

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: 1st Source Information Specialists, Inc., d/b/a LocateCell.com, Apparent Liability for Forfeiture, Notice of Apparent Liability for Forfeiture, EB File No. EB-05-TC-059; FRN 0014762439; NAL Acct. No. 200632170005.

Personal privacy is at the heart of our quality of life, as Congress recognized in requiring telecommunications companies to respect their customers' privacy. A consumer's telephone call records include some of the most private personal information about an individual. Not surprisingly, consumers were alarmed when it came to light over the past year that their telephone records were widely available for sale on the Internet, without their knowledge or approval, to anyone with an Internet connection and a credit card. People felt that having their incoming and outgoing calls available for public view was like having their personal diaries exposed. Consumers were outraged to find that others could learn about calls that might expose their business transactions, doctor appointments, and personal interactions.

Strong and consistent Commission enforcement of our consumer privacy rules is critical to restore the protections that consumers expect and that Congress has mandated. This NAL takes aim at one of the apparent purveyors of consumers' private telephone call records for failure to comply with an on-going Commission investigation. LocateCell's willful and repeated failure to fully cooperate with the Commission's subpoena jeopardizes the Commission's investigation, and warrants the maximum penalty for repeated non-compliance with Commission orders. The Commission simply cannot condone failure to cooperate with an investigation that clearly safeguards the public interest.

This NAL must also be part of a larger effort to address the widespread availability of confidential phone records, a phenomenon highlighted in press reports just a few months back estimating that there were dozens of such web sites. Shining a light on the unauthorized sale of telephone records may drive some of these providers off the Internet – a positive first step. Yet, companies like LocateCell appear to slip underground with disquieting ease, which may pose a real challenge for our efforts to assess this forfeiture, and we will need to be vigilant against the ability of bad actors peddling unauthorized telephone records to disappear and later resurface.

Indeed, we have a lot more work to do to ensure that consumers private call records are adequately safeguarded. It is essential that we move ahead with our pending rulemaking on our consumer privacy rules for telephone companies. The mere fact that these records have been so readily available, even though telephone companies are required to have firewalls in place to protect consumers' private information, has raised serious questions about the mechanisms that are in place to safeguard the confidentiality of their consumers' information. So, our pending rulemaking proceeding gives us an important opportunity to find ways to tighten our rules, to ensure that phone companies are employing adequate safeguards, and to provide greater security for these sensitive consumer records. Every provider should be on notice that we are watching closely and will take the action necessary to protect consumers' privacy, and we expect them to do the same.