

Statement of Lauren Venezia
Vice President and Deputy General Counsel, T-Mobile USA, Inc.
Before the
House Subcommittee on Oversight and Investigations
Hearing on "Internet Data Brokers and Pretexting:
Who Has Access To Your Private Records?"
September 29, 2006

SUMMARY

T-Mobile takes seriously the protection of its customers' information. Pretexters exploit what T-Mobile has worked hard to achieve -- excellent customer service -- only to defraud T-Mobile and its customers. T-Mobile is determined to combat pretexting through legal action and its internal policies, practices, and training.

T-Mobile has obtained restraining orders and permanent injunctions against five data brokers and their owners or principals in recent months, barring them from improperly accessing T-Mobile customer records. Due to pretexting attacks, T-Mobile strengthened its policy regarding call record disclosures over the phone. T-Mobile representatives are not permitted to provide detailed call record information over the phone to customers, even to those who properly authenticate themselves. T-Mobile also trains all of its more than 30,000 employees on privacy and security policies.

T-Mobile will continue its efforts to stamp out pretexters. Despite such efforts, these fraudsters likely will invent new schemes in an effort to circumvent them. Therefore, legislation to deter and criminalize the activities of pretexters and those who hire them is an essential element to stopping this fraudulent activity.

**Statement of Lauren Venezia
Vice President and Deputy General Counsel, T-Mobile USA, Inc.
September 29, 2006**

Good morning, Mr. Chairman and distinguished members of the Subcommittee.

My name is Lauren Venezia and I am Vice President and Deputy General Counsel of T-Mobile USA, Inc. Thank you for the invitation to appear today.

T-Mobile takes seriously the protection of its customers' information. Pretexters exploit what T-Mobile has worked hard to achieve -- excellent customer service -- only to defraud T-Mobile and its customers. T-Mobile is determined to combat pretexting through legal action and its internal policies, practices, and training.

Customer Service and the Protection of Customer Information.

As the fourth largest, and one of the fastest growing, wireless carriers in the United States, T-Mobile has distinguished itself in the marketplace by dedicating itself to excellent and responsive customer service. T-Mobile is proud to have been recognized four times in a row by J.D. Power and Associates for Highest Ranked Wireless Customer Service Performance.

In the highly competitive wireless industry, premier customer service, including the protection of customer information, is essential to retaining and attracting customers. Consumers expect and deserve a high standard of care in the treatment of their private information. At the same time, customers demand speedy responses to their inquiries. Experience has shown T-Mobile that customers are highly dissatisfied if they are unable to obtain information about their service conveniently. T-Mobile makes every effort to balance the need for protecting its customers' information with the need to deliver on customer expectations -- convenient access to their information.

Stopping Data Brokers: Legal Action, Internal Policies, and Training.

T-Mobile agrees with the Subcommittee, the Federal Communications Commission, and the Federal Trade Commission that fraudulent data brokers must be stopped. T-Mobile has taken decisive action against these unscrupulous data brokers in several ways.

T-Mobile investigates, pursues, and sues data brokers to force them to cease their fraudulent activities. When T-Mobile determined that data brokers were preying on T-Mobile and its customers, it issued cease and desist demands to individuals and companies that were improperly attempting to obtain its customers' records. When data brokers failed to comply with these cease and desist demands, T-Mobile launched successful civil enforcement actions.

T-Mobile obtained restraining orders and permanent injunctions against five data brokers and their owners or principals, barring them from improperly accessing T-Mobile customer records. In the course of these lawsuits, T-Mobile learned firsthand how pretexters work, and T-Mobile shared that hard-won knowledge with its customer service representatives to help them defeat pretexters.

T-Mobile also has in place multiple internal mechanisms, policies and safeguards designed to protect customer information. From its most senior executives to its customer service representatives, T-Mobile is committed to the privacy of customer information. T-Mobile has an Information Security and Privacy Council, which provides direction and guidance for T-Mobile's information security and privacy functions, including the protection of customer information. The Council consists of senior executives of the company. Reporting to the Council are several members of the

T-Mobile leadership team who are dedicated to privacy and security issues, including T-Mobile's Principal Privacy Officer. In addition to reporting to the Council, T-Mobile's Principal Privacy Officer addresses policies, practices, and procedures related to the protection of customer information. T-Mobile also has a vice president and a director who are responsible for designing and developing T-Mobile's information security policies. Together with the Council, T-Mobile's Principal Privacy Officer and the information security team work with T-Mobile's many business units to implement its privacy and security policies in a unified, consistent way.

For example, due to the recent pretexting activities of data brokers, T-Mobile strengthened its policy regarding call record disclosures over the phone. T-Mobile representatives are not permitted to provide detailed call record information over the phone to customers, even to those who properly authenticate themselves. T-Mobile will not fax or e-mail detailed call record information to a customer requesting information through a call to customer service. After the caller is authenticated, T-Mobile will mail a copy of the customer's bill to the billing address on the account, but not to any other address.

More generally, T-Mobile uses an array of technical, procedural, and physical tools to safeguard its customers' information. These tools, as appropriate, can include data encryption, verification and password procedures, restrictions on physical access, and contractual limitations on the activities of T-Mobile dealers and service partners. Moreover, T-Mobile actively audits its information security and privacy measures and investigates alleged violations of those measures.

T-Mobile also trains all of its more than 30,000 employees on privacy and security policies. T-Mobile has expanded its training on security and privacy to meet the challenges that pretexters and other fraudsters pose. Employees face disciplinary action, up to and including termination, for failure to follow those policies and procedures.

This training is especially important for T-Mobile's service representatives. T-Mobile's customers should continue to have convenient and easy access to real people -- its service representatives -- for assistance with their accounts. T-Mobile trains its service representatives to provide outstanding service while protecting customers' information. The flexibility to modify security and privacy policies and provide targeted, ongoing training is an essential tool for combating the ever-evolving fraudulent tactics of pretexters. Such flexibility will allow T-Mobile to better protect its customers' information than would static regulations that fraudsters can exploit and circumvent.

T-Mobile Supports Legislation to Criminalize Pretexting.

Legislation to criminalize the activities of pretexters and those who hire them is essential to stopping pretexting. T-Mobile will continue its efforts to stamp out pretexters. But without deterrent legislation, these fraudsters likely will continue inventing new schemes to circumvent such efforts.

T-Mobile publicly has endorsed federal legislation that would create tough new laws, directed at the pretexters, to criminalize the sale or acquisition of wireless phone records without a customer's consent. It has worked with Congressional sponsors of such legislation to ensure that statutory language is effective and well targeted, and it will continue to do so. T-Mobile strongly supports Congress' efforts to criminalize the

pretexting of customer information from telecommunications carriers that has been the focus of this Subcommittee's attention.

Conclusion.

T-Mobile shares the Subcommittee's concerns about the pretexting activities of data brokers. T-Mobile looks forward to working with Congress, the FCC, and the FTC to stop these pretexters, while preserving the ability of American consumers to obtain outstanding service from T-Mobile. This concludes my statement, Mr. Chairman and members of the Subcommittee. Thank you again, and I would be happy to answer any questions that you may have.

LAUREN VENEZIA
12920 SE 38th Street
Bellevue, WA 98006
425-383-5017 (direct) 425-383 4840 (fax)
lauren.venezia@t-mobile.com

WORK HISTORY

T-MOBILE USA, INC. – *Vice-President, Legal Affairs & Deputy General Counsel* (10/03 – Present)

Counsel for T-Mobile USA, a nationwide wireless telecommunications carrier with over 30,000 employees and over 24 million customers. Provides legal counsel and advice to members of the executive leadership team. Develops and leads efforts to achieve company and law department strategies and goals. Spearheads company policies and practices to enhance customer service, security, and privacy; support operations; and control risks. Directs and manages a legal team supporting numerous core business units and functional areas, including product development, marketing, wireless broadband, business operations, corporate development, IT, customer operations, intellectual property, network development and litigation. Heads cross-functional teams engaged in complying with federal and state laws and regulations, implementing company strategy, and successfully launching new products and services.

***Executive Director, Legal Affairs* (3/00 – 10/03); *Director, Legal Affairs* (8/99 – 3/00)**

Provided advice and support in the areas noted above, and in addition, engineering/cell site leasing, real estate, sales and distribution, human resources, customer care, roaming, risk management and procurement. Management of complex, multi-state litigation, consumer class actions, and vendor disputes, mediations and arbitrations. Ownership of intellectual property portfolio, patents and global trademark procurement and enforcement. Oversight of privacy and data protection practices. Handled numerous mergers, acquisitions and asset purchases. Supervised and managed in-house counsel, outside counsel, and the company's risk, safety and fleet management groups.

SHURGARD, INC. – *Assistant General Counsel* (Seattle, WA) (3/96 – 8/99)

Negotiated real property transactions, including purchase and sale agreements, commercial leases, and cellular site leases for properties in numerous U.S. regions. Responsible for global intellectual property procurement and enforcement. Advised human resources department. Conducted multi-phase environmental surveys and reports, and managed complex hazardous materials remediation projects. Developed and recommended capital raising strategies to meet company's 5-year strategic plan.

COHEN & GRIGSBY, P.C. – *Associate* (Pittsburgh, PA) (7/93 – 12/95)

Civil litigation practice focused on securities class action litigation, antitrust litigation and advice, SEC investigations, and all aspects of general commercial litigation.

LAUREN VENEZIA

U.S. SECURITIES AND EXCHANGE COMMISSION – *Staff Attorney* (S.F., CA) (9/89 – 12/92)

As a member of the Enforcement Division, responsible for investigation, prosecution and resolution of complex financial and securities investigations and civil matters involving illegal trading practices, improper accounting practices, and investment schemes. Submitted memoranda to the Commission, negotiated and drafted complaints, settlement agreements and consent decrees. Supervised staff attorneys and other legal personnel.

HANCOCK, ROTHERT & BUNSHOFT – *Associate* (S.F., CA)

(10/87 – 9/89)

General civil litigation practice in a law firm of approximately 85 lawyers. Civil litigation defense practice related to construction defect matters, business torts, environmental claims, securities law, and insurance coverage for syndicates and underwriters. Conducted legal research, drafted pleadings and handled discovery. Handled pro-bono matters for low-income clients, including landlord-tenant matters and social security administration hearings.

EDUCATION

UNIVERSITY OF SAN FRANCISCO SCHOOL OF LAW – *J.D.*, 1987

Member, *University of San Francisco Law Review*

American Jurisprudence Awards

UNIVERSITY OF CALIFORNIA AT LOS ANGELES – *B.A., Philosophy*, 1984

Dean's Honor List

LICENSURE

Member, Washington State Bar, 1998

Member, California State Bar, 1987

House Committee on Energy and Commerce

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: <u>Lauren Venazia</u>		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	<u>Yes</u>	<u>No</u>
2. Are you testifying on behalf of an entity other than a Government entity?	<u>Yes</u>	<u>No</u>
3. Please list any federal grants or contracts (including subgrants or subcontracts) which <u>you</u> have received since October 1, 2003:		
None		
4. Other than yourself, please list what entity or entities you are representing:		
T-Mobile USA, Inc.		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:		
Vice-President and Deputy General Counsel		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships to the entities for whom you are not representing?	<u>Yes</u>	<u>No</u>
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 2003, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:		
Although T-Mobile USA, Inc. has had federal grants or contracts during the reporting period, none exceeded 10% of its revenues in the year received.		

Signature:  Date: 9-27-06