

Nader Criticizes Credit Data Practices

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WASHINGTON, Feb. 7—Americans are being as subtly "victimized" by the surveillance and intelligence gathering activities of corporate investigators as by those of the Government, Ralph Nader said tonight.

In a speech prepared for delivery in Carlisle, Pa., and released here, Mr. Nader said that a new Federal law scheduled to go into effect April 25 would give individual citizens for the first time a "defense against the abuses" of credit rating bureaus and other corporate data collectors. But he called for amendments to strengthen the new Federal Fair Credit Reporting Act to authorize lawsuits for damages against the misuse of privately held intelligence data.

Available to 'Anyone'

Opening a four-day symposium at Dickinson College on "The Invasion of Privacy in Our Computerized Society," the consumer advocate charged that "anyone posing as a prospective employer and willing to pay a \$5 or \$10 fee" can now obtain data on the 72 million Americans whose records are stored in the computerized files of the two largest credit rating bureaus—the Retail Credit Company and the Credit Data Corporation.

Mr. Nader said the files of the two companies "contain information that covers an individual's job, associations, marital situation, personal habits and background gossip drawn

from neighbors or anyone willing to talk to the credit bureau's investigator."

Asserting that "the potential for abuse is enormous" in what he called the private "dossier industry," Mr. Nader asked: "Who and what checks the abuse of such information so as to deny individuals jobs, insurance, credit, and to inhibit the exercise of free speech, dissent and other rights of democratic citizens?"

Until the fair credit reporting act goes into effect April 25, he said, "The answer is no one."

Banks, insurance companies and Government investigators "routinely" obtain credit bureau files, he said, and make decisions based on "secret, unverified information" about people's lives. Some such information, he said, has been demonstrated by Congressional committee investigations to be subject to "both investigative and machine error."

Neither of the companies he named could be reached for comment today.

According to Mr. Nader, when the new Federal credit law becomes effective, users of credit bureau reports who "take adverse action" against consumers based on such information will be required for the first time to notify the consumers of the names and addresses of the credit reporting company. Citizens would then "have the right to see their files and attempt to dispute or correct inaccuracies," he said.

But Mr. Nader said that until local laws in 47 of the 50 states

were amended, credit reporting agencies would retain "a shield" of statutory privilege against individual lawsuits for erroneous, careless, slanderous or damaging dissemination of their rating data.

Billing Curbs Sought

WASHINGTON, Feb. 7 (UPI)—Senator William Proxmire, Democrat of Wisconsin, said today he would propose a "fair credit billing act" designed to protect charge account customers in disputes with creditors. He called the proposal "a consumer's bill of rights with respect to creditor billing practices."