



Connected: Verizon puts your privacy in precarious position

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By David Radin

Would you give your credit card number to a company if you knew it was to be used for anything else besides taking your payment? That is exactly what is happening for thousands of people nationwide who have signed up for Verizon's VoiceWing Voice over IP telephone service.

VoiceWing is different from Verizon's traditional telephone service in several ways, one of which is that the company only accepts credit cards as payment. It will not direct bill you. So you must provide your card to get the service. Once you have the service, Verizon debits your card monthly -- and also uses the last four digits of your card number to verify who you are when you call for support.



According to Margo Hammar, chief privacy officer at Verizon, using your credit card digits this way is just like paying for your gas at the pump, then crumpling the receipt and throwing it away.

But it's not the same. At the pump, the credit card is inserted for a one-time transaction and not saved by the gas station. It is you who makes the decision on the spot to provide the card data; and it is you who decides whether to print the receipt and crumple it (or keep it). In the VoiceWing scenario, your credit card information is placed into a database at Verizon -- and then the last four digits are shown to any customer support rep who pulls up your record -- even if no transaction is taking place.

Hammar told me that "Verizon takes the safeguarding of client information very seriously" and that the company has created a method and procedure to be used by employees with a need to know. As the key privacy person, she has pushed the company to move away from using Social Security numbers for customer authentication, but has not yet provoked the company to stop using this credit card data for the same task.

According to Dean Ocampo, product marketing manager for security software developer Check Point Software Technologies, using only the last four digits minimizes risk compared to using the entire number, "but ideally you don't want to use any of it." He says the issue goes deeper than whether the company is using the digits. It involves the processes they employ and the depth of security.

In the Verizon situation, your credit card digits are displayed to first-tier customer support

reps -- people who are not in a "need to know" position regarding your credit card. In one call that I made to VoiceWing support, I refused to give the CSR my digits, which made him exclaim that the digits are right in front of him already; it's not like I'm revealing anything new to him.

That, in fact, is the problem. The digits should not be in front of him. He has no reason to see a customer's credit card data, no matter how ethical he is. Check Point's Ocampo agrees: "The more you put private data through the company, the more likely it can be hacked and stolen." He cites instances in which companies have not properly secured the data at every juncture, even though it thinks it has. Recent news items about security problems at Citibank, ChoicePoint and CVS provide examples. Ocampo's examples include points of attack within the company, including PCs living around the perimeter of the network that have not been completely secure.

Since businesses make decisions over time, other factors may later create security risks. For instance, a move to outsourcing customer support offshore would put your credit card data in a rep's hands in another country -- perhaps a country that doesn't have the same protection laws that are in force in the United States. Securing customer privacy is not a science. What's good for the business is not always good for privacy, and vice versa. Companies are always dealing with the trade-offs when making business decisions.

Verizon's published privacy policy promises that the company will use SSL (a security mechanism) whenever it transmits your credit card, but it doesn't promise to use your card number only for your transactions. As long as Verizon continues to use customer credit card numbers as authentication, in whole or in part, it is putting the customer at risk, no matter how slight.

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