

Congress of the United States

Washington, DC 20510

May 7, 2019

Kathy Kraninger
Director
Consumer Financial Protection Bureau
1700 G St. N.W.
Washington, D.C. 20552

Dear Director Kraninger:

We write today to bring your attention to our new report on consumer complaints related to the 2017 Equifax data breach and to urge the Consumer Financial Protection Bureau (CFPB) to take immediate action to hold Equifax accountable for its failure to safeguard the personal information of millions of Americans.

Credit reporting agencies collect mountains of sensitive data about individuals to compile credit reports, which determine consumers' ability to access credit, obtain jobs, secure home loans, purchase cars, and make dozens of other transactions. The Equifax breach, where hackers gained access to this treasure trove of data, placed the financial security of millions of Americans in jeopardy. Equifax's initial response complicated consumers' efforts to protect their identities and credit. The CFPB and the Federal Trade Commission (FTC) have jurisdiction over credit reporting agencies like Equifax—and consumers can file complaints with the CFPB to report concerns with the company.

Our new report reveals that consumers continue to file complaints with the CFPB about Equifax at a higher rate than before the breach, and that overall, consumers have filed more than 52,000 complaints since Equifax announced the breach.¹ Our staff's analysis of the CFPB complaint database reveals that consumers continue to report incorrect information on their credit reports and continue to bear the brunt of Equifax's inadequate response to the breach. Equifax, for example, has allegedly sent consumers "broken or misleading web links that...render them unable to extend credit monitoring services"; failed "to remove incorrect information from credit reports despite consumers contacting Equifax multiple times, and despite" other major credit reporting agencies "removing the same information"; and taken months to address consumers' problems, "despite consumers reaching out multiple times."²

Over 18 months ago, on September 7, 2017, Equifax announced that hackers had accessed the sensitive personal information of more than 143 million Americans in one of the largest breaches

¹ CFPB database. Complaints that include the word "Equifax" between September 7, 2017 and March 6, 2019. Database accessed on April 30, 2019; Office of Senator Elizabeth Warren, *Breach of Trust: CFPB's Complaint Database Shows Failure to Protect Consumers after Equifax Breach*, May 7, 2019.

² Office of Senator Elizabeth Warren, *Breach of Trust: CFPB's Complaint Database Shows Failure to Protect Consumers after Equifax Breach*, May 7, 2019.

of consumer data in history.³ In the days and weeks after Equifax’s announcement, the sheer magnitude of the breach—and the careless actions that enabled it—became apparent. In February 2018, Senator Warren released a staff report showing that Equifax botched basic cybersecurity practices leading up to the breach and failed to prioritize cybersecurity.⁴ In addition, it revealed that the company mishandled the breach’s aftermath, waiting 40 days after discovering the breach to alert consumers and regulators; took advantage of federal contracting loopholes and failed to adequately protect sensitive IRS taxpayer data; and provided inadequate consumer support measures—sometimes making bad situations for consumers even worse.⁵ A Government Accountability Office (GAO) report, released in September 2018, confirmed the findings of this staff investigation.⁶

In the aftermath of the breach, the CFPB announced that it was investigating Equifax,⁷ and in a November 2017 letter, then-CFPB Director Richard Cordray informed Senator Warren that the Bureau was “working with...Federal and state partners to respond to the problems at Equifax,” including through efforts with other banking regulatory agencies.⁸ Director Cordray committed that the CFPB would “continue to examine and investigate consumer reporting companies,” adding “a breach of this magnitude calls for a coordinated response.”⁹

The Equifax breach is a clear example of the type of consumer protection failure that even your predecessor, former CFPB Interim Director Mick Mulvaney, indicated that he believed the Bureau should investigate. In a January 2018 op-ed, Mr. Mulvaney stated that the Bureau would focus “on quantifiable and unavoidable harm to the consumer”; would prioritize work based on the number of complaints received from consumers; and would use “quantitative analysis” in developing work plans.¹⁰ The 52,000 consumer complaints related to Equifax filed since the breach certainly suggest that the Equifax breach should be a priority of the CFPB.

Disturbingly, however, reports suggest that Mr. Mulvaney “put [the] Equifax probe on ice” after taking over at the Bureau. He also reportedly “rebuffed bank regulators at the Federal Reserve, Federal Deposit Insurance Corp[] and Office of the Comptroller of the Currency when they offered to help with” credit bureau examinations.¹¹

³ New York Times, “Equifax Says Cyberattack May Have Affected 143 Million in the U.S.,” Tara Siegel Bernard, Tiffany Hsu, Nicole Perlroth, and Ron Lieber, September 7, 2017, <https://www.nytimes.com/2017/09/07/business/equifax-cyberattack.html>.

⁴ Office of Senator Elizabeth Warren, “Bad Credit: Uncovering Equifax’s Failure to Protect Americans’ Personal Information,” February 2018, https://www.warren.senate.gov/files/documents/2018_2_7_%20Equifax_Report.pdf.

⁵ *Ibid.*

⁶ Government Accountability Office, “Data Protection: Actions Taken by Equifax and Federal Agencies in Response to the 2017 Breach,” August 2018, <https://www.gao.gov/assets/700/694158.pdf>.

⁷ USA Today, “Equifax data breach: Feds start investigation,” Roger Yu and Kevin McCoy, September 14, 2017, <https://www.usatoday.com/story/money/2017/09/14/ftc-investigating-equifax-over-data-breach/665550001/>.

⁸ Letter to Senator Warren from Former CFPB Director Richard Cordray, Nov. 21, 2017.

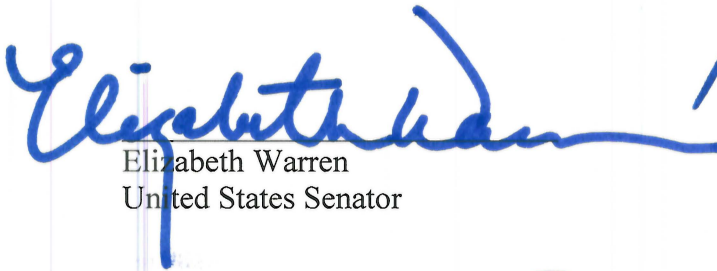
⁹ *Id.*

¹⁰ Wall Street Journal, “The CFPB Has Pushed Its Last Envelope,” Mick Mulvaney, Jan. 23, 2018, <https://www.wsj.com/articles/the-cfpb-has-pushed-its-last-envelope-1516743561>.


¹¹ Reuters, “Exclusive: U.S. consumer protection official puts Equifax probe on ice-sources,” Patrick Rucker, February 5, 2018, <https://www.reuters.com/article/us-usa-equifax-cfpb/exclusive-u-s-consumer-protection-official-puts-equifax-probe-on-ice-sources-idUSKBN1FP0IZ>.

The new findings from the staff report we are releasing today reveal that the 2017 Equifax breach inflicted lasting harm on millions of Americans, and numerous investigations have revealed the company's systemic failure to protect consumers' personal information. During your confirmation hearing for the role of CFPB Director, you acknowledged to the U.S. Senate that fallout from the Equifax breach would "be with us for a long time."¹² You have an opportunity to reverse course from Director Mulvaney and use the CFPB to protect the millions of consumers who were harmed by the Equifax data breach. We strongly urge you to hold Equifax accountable for the 2017 breach without delay.

Sincerely,



Elizabeth Warren
United States Senator



Mark Warner
United States Senator



Brian Schatz
United States Senator



Raja Krishnamoorthi
Member of Congress

¹² MarketWatch, "Trump's CFPB nominee suggests she would support action against Equifax," Steve Goldstein, Jul. 19, 2018, <https://www.marketwatch.com/story/trumps-cfpb-nominee-suggests-she-would-support-action-against-equifax-2018-07-19?ns=prod/accounts-mw>.