

YOUNG, SHERON

From: _Regulatory Comments
Sent: Tuesday, March 28, 2006 8:53 AM
To: YOUNG, SHERON
Subject: FW: "Barbara Cereghino Comments on Advanced Notice of Proposed Rulemaking Part 717, Fair Credit Reporting--Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies"

From: Cereghino, Barbara, CIV, DSS [mailto:Barbara.Cereghino@dss.mil]
Sent: Monday, March 27, 2006 4:42 PM
To: _Regulatory Comments
Subject: "Barbara Cereghino Comments on Advanced Notice of Proposed Rulemaking Part 717, Fair Credit Reporting--Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies"

Need for More Accurate Credit Reports

Credit Reports are obtained as part of almost all background investigations conducted to support access to U.S. classified information. The following inaccuracies in credit reports can delay the investigation (and thus delay granting the security clearance) and can result in significant costs by requiring use of field investigators to clarify issues.

1. When derogatory information is reported but not updated to show subsequent payment or continuing past due/collection/write off status, an investigator must often interview the subject of the credit report to clarify his/her current financial situation and its potential impact on the government's decision whether or not to grant (or continue) access to classified information. Frequently this also requires the government to contact the creditor directly to verify claims that the problems have been resolved.
2. When credit limit information is reported instead of the highest amount of credit actually extended, this can raise concerns that the subject of the credit report has used all or nearly all of his/her available credit and may be overextended (i.e., may have taken on more debts than he/she can readily handle). An investigator must often interview the subject of the credit report to clarify his/her financial situation and its potential impact on the government's decision whether or not to grant (or continue) access to classified information. This may also require the government to contact the creditor directly to verify whether the reported amount represents the highest amount of credit actually extended, or whether it represents the credit limit.
3. When credit information relating to another person is merged with that of a person who is under investigation for access to classified information, the credit report may present a false picture of the investigative subject's financial position. An investigator may need to interview the subject of the credit report to clarify his/her financial situation and its potential impact on the government's decision whether or not to grant (or continue) access to classified information. Frequently this also requires the government to contact the credit bureau and/or reported creditors to verify claims that reported accounts do not pertain to the investigative subject.

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