



July 20, 2017

Via e-mail to Ryan.Kruger@vermont.gov

Ryan Kriger, Esquire
Assistant Attorney General
State of Vermont Office of the Attorney General
Montpelier, Vermont

RE: S.72 – Data Broker Regulatory Legislation

Dear Mr. Kriger,

Our company, PrivacyMate®, protects consumers from the downstream consequences of data brokering. This includes unwanted junk mail and solicitations, telemarketing and robo-calls, spam e-mail, online people search websites, geo-location tracking, targeted / behavioral advertising and more. We were formed out of the understanding that consumers would pay to reduce the exposure of their data to data brokers. Consumers want and deserve control and we have built a business intended to give them some of that control.

We are writing today to respond to opportunity to comment on S.72 and Vermont's possible data broker legislation. Our comments are found below in RED text in the order of the questions posed.

- An appropriate definition of the term “data broker”;

We believe an appropriate definition of the term “data broker” should include the following: “A data broker is any person or entity that collect, stores or maintains consumers’ personal information and shares, transmits or resells that information with others.”

- Whether and, if so, to what extent the data broker industry should be regulated by the Commissioner of Financial Regulation or the Attorney General;

Regulation in this regard is a necessity in order to protect the residents of the State of Vermont. We suggest the Attorney General's office take on this responsibility in similar fashion to how the Commonwealth of Pennsylvania Attorney General regulates its State Do Not Call List.

Once established, data brokers would have to register with the Vermont Attorney General's Office if they in any way handle personal information of a resident of the State of Vermont. In order to register, the Vermont Attorney General could establish criteria for the application process to include showing proof of (a) lawful means of obtaining resident's personal information; (b) the safe and secure handling of resident's personal information in paper and electronic form; and (c) the ability to receive and process resident's request to opt-out of the collection, storage and sharing of their personal information.

The importance of such registration allows for the Vermont Attorney General to publish a list of all data brokers who do business in Vermont and also allows residents to exercise their own right to opt-out of the data broker's activities. Requests to opt-out of all data broker activity could be sent to the Attorney General's Office. The Office can also be helpful to residents who have frequently asked questions or want to file a complaint for unlawful activity.

The Vermont Attorney General should strongly consider contracting with an organization to help manage and maintain the registrations of data brokers as well as the opt-out requests from residents.

- Additional consumer protections that data broker legislation should seek to include that are not addressed within the framework of existing federal and State consumer protection laws;

Three additional consumer protections include (1) access; (2) transparency and (3) automatic opt-out.

It is a must that consumers be able to access their personal information stored by a data broker. Access should include the ability to review, amend or permanently suppress the personal information (a) at any time; (b) for free; and (c) to receive confirmation of their access request.

An additional consumer protection that this legislation could bring would be transparency. Consumers need insight into the data broker practice by having a fundamental understanding of **where the data brokers are obtaining their information**. Armed with this information, consumers can make more informed decisions about their daily activities.

An additional consumer protection to consider would be referred to as an automatic opt-out model. In this model, residents of the State of Vermont would be automatically opted-out of having their personal information collected, stored and shared by data brokers. They would then have the option to opt-in to such activity on a case by case basis as determined through a review of the data brokers doing business in Vermont listed on the Attorney General's Office website.

- Proposed courses of action that balance the benefits to society that the data broker industry brings with actual and potential harms the industry may pose to consumers.

It is true that data broker activity can improve product offerings, deliver tailored advertisements and help people find long-lost friends and contacts.

However, more education is needed. Consumers are largely unaware that data brokers are collecting, storing, using and selling their personal information because the information is not directly obtained from them. To complicate matters, the information is then shared among hundreds of data brokers through an intricate web of connected players in this industry.

Once Vermont educates its residents about the data broker industry practices it can then move towards giving them control over their personal information. If consumers knew

that data brokers had any number of the following data elements about them and their family members on file - *and were profiting off such information* – they would likely be more concerned:

Age	Net worth
Religion	Credit card usage
Technology interests	Discount shopper
Expecting parent	Race
Gender	Marital status
Political affiliation	Vacation habits
Social media usage	Property owned
Ethnicity	Height
Weight	Household income
Vehicle ownership	Cholesterol interest
Occupation	Presence of children
Diabetes interest	Sexual dysfunction interest
Guns and ammunition purchases	Investment habits
Soon to be high school graduates	Smoker status
Disability	Lenses or contacts
Gambling	Relationships included exes
Websites visited	On-demand purchases
Calls made	Bankruptcies
Tax liens	Hospitalizations
Addictions	AIDS or HIV
Genetic diseases	Police officer or trooper
Crimes committed	Others living in home

Vermont is uniquely positioning itself to pioneer the long-awaited regulation of the data broker industry. It can set the tone for future States, or even better, the United States, to pass federal legislation on this topic. We greatly appreciate the opportunity to provide these comments for your consideration.

Thank you.



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