

At the Talk About Privacy For Nought, Linowes Says

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*"Tis well said again
And 'tis a kind of good deed to say
well:*

*And yet words are no deeds.
An American has no sense of privacy.
He does not know what it means. There
is no such thing in the country.*

G. B. Shaw, 1933

David Linowes is concerned that Americans are talking a lot about privacy, but doing little about it.

The former chairman of the Privacy Protection Study Commission this week released an interim survey outlining the confidentiality policies and practices of a number of the Fortune 500 industrialists. The preliminary results, Linowes said in an interview, confirm his suspicions that two years after his commission issued its voluminous recommendations on how industry should stay out of people's private lives, the country's leading corporations are gripped by inertia, biding their time waiting for the government to tell them what to do.

This impression was borne out by a recent Louis Harris poll on privacy, financed by Sentry Insurance. More than a third of the business employers on the Fortune 500 list sampled indicated they did not want to be pioneers in the privacy protection field. The Harris organization also questioned leaders in the credit, banking, insurance and computer industries. The survey revealed a great gap between the two groups on their perception of what constitutes one's right to be left alone.

For example, only 27 percent of the public think that personal information, including medical, financial and supervisory reports, stored in computers is adequately protected against theft, whereas 78 percent of the bankers believe the secrets are safe. More telling is the revelation that fewer than half, 42 percent, of the computer industry executives feel there are sufficient safeguards.

How do these words translate into deeds?

Alan F. Westin, Columbia University professor of public law and government and the developer of the Harris survey, estimated that as many as two thirds of the Fortune 500 have issued, or are now writing, new employe privacy rules.

The survey, previewed this week by Linowes, was financed and conducted

practice, 85 percent of the employers have a policy of not showing supervisors' records to workers. One in five even prevent their employes from seeing their personal records, which Linowes describes as "almost boilerplate."

Westin reports that when 11 leading companies analyzed their privacy programs in 1978, they found, "in fact, that the opening of personnel files to employes—far from making supervisors less candid in their appraisals—had helped to sharpen management judgment." The companies holding this opinion included Aetna Life & Casualty, whose president served on the privacy commission; AT&T, Du Pont, IBM, Prudential Insurance and Standard Oil (Indiana).

The Harris poll showed that 83 percent of the public feels it is "very important" that an employer should inform employes before releasing any personal information from their files, except as required by law. The Illinois survey found that two out of five of the Fortune 500 companies surveyed have no policy about which information will be routinely disclosed upon inquiry from the government.

Credit, bank, phone, travel, hotel and purchase records continue to be demanded and received with the ease of a phone call by agencies like Internal Revenue or the Justice Department, and even by attorneys or bill collectors posing as government officials. Only one company in five requires a subpoena before releasing information to any nongovernment source.

Linowes listed several other areas of concern brought out by the study. Whereas 78 percent of the companies queried make a practice of obtaining written permission from an employe or applicant to get information about him or her from a third party, two thirds of the companies said there are still times when they seek information without permission. About as many decline to tell the individual what material is being sought and from whom.

In fact, major companies frequently

pay for investigations by specialized firms whose methods they usually ignore, Linowes observed. He cited such a firm in Colorado, several of whose employes have been indicted for impersonating officials. The training manual of Factual Services, Inc., instructs employes how to pass themselves off as IRS, police and medical workers, and boasts they have access to FBI files.

Asked how many reputable companies employ such information gatherers, Linowes replied that responses analyzed thus far did not show that. "But we know that those data companies make a lot of money, so some must use them."

"Their susceptibility to abuse is clearly there," he continued. After two years of work, the Privacy Protection Study Commission that Linowes chaired recommended a largely voluntary program of action, with a few specific mandatory limitations. This week Linowes said that in the interim since the commission expired in mid-1977, the most progress toward privacy protection has been made by the insurance and credit card industries, those that faced the stiffest legislation.

In his April message to Congress, President Carter endorsed many of the voluntary measures. He also supported the commission's proposed mandatory restrictions on the use of lie detectors in private industry. (Two percent of the Fortune 500 sample still use polygraph tests.) The White House is now circulating for comment a draft of legislation providing privacy protections for insurance, consumer credit and banking records. This reportedly has run into opposition from the Justice and Treasury Departments, which feel it will too severely restrict their law enforcement powers.

Both Linowes and Westin believe the number of regulations should be kept to a minimum, with "zero paperwork" required. Remedies would be by individual lawsuits.

by the University of Illinois, where he is professor of political economy and public policy. Of 145 Fortune 500 companies contacted, 55—representing two million employes—responded.

Some of the results provide a vivid contrast between the wishes of the general public and the actual situation in the workplace. For instance,

the Harris poll found that 89 percent of the public feels that employes should have the right to look at and question supervisors' reports to management when they concern the employe's suitability for promotion. In