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Bell System,  
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ARCO Gave  
Credit Data

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NEW YORK, Feb. 12 — Telephone and gasoline credit card records are being turned over to the FBI without a court order or the customer's knowledge, a government investigation of privacy invasions was told today. It also learned of a credit bureau that sold information on its subjects back to them on the pretext of protecting them against unlimited access to their files.

On the second day of testimony before the Privacy Protection Study Commission, William Caming, an attorney for American Telephone & Telegraph Co., said the Bell System has tightened its dissemination of credit data in the past two years and no longer discloses un-subpoenaed records — except in certain cases.

Under questioning by a commission member, Rep. Edward I. Koch (D-N.Y.), Caming said that a personal request from the FBI director, his assistant or a congressional committee conducting a formal investigation was sufficient for AT&T to produce records of long-distance calls, and in some cases the names of both parties involved in a collect call. This information also would be produced in cases of national security, Caming said.

Koch demanded to know why AT&T did not require everyone — including the FBI director — to obtain a court order and let a judge decide whether to give out data without telling the cardholder. Caming replied it

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might not be in society's best interest to do so because it might hinder law enforcement. He spoke of a delicate balance between "considerations for customers and considerations in crime," and said it was up to Congress — not AT&T — to decide to which side the scales should tip. Caming compared the magnitude of deciding on the toll-call information to deciding on wiretapping.

In virtually no situation is an FBI request revealed to the cardholder. Theoretically the company will tell the customer after 90 days, unless the FBI or other official investigator objects, but only if the customer asks who has been seeking information about him. In past practice, the customer almost never found out.

Koch won a promise from Caming to inform anyone who suspects that his past telephone records might have been requested by the government. The company also promised to furnish such information in the future, subject to the 90-day rule. Interested parties need only inquire at their local telephone business office. Caming said later he expected an "avalanche" of inquiries.

Atlantic Richfield Co.'s retail credit manager, Rudolph J. Megaro, declined to give an assurance that his firm would comply with such requests, although he agreed "philosophically" that ARCO customers should have the right to know who is looking into their charge records.

Megaro told the commission ARCO had received 550 requests in 1975 from federal, state and local law enforcement agencies to provide information on customer's accounts. While about 500 of these dealt with stolen or lost credit cards, others concerned mail fraud or civil or criminal cases, he said.

Some of ARCO's requests were from the Internal Revenue Service, the FBI, the Federal Energy Administration and various

courts.

Megaro said that ARCO did not supply information on its customers' accounts to other credit card companies or credit reporting bureaus. With a little prodding from Koch, Megaro admitted he felt "queasy" about supplying information to the FBI and the IRS especially without telling the customer. He said industry would be more comfortable with "guidelines," but opposed applying privacy regulations now in effect for the federal government to private industry, mainly because of the cost.

Support for extending the privacy rules beyond government came from Rep. Bella S. Abzug (D-N.Y.), who chaired the congressional subcommittee that oversees the privacy act. Abzug told how a credit bureau in Nashua, N.H., tried to "ransom" credit files by selling them back to the subjects.

The bureau told the subjects it had copies of personal financial information for sale for \$7.50, she said. The letter continued, "We have decided to give you a chance to obtain sole possession of your complete file before it becomes part of a large computerized data bank, which may allow unlimited access by thousands of people."