks. The example from Haiti demonstrates how mobile data analysis could revolutionise disaster and emergency responses.”

- “The San Francisco-based Global Viral Forecasting Initiative (GVFI) uses advanced data analysis on information mined from the Internet to identify the locations, sources and drivers of local outbreaks before they become global epidemics.” GVFI’s Chief Innovation Officer says this technique can successfully predict outbreaks up to a week ahead of global bodies such as the World Health Organisation that rely on traditional techniques and indicators.

Accordingly, public health offers one of the most compelling areas where the analysis of mobile and Internet data could lead to huge public gains.

Proper use of information can also help to prevent crime. The pressure to protect Americans from internal and external threats has never been greater, and yet the U.S. population grows more diverse. Acxiom provides agencies with investigative tools to assist in their crime prevention and detection efforts. Acxiom’s Fraud Detection and Prevention Products are used by qualified companies in selected industries, non-profit organizations and government agencies to verify the identity of individuals and to investigate suspicious transactions for fraud.

Finally, because many web applications are made available free of charge to the public, ideas are organically expressed and exchanged on a daily basis in a manner never before seen. We have recently witnessed how various social media sites have mobilized and energized citizen populations, and conversely, have caused riots and civil unrest when governments have threatened to “turn the internet off.”<sup>13</sup> For these populations, information truly is a direct conduit to Liberty.

## General Background Information on Acxiom

Founded in 1969, Acxiom Corporation has more than 43 years of experience in helping our clients turn data into actionable insight while being sensitive to consumer privacy concerns. We are headquartered in Little Rock, Arkansas, with operations throughout the United States, across Europe, and in Asia. Our annual revenues exceed \$1 billion. Our company has approximately 6,000 employees worldwide with more than 2,100 of them working in Arkansas, more than 500 in Illinois, more than 125 in California, and

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<sup>13</sup> See, e.g., The New York Times, “*Movement Began With Outrage and a Facebook Page That Gave It an Outlet*” (Feb. 5, 2011) available at <http://www.nytimes.com/2011/02/06/world/middleeast/06face.html?pagewanted=all> (social media tools “provided a new means for ordinary people to connect with human rights advocates trying to amass support against police abuse, torture and the Mubarak government’s permanent emergency laws allowing people to be jailed without charges”); The Guardian, “*Twitter and Facebook riot restrictions would be a mistake, says Google chief*” (Aug. 27, 2011), at <http://www.guardian.co.uk/media/2011/aug/27/twitter-facebook-riot-restrictions-eric-schmidt> (describing that Egyptian authorities’ actions of turning internet off to try and quell unrest had merely enraged citizens and got them to leave their homes to protest).

more than 200 in New York and Tennessee. The remainder are located in the UK, France, Germany, the Netherlands, Poland, Brazil, China, Singapore, Hong Kong, Australia and New Zealand.

As the global leader in information services and data products, Acxiom helps our clients understand and connect with their customers and constituents through effective communication initiatives and sound risk management decisions. Our consultative approach spans multiple industries. For example, since 2009 Acxiom's U.S. clients include:

- 47 Fortune 100 clients
- 8 of the top 10 credit card issuers
- 4 of the top 5 retail banks
- 7 of the top 10 telecom/media companies
- 5 of the top 10 retailers
- 7 of the top 10 automotive manufacturers
- 3 of the top 10 brokerage firms
- 6 of the top 10 technology companies
- 3 of the top 5 pharmaceutical manufacturers
- 4 of the top 10 life/health insurance providers
- 7 of the top 10 property and casualty insurers
- 7 of the top 10 lodging companies
- 3 of the top 5 domestic airlines
- 6 of the top 10 U.S. hotels
- 4 of the top 5 gaming companies
- 5 of the 13 largest U.S. federal government agencies
- Both major national political parties

With the help of Acxiom, our clients have been able to be successful in the following situations:

- A major company with a broad portfolio of transportation, e-commerce, and business services worldwide, sought to create a uniform approach for email programs regardless of geography. Our services enabled the consolidation of email platforms to improve speed to market and deliverability while lowering email costs.
- A leading technology company sought to maximize its reach into local businesses in emerging global markets and relies on Acxiom for data to help expand into new markets and geographies.
- A leading retailer reached out to Acxiom to manage its enterprise-wide customer data ecosystem to improve offers, making them more relevant and timely, and to reduce wasted marketing expense.

- One of the world's largest automotive manufacturers leverages Acxiom's expertise in managing customer data, resulting in significant savings in operational costs, reduced returned and undelivered mail, and improved marketing performance.
- One of the largest credit card issuers in the U.S. looked to Acxiom to assist in converting its prospect marketing efforts from primarily direct mail and telemarketing to driving traffic to its website, resulting in considerable cost savings and a decreased environmental impact from reduced mailings.
- One of the world's largest loyalty programs was created following the merger of two major transportation giants. The new company turned to Acxiom to integrate the existing loyalty programs into one unified platform to provide an improved customer experience.
- A major health insurance company needed help getting its message out to consumers who might need competitively priced individual policies sold direct to the consumer. Acxiom helped them conduct its first direct mail campaign.
- With the passage of the Affordable Care Act in 2010, a global insurance and financial company needed to create a new line of individual and family coverage not tied to employment. Acxiom's services and data allowed the company to keep its customer and prospect data in a single place, improving business results and positioning the company for compliance with present and upcoming regulations.
- A leading insurer used Acxiom's services and data to help identify underserved market segments that are also typically underinsured.
- Several distance learning providers and their online vendors looked to Acxiom to assure integrity in the education process by using our identity authentication services. Online test takers must answer a series of challenge questions to confirm they are the ones actually enrolled in the course.
- One state's correctional system used Acxiom's services to integrate information from multiple databases used to solve crimes within the prison system. In the past, capturing data across systems was a lengthy, manual process that required investigators to manually find correlations across data. Now, investigators have a single point of access to all the data they need and can easily pull useful reports.
- A non-partisan, non-profit government contractor was hired by one government agency to initiate a proactive outreach and support program for individuals most affected by the economic

downturn. The contractor used our services to quantify the impact of the program while protecting the privacy and identities of individuals enrolled in it.

- For an independent health policy center, Acxiom developed a data integration solution that eliminated the need for time-consuming manual processes across multiple state agencies, while improving data accuracy.

To help our clients achieve these successes, Acxiom provides two lines of business: our information services and our data products.

### About Acxiom's Information Services

Acxiom's information services, which represent about 85 percent of the company's U.S. revenue, include a wide array of leading technologies and specialized computer services. These services help businesses, non-profit organizations and political parties and candidates acquire new customers and supporters as well as improve retention and loyalty over time. We help these clients increase their market share and effectiveness by making the information they have useable across multiple lines of business and multiple channels, including the Internet, mobile phones, interactive TV, direct mail, call centers, and even in retail channels. These services also help federal and state government agencies accurately integrate and manage the information they have about individuals.

Accurate management and use of customer and constituent information is critical to delivering a positive experience for consumers with an organization, maintaining a trusted relationship with the consumer over time, honoring their preferences about how personal information is used, and improving the overall efficiency and effectiveness of the organization. Although e-commerce and e-government have greatly increased the variety and availability of products and services for consumers, it also has introduced new risks that make developing a strong, trusted relationship, more important and more difficult than ever before.

To address all our clients' needs, Acxiom creates a customized solution for each client. These solutions correct inaccurate or incomplete information. They create a more consistent experience across multiple lines of business and varied points of contact. Acxiom integrates proprietary and leading software tools into the solution to help our clients analyze the data, execute marketing campaigns, and utilize it for a wide range of risk mitigation purposes. These services also include hosting preference management data, which allows our clients to honor customer preferences related to various communication channels.

To augment these client solutions, Acxiom provides various other services, such as our email and mobile communication distribution service, which helps organizations communicate more effectively with consumers and respect their preferences in a manner compliant with industry best practices and all

applicable laws, such as CAN-SPAM and the Telephone Consumer Protection Act. Other information service offerings help our clients personalize the experience visitors have when going to our clients' websites.

For more heavily regulated industries, Acxiom's information services help our clients comply with various laws in their respective industry, including, but not limited to, the Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA), and the Health Insurance Portability and Accountability Act (HIPAA). In these instances, Acxiom acts as a service provider or a "business associate," as is the case with HIPAA regulated clients.

As a separate, but unrelated offering, Acxiom also provides data center outsourcing services to businesses and government agencies.

#### About Acxiom's Data Products

As a complement to Acxiom's information services business, we offer a line of data products that represents about 15 percent of our revenues. When we license data to our clients, we are acting in the capacity of a 'data broker' or data compiler, as referenced in your letter. Our data products provide actionable information, not readily available to our clients, which help fill an important gap in understanding the consumer our client wishes to engage.

Think back a few decades when local shop owners knew their customers personally. They knew what they bought, the products they liked, their interests, and how they spent their time. Since that time, both large and small organizations have worked to know their customers and achieve a similar level of understanding about their interests and needs. This need for knowledge is nothing new. Consider, for example, what sophisticated knowledge of voter segments is brought to bear now in the presidential election.

However, in the digital age, as consumers shop and interact remotely via the Internet or on their mobile phone or tablet, understanding their interest and needs has become much more difficult to accomplish. To put it another way, the Internet initially pushed many organizations back to the days when all they could do was send mass mailings targeted by nothing more sophisticated than geography and census information. This is very ineffective for the organization and results in too many unwanted messages sent to the consumer. Untargeted online communications – email, SMS, pop-up ads, etc. – are the "junk mail" of the digital age.

Our role as a data compiler is to help our clients identify and engage consumers and constituents who, based on analysis of our client's own data augmented by Acxiom data, are likely to have a need or interest in the client's products, services or causes. While rapidly changing technology, especially online, has largely reshaped the mechanics of how commerce is conducted and relationships are established, the basic strategies in marketing and fundraising remain constant – the operational need

for our clients to focus their outreach efforts on those most likely to have an interest in their product, service or issue.

Without supplemental data from Acxiom, our clients in many of the earlier examples of how Acxiom helped our clients be successful would have been less effective in communicating with their existing and future customers and constituents and reducing waste, fraud and risk. Consequently, the real winner in the appropriate and responsible use of information is the consumer.

Following are our responses to each of the questions asked by the Members. Based on the focus on data brokerage in the inquiry, our responses relate to Acxiom's data products in the U.S., as opposed to our information services.

## **Responses to the specific questions asked by the Members**

Our responses to all questions relate to Acxiom's U.S. operations.

- 1. Please provide a list of each entity (including private sources and government agencies and offices) that has provided data from or about consumers to you or your contractors or affiliates from January 2009 through the present.***

This question calls for Acxiom to provide information that would reveal business practices that are of a highly competitive nature. Acxiom cannot provide a list of each entity that has provided data from, or about, consumers to us. Our competitors, some of whom received a similar letter, could, and no doubt, would, utilize this information to our detriment.

However, we are able to explain the types of entities that provide data to Acxiom from, or about, consumers.

Acxiom compiles or acquires data from hundreds of carefully selected and screened sources with whom we have cultivated long-term contractual relationships. This data is obtained from three general types of sources: 1) government records, public records and publicly available data, 2) self-reported data, and 3) data from other commercial entities.

The data we collect and compile is used as permitted by law or under contract with the source in one or more of our data products. Sometimes Acxiom gets this data directly from the entity which collects it from the consumer or publishes the data, and in other instances, we get this data from intermediaries who compile specific types of data for resale.

None of the sources provide complete purchase transaction data, detailed financial information, credit information, financial account numbers, or protected health information. Acxiom does not collect online browsing or search activity on consumers.

1) Government Records, Public Records and Publicly Available Data:

Every year, Acxiom purchases thousands of telephone directories, which include white and yellow pages. We also obtain records from electronic directory assistance.

We obtain various lists from the federal government, such as the Social Security Administration's Deceased Master file, the State Department Terrorist Exclusion list, and the Office of Foreign Assets Control list.

Through our own efforts and those of some of our data suppliers, we obtain state and local government records such as real property and assessor records, motor vehicle records, driver's license records, professional licenses, other government issued licenses such as hunting and fishing licenses, voter records, and court records, including bankruptcies, liens, judgments, and criminal conviction records.

We compile some telephone directory and professional license data directly from business and government website listings

We obtain preference and suppression lists including the federal and state Do Not Call Registries, and industry Do Not Mail, Do Not Phone, and Do Not eMail lists.

Government records, public records and publicly available information provide the basic names, addresses, and some of the general demographic information, on a particular individual or household, such as home ownership, occupation and, in some instances, the age of members of a household. They also provide preference information, which we honor, when building our data products, and we provide access to for our clients' use.

In some instances, use of this data is heavily regulated by federal and state laws, such as state and federal Driver's Privacy Protection Acts and voter record statutes. It is important to note that driver's license and voter record data is only used in Acxiom's identity verification and risk mitigation products as described in our response to question 4.

2) Self-Reported Data:

Consumers frequently provide information about themselves and their families in response to requests to voluntarily complete surveys when signing up or registering for a product or for market research purposes. More so today than in the past, these surveys are conducted online. In cases where self-reported data would be licensed to data compilers like Acxiom, the consumer is given notice of the survey company's information sharing practices and afforded an opportunity to opt out of any further use of the data beyond that of the company conducting the survey.

Consumer surveys provide additional names, addresses and contact information in addition to the basic contact information traditionally found in government records, public records

and publicly available information. Consumer surveys can also provide some of the general demographic information, such as home ownership, occupation and, in some instances, the age of members of a household. They may also provide information about the interests and lifestyle of the household, such as interests in sports, exercise, cooking, reading, and gardening.

3) Data from other Commercial Entities:

Acxiom regularly procures data from other data compilers, like Acxiom, that compile data from hundreds of other sources. These commercial entities typically compile information from companies that collect the data directly from individuals. These consumer-facing sources sell products and services to consumers in various industries including the catalog, magazine publishing, and retail industries. We also obtain credit header data. In other cases, Acxiom acquires data directly from the consumer-facing company without going through an intermediary.

In some instances, as in the case of data provided by a financial institution or a credit bureau, use of this data is heavily regulated by federal and state laws, such as GLBA and FCRA. It is important to note that GLBA regulated data is only used in Acxiom's identity verification and risk mitigation products as described in our response to question 4. Acxiom does not use any data regulated by FCRA also explained in our response to question 4.

Prior to using data for marketing purposes, we perform due diligence on the source company and its policies to ensure that it can legally and ethically provide the data to a third party, such as Acxiom, for our intended purposes. In this process we review between 50,000 and 70,000 privacy policies each year.

Information from other commercial entities provides additional names, addresses and contact information. Additionally they provide general demographic information, as well as interest and lifestyle information. Also, we only use general summary data about the relationship between the consumer and the company that provides identifying and contact information and indicates a household demographic, a financial indicator, and lifestyle and interest indicators for the household. For example, in our marketing products, knowing that a household subscribes to a golf magazine would indicate an interest in golf, just as knowing a household ordered that subscription from a website would indicate the household shops online.

While your letter did not expressly raise the issue, the quality of the data provided by a source is critical to Acxiom. To assure we have the highest possible accuracy we rate the accuracy of the source by comparing the data to other sources with the same or similar data. It is especially important that data used in our identity verification and risk mitigation

products be highly accurate. As examples, in order to comply with the USA PATRIOT Act's "Know Your Customer" obligations and anti-money laundering requirements under the Bank Secrecy Act, as well as to reduce the potential for fraud, some of our clients must be able to verify a consumer's identity before providing service. Accurate data also helps improve the effectiveness of marketing campaigns by improving the campaign segmentation process, as well as reducing solicitations that are misdirected or sent to a consumer that is unlikely to respond.

**2. Please list each type of data you or your affiliates or enterprise partners have collected from or about consumers, including racial, ethnic, or religious information, from January 2009 through the present.**

Since January 2009, Acxiom has collected a number of data fields for our data products that represent general facts about individuals. We also create data fields that are derived from these facts. For example, marital status may be a fact collected directly from a consumer survey or derived from the salutation in the name (e.g., Mrs.).

Some of these types of data are used in all our data products (such as identifying and contact information), some types are used only in our marketing products (such as lifestyle and interest indicators), and other types are used only in our identity verification and risk mitigation products (such as criminal convictions and sensitive identifying data). The types of data included in each product are described in our response to question 4.

Acxiom collects the following types of information:

- Identifying and Contact Information: including name, address, land line phone number, mobile phone number, and email address.
- Sensitive Identifying Information: including Social Security number and driver's license number.

*Note: This data is only used in our identity verification and risk mitigation products.*

- Court/Public Record Information: including criminal conviction history, bankruptcies, judgments and liens, and license and registration data (e.g, professional, hunting, fishing, boaters, firearms, ATV, snowmobiles, aircraft).

*Note: This data is only used in our identity verification and risk mitigation products.*

- Demographic Information: including date of birth/age, race, ethnicity, religious affiliation, language preference, length of residence, home value, home characteristics, marital status, presence of children in the household, number of members in the household, education, occupation, and political party.

*Note: We consider full date of birth in conjunction with name to be sensitive data. When used in our marketing products, we require our client to have a specific need for full date of birth instead of age.*

*Note: We screen out all known instances of personally identifiable information about children under 18 in our marketing products. We only have the presence of children in a household by age ranges.*

*Note: Race, ethnicity, religious affiliation and language are either from self-reported surveys or are derived from the last name and region of the country. This data can be used to provide individuals with specific offers, but cannot be used in a discriminatory fashion.*

- **Financial Indicators:** including estimated net worth, estimated income, and type of credit card (premium, gold, regular).

*Note: We only have general financial indicators derived from public records or summary information from purchases. This information does not include any credit information. It does not include account numbers or any other data regulated by GLBA since the information is not sourced from financial institutions.*

- **Health Interests:** including interests in diabetes, arthritis, homeopathic, organic and senior needs.

*Note: These are always about common health conditions and are not from “protected health information” (PHI) as defined by HIPAA. We do not collect data about sensitive health conditions or afflictions, such as sexually transmitted diseases.*

- **Lifestyle and Interest Indicators:** including cooking, sports, reading, computers, fashion, travel, exercise, crafts, movies, online shopper, retail purchase frequency and type of retail purchase (e.g., electronics, groceries, gas, travel), media channel usage (e.g., Internet, TV, yellow pages, radio), type of social media user (e.g., Twitter, Facebook, LinkedIn, YouTube), license and registration data (e.g. professional, hunting, fishing, boaters, firearms, ATV, snowmobiles, aircraft) and Acxiom’s life-stage cluster.

*Note: Some of this data may originate from online or retail purchases, but Acxiom does not collect specific details about any purchase, only general indicators of lifestyle and interest or derived information.*

*Note: The social media information is only from the public information on social media sites whose policies allow collection.*

- **Preference Information:** including data from the FTC and state Do-Not-Call Registries, identification of wireless phones requiring special consent, the DMA Commitment to

Consumer Choice Preference lists, Do Not Call, Do Not Mail, and Do Not eMail and proprietary underage and deceased suppression lists.

While Acxiom *potentially* has many data elements about an individual or household, the information on any one individual or household is always incomplete. Acxiom does not have information on every individual, nor do we have the same kind of information on each individual. For example, we may or may not have the land line or mobile phone number. We may or may not have property data. We may have some lifestyle and interest indicators, but never have all that actually apply to the household. Our business goal as a data compiler is to offer sufficient coverage of a data element to meet the market needs for that particular information.

**3. Please describe each method by which you have collected information from or about consumers from January 2009 through the present and answer the following questions:**

Since January 2009, Acxiom has collected data in several ways:

- We compile some data directly from the source, such as telephone directories, and various public and private sector websites. When collecting data from websites, Acxiom is careful to review the terms of use and privacy policy on the site to ensure the data can be used for our intended purpose.
- We license some data under contract directly from the business that has the relationship with the consumer.
- We license some data under contract from other reputable data compilers who perform the compilation from multiple sources.

Data that is not publicly available is acquired under a contract with the source. Acxiom also screens all businesses and data compilers from which we receive data to ensure the data has been legally and ethically obtained and is appropriate for our intended use.

**a. Do you use social media to collect information about consumers? If yes, what type of information do you collect from social networks (i.e. friends, interests, etc.)? If yes, from what platforms do you collect this information?**

We either collect general information about consumers' interests and general use of social media from the public information on social media sites or acquire the information from other compilers who collect such information. This would include such data as which social media sites the individual or household uses, whether they are a heavy or a light user, and whether they engage in public social media activities such as

signing on to fan pages or posting or viewing YouTube videos. We do not collect specific activity from social media sites such as individual postings, lists of friends or any data that is not public.

- b. Do you collect data on consumers' mobile use and activity? If yes, what types of information do you collect about consumers' mobile use and activity? If yes, for what purposes is this information used (i.e. targeting on real-time ad exchanges)?**

We collect limited general information from surveys and other compilers about consumers' mobile use and activity. This would include data indicating cell usage levels (1 = heavy user to 10 = light user). We do not collect specific "customer proprietary network information" data, such as a number called or texted. The data we collect is used for targeting offline and online ads as explained in our response to question 4.

- 4. Please explain each product or service, both online and offline, that you have offered to third parties from January 2009 to the present that uses data collected from or about consumers. For each product or service, please describe:**
- a. Each type of data that is used in or by the product or service**
  - b. Each type of entity that you sell or otherwise provide the product or service to.**
  - c. Any prohibitions or restrictions (i.e., contractual, technological, etc) on the sale or use of the product or service.**
  - d. Whether or not the products or services involve lead-generation, including the sale of offer clicks or leads. If so, please explain.**
  - e. Whether or not the products, services or business practices subject you or any affiliates to the Fair Credit Reporting Act (FCRA). If so, what products or services are subject to FCRA?**
  - f. Whether or not your company maintains completely separate, firewalled databases or data used for both FCRA and non-FCRA purposes. If used for both purposes, please explain.**

None of Acxiom's data products involve lead-generation, particularly, the sale of offer clicks or leads.

None of Acxiom's data products or related services subject us or any of our affiliates to FCRA. Consequently all of Acxiom's data products and their databases are used for only non-FCRA purposes.

Acxiom's information services involve the processing of data that is owned or licensed by, and therefore, proprietary to, each client. These services are described in the introductory section of our response. Consequently, the responses below relate to the focus of your letter, Acxiom's data products and our data compiler business.

Acxiom's data products fall into three main product lines: our marketing product line, our identity verification and risk mitigation product line, and our directory product line.

Acxiom's Marketing Product Line:

In your letter, you indicate that some privacy advocates are troubled "by data brokers' ranking systems, which classify some people as high value prospects...while dismissing others as low value, known in industry slang as 'waste.'" Rank ordering, or segmentation, is a common practice for businesses, non-profit and political organizations and candidates and is an entirely legitimate practice. Even the largest marketing and fundraising budgets are finite and should be designed to be as effective and efficient as possible. The best marketing and fundraising campaigns are those that identify the prospects that are most like the organization's best customers and constituents and that are most likely to respond. Every business, non-profit or political organization defines its best customers and constituents differently based on their product mix and market and issue focus. Viewed in this light, we do not believe that a client's marketing efforts would have any effect on a consumer's access to education, health care, employment, or other economic opportunities, short-term or long-term. Furthermore, nothing a marketer does to promote their products or services prevents an individual from searching for, initiating contact with or purchasing from a company.

In the area of marketing, Acxiom offers a number of product lines: 1) enhancement of our clients' own customer file with Acxiom data, so the client can better understand and respond to its customers' and constituents' wants, needs and expectations, 2) lists providing contact information of individuals and businesses for contacting prospective customers and constituents, 3) targeted online advertising using a subset of our offline enhancement data combined with other online data from clients and partners, so clients can effectively target online advertising and personalize their website, 4) suppression products and services that allow clients to comply with expressed individual preferences, as well as legislative and self-regulatory guidelines, and 5) postal hygiene products, which verify and correct postal information are designed to maximize delivery and take advantage of postal discounts.

*General Prohibitions and Restrictions:* Acxiom's marketing products all comply with the relevant self-regulatory codes of conduct of the Direct Marketing Association, the Interactive Advertising Bureau, the Mobile Marketing Association, the Email Sender and Provider Coalition and the Digital Advertising Alliance. They also comply with all laws restricting the use of certain data for marketing purposes, including, but not limited to, the Federal Trade Commission (FTC) and various state Do-Not-Call registries, CAN-SPAM and the Telephone Consumer Protection Act. As a reminder, Acxiom's marketing products do not include data regulated by the FCRA, GLBA, HIPAA or COPPA.

## 1) Marketing Enhancement Product

*Types of Data:* Acxiom offers our clients access to a database of identifying and contact information, demographic information, financial indicators, health interests, lifestyle and interest indicators and preference data, which is used to enhance their customer or constituent file to better understand consumer interests, needs and changing life-stages.

*Our Clients:* We license enhancement data to qualified businesses, non-profit organizations, political organizations and candidates. We advise our clients about what data would be most appropriate for their particular market or campaign. In many cases, we have pre-packaged data sets to meet common or recurring needs in specific industries.

*The Product:* In order to take advantage of our enhancement product, our clients typically send us a file, which includes identifying information, such as name and address or phone number, about the individuals on whom they want to receive enhanced data, and specify the desired data elements they wish to license. Acxiom then matches the client data against our enhancement database and where a match is found, the requested data is then added to our client's file and returned to them.

Enhancement data is used to better understand the interests and needs of current customers, supporters and constituents. Enhancement data is also analyzed to identify the best market segments for up-selling or cross-selling purposes. Finally, demographic, lifestyle and interest indicators can help identify characteristics common to an organization's best customers or supporters, so they can target prospects with similar characteristics who may be more likely to have an interest in, or need for, certain products or causes.

*Prohibitions and Restrictions:* All clients who receive enhanced data from Acxiom do so under a contract, which restricts their use of the data to marketing purposes and prohibits their use of the data to sell pornography or illicit drugs or illegal weapons or in a way that would violate any law. Similarly, Acxiom's enhancement data cannot be used in a way that would be deemed a "consumer report" under the FCRA. The data must generally be returned to Acxiom or destroyed according to the term of the contract.

## 2) Marketing Lists Product

*Types of Data:* Acxiom offers lists, which include identifying and contact information, demographic information, financial indicators, health interests, lifestyle and interest indicators and preference data to market to potential new customers and supporters based on their interests, needs, and changing life-stages.

*Clients:* Acxiom provides marketing lists for prospecting purposes to businesses, non-profit organizations, political organizations and candidates.

*The Product:* Acxiom offers our clients the ability to select lists on households they wish to contact. They segment these lists based on the experiences they have with their best customers and constituents and use that knowledge to identify similar households of potential new customers, supporters, or constituents.

Acxiom also licenses our list database to businesses for their own internal marketing purposes and to other list providers for resale.

*Prohibitions and Restrictions:* All clients who license a list from Acxiom do so under a contract which restricts their use of the data to authorized purposes. No list data can be used in a manner that would be deemed a consumer report under the FCRA or in a way that would violate any law. The data must generally be returned to Acxiom or destroyed according to the term of the contract.

### 3) Targeted Online Advertising Product

*Types of Data:* Acxiom offers a subset of information found in our enhancement product for online advertising purposes.

*Clients:* Acxiom offers businesses, non-profit organizations, political organizations and candidates the ability to target online advertising without needing to know the identity of the Internet user by de-identifying our traditional enhancement data and making it available for online advertising.

*The Product:* We do this by partnering with companies who have a web presence with registered users.

In some instances we enhance our publishing partner's file of registered users with Acxiom enhancement data, just like we enhance a client's customer or constituent file, and allow the partner to use the data to offer more targeted advertising and personalization on their site and on any ad network they use.

In other instances, Acxiom partners with consumer-facing websites to allow us to set an anonymous third party Acxiom cookie with offline data on registered users, which allows our enhancement data to be used to offer more targeted advertising and personalization on their site.

Acxiom may also allow a partner to sync our anonymous third party cookie containing offline data with their anonymous third party cookies with online data to provide a broader set of information for targeting online advertising and personalization of a website.

*Prohibitions and Restrictions:* In all instances, any cookie, whether third party or Acxiom, is anonymous, and Acxiom takes steps to assure it will not be re-identified. We are not a network advertiser because we do not collect web browsing data from multiple websites, nevertheless, we voluntarily comply with the principles in the Network Advertising Initiative code of conduct as if we were a network advertiser. We are also a licensee of the Digital Advertising Alliance icon and comply with their code of conduct as well. Finally, we only partner with reputable companies and review their privacy policies prior to entering into a contract to assure ourselves that appropriate notifications and choices are provided to consumers and that our partner participates in the appropriate industry codes of conduct.

#### 4) Marketing Suppression Product

*Types of Data:* Our suppression product includes contact and identifying information and preference information on individuals who have, for example, opted out of various marketing channels, like mail, email, are reported by a family member as deceased or have an address which is a prison or mental institution.

*Clients:* Acxiom offers businesses, non-profit organizations, political organizations and candidates a single provider to identify individuals who should be suppressed from various marketing and fundraising campaigns.

*The Product:* Acxiom matches our client's file against our suppression database and removes or flags the client's records with the appropriate preference data.

In addition, Acxiom offers a customized Preference Management Service to clients, so they can integrate preferences expressed directly to them by individuals with these other preference sources.

*Prohibitions and Restrictions:* All clients who use Acxiom's suppression product do so under a contract which restricts their use of the data to suppression purposes. The data cannot be used in a manner that would be deemed a "consumer report" under the FCRA or in a way that would violate any law. The data generally must be returned to Acxiom or destroyed according to the term of the contract.

#### 5) Postal Address Hygiene Product

*Types of Data:* This product contains only the data provided by the U.S. Postal Service, including the USPS Delivery Sequence File and the National Change of Address file.

*Clients:* Acxiom offers our postal product to businesses, non-profit organizations, political organizations and candidates who intend to use the information in anticipation of a mailing.

*The Product:* The product offers one stop access to the commercial products offered by the U.S. Postal Service for mail preparation. This product assures that mail is properly addressed and can be delivered by the Post Office and can only be used by a client if the file is to be mailed.

*Prohibitions and Restrictions:* This product complies with the terms and conditions of our license with the U.S. Postal Service.

**Acxiom's Identity Verification and Risk Mitigation Product Line:**

In the area of identity verification and risk mitigation, Acxiom offers two products: 1) an identity verification product that gives an organization confidence it is dealing with a legitimate individual, and 2) data that helps organizations with fraud management and risk mitigation activities.

*Types of Data:* These products include identifying and contact information, sensitive identifying information, court/public record information and some demographic information.

*Clients:* Acxiom offers our identity verification and risk mitigation products to businesses, non-profit organizations, and government agencies at both the federal and state level. Acxiom also licenses these products to other providers of identity verification and risk mitigation products and services for resale.

*Prohibitions and Restrictions:* Since some of this information is very sensitive in nature, we carefully credential all users of the products. For smaller organizations, this process includes an onsite inspection.

We also monitor and log by requestor all transactions processed by these products. We investigate suspicious activity noticed in these logs.

Acxiom's identity verification and risk mitigation products contain contact and identifying information from financial institutions and drivers' license data, and are, therefore, subject to the use restrictions in GLBA and state and federal Driver's Privacy Protection Acts (DPPAs). In order for clients to qualify to utilize these products, they must have a permissible use under

both GLBA and the DPPAs. In addition, these products cannot be used for marketing purposes, in a manner that would subject the data to regulation under the FCRA, or in a way that would violate any other law.

1) Identity Verification Product

*The Product:* Acxiom's identity verification product is provided to clients in both real-time and in batch. It enables the confirmation of identifying information to reduce fraud losses and maintain regulatory compliance. This product verifies a potential customer's identity by comparing the data supplied by the consumer against Acxiom's database.

The basic identity verification step can be augmented by an additional step which generates challenge questions to pose to the individual that allows an organization to go one step further in verifying an individual's identity. The multiple choice questions can be generated from data in Acxiom's database or generated from any data our client may have about the individual. It is important to note that Acxiom's challenge questions do not utilize credit data.

2) Risk Mitigation Product

*The Product:* Acxiom's risk mitigation product provides information for the fraud department and other risk management departments, including the collections department, in businesses, non-profit organizations and government agencies to help them identify, investigate and prevent fraudulent transactions.

Based on the issues being resolved, the department has access to any of the data in this product to help identify and resolve questionable or delinquent transactions.

Acxiom's Directory Product Line:

*Types of Data:* Acxiom's directory product contains identifying and contact information.

*Clients:* These directories power most of the yellow and white page search engines on the Internet.

*The Product:* The product provides white page and yellow page telephone directory listings.

Discontinued Products at Acxiom:

During the past few years, Acxiom has evaluated our service offerings and made the strategic decision to exit several lines of business.

In particular, in February, 2012, Acxiom sold its background screening subsidiary to a third party. Our background screening subsidiary was a “consumer reporting agency” as that term is defined by the Fair Credit Reporting Act and therefore, regulated by the FCRA. This business was run as a separate operation in Independence Ohio.

In April, 2012, another Acxiom subsidiary began shutting down several offerings that supported the collections and risk mitigation industry. The majority of clients receiving these discontinued offerings were terminated effective July 31, and we expect the wind down process to be complete by August 31.

- 5. Are consumers able to access personal information that is held by your company? If no, why not? If yes,**
- a. How may consumers access this information?**
  - b. What information are consumers given access to? Please list each type of information.**
  - c. How are consumers made aware of their rights to access this information?**
  - d. What kinds of personal information are they required to provide to verify their identities?**
  - e. Do your terms of service allow you secondary use of that verification information? If yes, what uses?**
  - f. How many consumers have requested access and how many requests has your company complied with?**
  - g. How long has your company provided consumers with access?**

Our responses are broken out by first, our marketing product line and second, our identity verification and risk mitigation product line combined with our directory product line.

#### Acxiom’s Marketing Product Line

Consumers are not able to access the individual information we have in our marketing product line. Instead of access, we publish a booklet ‘Understanding Acxiom’s Marketing Products’ which can be downloaded from our website and which explains the type of information Acxiom may have in these products. We also offer the consumer the ability to opt-out of these products. See our response to question 7.

Acxiom’s marketing product line is only used to target marketing and advertising messages. Implementing an access infrastructure has proven unnecessary and unwarranted. The booklet explaining the kinds of data we might have coupled with the opportunity to opt-out has been satisfactory to the vast majority of consumers who have contacted us.

### Acxiom's Identity Verification and Risk Mitigation Product Line and our Directory Product Line

Consumers can access the information in Acxiom's identity verification and risk mitigation product line and our directory product line. It is important that this information be as accurate as possible.

- a. Consumers may be referred to Acxiom by our client if they failed to authenticate under our identify verification product offering and they believe errors in the data were contributing factors. For our directory products, consumers can access this information on any of the yellow and white page search engines that are powered by Acxiom data. Consumers may also access all the information in both these product lines by going to Acxiom's website and completing the request form for a Reference Information Report. For this report, they also have to separately submit a check for \$5.00. Once we receive both the form and the check and the individual passes the identity verification step (discussed in response 5e, below), it usually takes about two weeks for the report to be produced. The report is encrypted and emailed to the individual. If the individual does not have an email address, we will mail the report to them via the USPS.
- b. Consumers are provided the identifying and contact information, sensitive identifying information, court/public record information, any demographic information and all preference information in the identity verification and risk mitigation product line and our directory product line.
- c. We encourage our clients to refer consumers to us should the consumer express any concern or issue with the Acxiom data. Many of the websites which publish our directory data have a tag line "Data by Acxiom" on the site. Consumers can also learn about this access offering by reading our privacy policy on our website, <http://www.acxiom.com/about-acxiom/privacy/us-consumer-choices/>.
- d. To perform an identity verification of the requestor, we ask for two things. The individual must complete the request form and provide the following information: name, name variations, current address, address variations, Social Security number, date of birth, driver's license number, phone number and email address. They must also send us a check for \$5.00. We use both the form and the check in the verification process.
- e. Acxiom does not make any secondary use of the data submitted for verification.
- f. Since 2009, we have received between 77 and 342 requests for access per year. All requests that pass the identity verification step are fulfilled. Between 2 and 16 requests per year do not provide sufficient information to be verified or their information does not match our records and their request cannot be processed.
- g. We have provided this access since the late 1990s.

**6. Are consumers able to correct personal information that is held by your company? If no, why not? If yes:**

- a. **How may consumers request correction?**

- b. How are consumers made aware of their right to correct this information?**
- c. What kinds of personal information are they required to provide to verify their identities?**
- d. Do your terms of service allow you secondary use of that verification information? If yes, what uses?**
- e. How many consumers have requested correction and how many has your company corrected?**
- f. How long has your company provided consumers with this option to request correction?**

Our responses are broken out by first, our marketing product line and second, our identity verification and risk mitigation product line combined with our directory product line.

#### Acxiom's Marketing Product Line

Consumers are able to correct through removal any personal information about them in our marketing product line by opting-out. Opt-out, or suppression, is recognized as an appropriate method of correction. Just as important, this information is only used to target marketing and advertising messages, and we have never had the need to developed a capability to correct individual data fields. Suppressing data through an opt-out has been a satisfactory means of correction for vast majority of consumers who contact us.

- a. See answers to 7c.
- b. See answers to 7d.
- c. See answers to 7e.
- d. See answers to 7f
- e. See answers to 7g
- f. See answers to 7h.

#### Acxiom's Identity Verification and Risk Mitigation Product Line and our Directory Product Line

Consumers can correct the information in Acxiom's identity verification and risk mitigation product line and our directory product line. It is important that this information be as accurate as possible.

- a. When the consumer asks for access to the identity verification and risk mitigation and directory data,they are encouraged to notify us of any inaccuracies in the data. Alternatively, if the consumer visited any one of a number of white and yellow-page search engines and found the data to be in error, they can contact Acxiom's consumer advocate and request correction. Consumers can remove the information in Acxiom's directory product line at any time for any reason at no charge. We will correct any errors that Acxiom introduced in compiling the information at no charge. For our business directories, they can also correct inaccurate listings that were provided to us from the telephone directories and

have us republish them to our clients for a fee of \$50.00. Once we have verified the request, the correction will be processed in the next maintenance cycle for the product.

- b. We encourage our clients to refer consumers to us should a consumer express any concern or issue with the Acxiom data. Many of the websites which publish our directory data have a tag line "Data by Acxiom" on the site. Consumers can also learn about this access offering by reading our privacy policy on our website, <http://www.acxiom.com/about-acxiom/privacy/us-consumer-choices/>.
  - c. We have already verified the identity of the requestor when we provided access, so no additional verification for correction is needed.
  - d. Acxiom does not make secondary use of information supplied for verification.
  - e. Since 2009 we have received between 20 and 35 correction requests per year.
  - f. We have provided correction since we started offering access in the late 1990s.
7. ***Are consumers able to opt-out of the use or sharing of personal information about them? If no, why not? If yes:***
- a. ***Is this a simple, full opt-out or do consumers select from a range of limited opt-out options? Please describe the various options that are offered.***
  - b. ***Does this opt-out completely prohibit all uses, including collecting and targeting, or is it limited to an opt-out of targeting?***
  - c. ***How may consumers opt-out?***
  - d. ***How are consumers made aware of their right to opt-out?***
  - e. ***What kinds of personal information are they required to provide to verify their identities?***
  - f. ***Do your terms of service allow you secondary uses of that verification information? If yes, what uses?***
  - g. ***How many consumers have requested opt-out and how many requests has your company complied with?***
  - h. ***How long has your company provided consumers with the option to opt-out?***

Our responses are broken out by first our marketing product line combined with our directory product line and second, our identity verification and risk mitigation product line.

#### Acxiom's Marketing Product Line and Directory Product Line

Consumers are able to opt-out of both our marketing product line and our directory product line.

- a. We offer both a simple, full opt-out and specific opt-outs from various channels of communication. For example, individuals can opt-out of having their information published in an Internet directory, used for telemarketing, used in direct mail or for targeted online

advertising, or they can completely opt-out of all of Acxiom's marketing and directory product lines.

- b. The opt-out blocks the collection and use of the data in Acxiom's marketing and directory product lines.
- c. Consumers can opt-out by going to Acxiom's website and completing an opt-out request at <https://isapps.acxiom.com/optout/optout.aspx>. They can also call our toll free consumer hotline at 877.774.2094 or write to use requesting an opt-out. For our targeted online advertising product, we offer the Digital Advertising Alliances icon and opt-out feature. Since this data originated offline, when an individual opts-out offline, this blocks the setting of the cookie and all online uses. All offline requests are logged in our opt-out database and applied in the next and all subsequent maintenance cycles for our marketing and directory products. We may not have data on an individual at the time they request opt-out, but we might see data on them in the future. This process blocks data we may receive in the future from going into our marketing and directory products.
- d. We encourage our clients to refer consumers to us should a consumer ask about any of the Acxiom data. Consumers can also learn how to opt-out by reading our privacy policy on our website, <http://www.acxiom.com/about-acxiom/privacy/us-consumer-choices/>.
- e. Consumers are required to provide full name and address along with variations of their name and any historical addresses they wish to include in the opt-out process.
- f. When the reason for the opt-out is identified as a deceased, we ask permission from the requestor to add this name to our deceased suppression product. There is no other secondary use of the verification data.
- g. Since 2009, we have received and complied with between 10,358 and 29,968 requests per year. We record all legitimate requests we receive in our opt-out database.
- h. We have provided this opt-out since the late 1990s.

#### Acxiom's Identity Verification and Risk Mitigation Product Line

Consumers cannot opt-out of our database used for identity verification and risk mitigation purposes. Instead we offer access to all the data in the product line and correction of any data that may be in error as described in our response to question 5 and 6.

**8. Are consumers able to request the deletion of their personal information? If not, why not? If**

**yes:**

- a. How many consumers request deletion?**
- b. How are consumers made aware of their right to delete this information?**
- c. What kinds of personal information are they required to provide to verify their information?**
- d. Do your terms of service allow you secondary uses of that verification information? If yes, what uses?**

- e. How many consumers have requested deletion and how many requests has your company complied with?**
- f. How long has your company provided consumers with this option to request deletion?**

We consider correction a form deletion. We also consider suppression a form of deletion. All of our data products offer either correction or suppression. See the responses to questions 6 and 7, above.

- 9. Does the company charge consumers a fee for any access, correction, opt-out, or deletion services? If yes, state the amount the company charges for each service. If yes, what is the total revenue earned by the company through such fees during each of the last five years?**

Acxiom charges a \$5.00 fee for access in our identity verification and risk mitigation and directory product lines. There is no additional fee for correction or deletion. The total revenue earned by the company through this fee is less than \$1,600 annually. We do not charge a fee for correction, opt-out or deletion of our directory product line if the error was created when Acxiom compiled the data. Since 2011 Acxiom has offered businesses the ability to to correct and republish to our directory clients any incorrect yellow-page listings present in the source the telephone directory for a fee of \$50.00. The total revenue earned by the company through this fee is \$12,200 since it was offered.

- 10. How does your company store each type of data collected from or about consumers (please distinguish between the types of data, if applicable)? What security measures do you have in place to safeguard the data collected?**

Acxiom collects, processes and stores the data used in our data products in one of the company's data centers. We do not use third party or cloud services for active data storage. We do maintain secure offsite backup through a third party vendor for disaster recovery purposes.

Acxiom's multi-tiered data security policies and practices are structured to take into account the differing classifications of consumer data. This multi-tiered approach means ensuring the data is protected according to the level of risk associated with it, regulatory and contractual requirements, and public perception. Acxiom's multi-tiered approach includes a number of teams working in conjunction as follows:

- Privacy Team – establishes the classification of the data types handled by Acxiom
- Security Team – determines the applicable measures, controls, and processes to protect the data
- Internal Audit and Compliance Team – monitors the processes and measures and assures they function as intended and meet policy, assesses key processes and measures, and determines if they function as expected and per policy and applicable regulations

- Third-Party Audits and Assessments – reviews by third parties to confirm privacy and security measures and processes meet intended levels, industry standards and applicable regulations. These audits include activities such as:
  - SSAE 16 audits performed on key data processing environments
  - Internet Perimeter vulnerability and penetration testing performed by an accredited security services firm
  - Federal Information Systems Management Act (FISMA) certification to NIST SP800-53 Rev. 3 in key data processing environments
  - Payment Card Industry Data Security Standard (PCI DSS) certification in applicable areas
  - Client on-site audits and assessments
  - Ad-hoc audits by a third-party sponsored by Acxiom Internal Audit to ensure compliance with specific polices, standards, and regulations
  - Regular privacy policy assessments

The security measures and governance used to protect the data is based on the industry best practices standard: ISO 27002. These measures include a multi-layered, or defense in-depth, approach which encompasses the following measures and processes:

- Stateful packet inspection firewalls
- Network and host-based intrusion detection and prevention systems
- Segmented network with high-security zones
- Encryption of the applicable sensitive data at rest and during transmission
- Access management processes and measures
- Log review processes in key areas
- Separation of duties
- Physical security measures, including guards, gates, fences, closed circuit TV, alarms, two factor authentication to data centers (e.g., badge and pin number).

The privacy measures and governance used to manage appropriate use of the data are based on industry standards and generally accepted fair information practice principles.

**11. *What encryption protocols or other security measures do you put in place to prevent the loss of or acquisition of data that is transferred between your company and outside entities?***

Acxiom utilizes various encryption solutions to protect consumer data commensurate to the data’s sensitivity level. These measures include the following:

- Dedicated and encrypted communication lines
- Site-to-site Virtual Private Network (VPN) connections
- File level encryption utilizing solutions such as PGP and Entrust

- Secure File Transfer Protocol (SFTP)
- Encrypted tapes and removable media

**12. What review process do you have in place for entities who wish to purchase personal information from you (i.e. do you evaluate their data security measures or whether the entity is a legitimate business)? Do you conduct any follow-up audits? If not, why not? If yes, please describe how you provide this notice.**

We credential all clients. This process is designed to screen prospective clients, verify their identities and how they intend to use the data, and to limit the furnishing of sensitive data to only those clients that qualify for such access.

For clients who are to receive more than the very basic contact information in our list product, we do additional credentialing. We determine whether the entity is a legitimate commercial, non-profit or government concern by verifying entity status, confirming physical location and validating legitimate and reputable commercial, non-profit or government activity.

For clients who are to receive any sensitive data from Acxiom, we go even further. We review the prospective client's intended use of the data to make sure it is permissible for allowed uses of the particular product. This is done through a use case process to determine whether the clients' use complies with internal and external requirements and policies. This includes determining permissibility under GLBA and DPPA, the need for full Social Security numbers or full dates of birth and identifying any security concerns that will need to be addressed prior to using the product. Acxiom also requires that the prospective client complete a security questionnaire and a site inspection may also be required.

All prospective reseller clients go through the credentialing process, but they are also required to demonstrate their credentialing process along with copies of their data use agreements. The prospective reseller clients also go through a more in-depth security review. These additional steps are taken to ensure the prospective reseller's practices, policies and procedures are aligned with those of Acxiom.

On a periodic basis we do re-credentialing and follow-up audits, some of which are random and some of which are for cause.

**13. Do you provide notice to consumers about your data collection, use, or sharing practices? If no, why not? If Yes, please describe how you provide this notice.**

We encourage our clients to refer consumers to us should an individual ask about any of the Acxiom data we have provided to the client.

We provide notice to consumers about our data collection, use and sharing practices on Acxiom's website where we provide both a short highlights policy,

<http://www.acxiom.com/about-acxiom/privacy/us-products-privacy-policy/> and a longer, full privacy policy, <http://www.acxiom.com/about-acxiom/privacy/us-products-full-privacy-policy/> which can both be linked to from the privacy link at the bottom of the home page.

- 14. Does your company compile information from or about children or teens? If yes:**
- a. Do you also sell or otherwise provide this information to another entity?**
  - b. Do you distinguish between information about children ages 12 and under from information about teenagers ages 13-17?**
  - c. Are different procedures in place to allow children and teens to access, correct, or delete their personal information, or opt-out of sharing this personal information? If not, why not?**

Acxiom defines children as under the age of 13 and teens as individuals between 13 and 17.

For Acxiom's marketing products, we screen out all personal information on individuals who we know to be under the age of 18. In some instances, this is based on the date of birth or age in the record. In other instances, parents have reported contact and identifying information on their children to us, so we can suppress them from our marketing products. These suppression files are also used by our clients to suppress marketing solicitations to children and teens. We do not provide the data to our clients, but instead, we match our suppression file to the clients' files and suppress or flag the matched records.

For Acxiom's identity verification and risk mitigation products, we license various public records with information on teens between the ages of 14 and 18. Primarily, this comes from driver's license records, but it could come from other sources, as well. This information is only used for the permissible purposes allowed under GLBA and DPPA.

Parents can delete any personal information we may have about their children or teen from any of our marketing products. They can access and correct any information that is in error in our identity verification and risk mitigation products. We have never had a request for access, correction or deletion from a child or teen.