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XAVIER BECERRA  
Attorney General of California  
NICKLAS A. AKERS  
Senior Assistant Attorney General  
STACEY D. SCHESSER  
Supervising Deputy Attorney General  
YEN P. NGUYEN (SBN 239095)  
Deputy Attorney General  
455 Golden Gate Avenue, Suite 11000  
San Francisco, CA 94102-7004  
Telephone: (415) 510-3497  
Fax: (415) 703-5480  
E-mail: TiTi.Nguyen@doj.ca.gov

[EXEMPT FROM FILING FEES  
PURSUANT TO GOVERNMENT  
CODE SECTION 6103]

**ENDORSED  
FILED**  
*San Francisco County Superior Court*

**JUL 22 2019**

**CLERK OF THE COURT**  
BY: NEYL WEBB  
Deputy Clerk

*Attorneys for The People of the State of California*

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN FRANCISCO  
UNLIMITED JURISDICTION

**THE PEOPLE OF THE STATE OF CALIFORNIA,**  
  
Plaintiff,  
  
v.  
  
**EQUIFAX INC.,** a corporation,  
  
Defendant.

Case No.  
**CGC-19-577800**

**COMPLAINT FOR INJUNCTION, CIVIL PENALTIES, AND OTHER EQUITABLE RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

1. THE PEOPLE OF THE STATE OF CALIFORNIA (hereinafter "Plaintiff"), by and through Xavier Becerra, Attorney General of the State of California, brings this action against Equifax Inc. ("Equifax") for violating the California Unfair Competition Law (Business and Professions Code section 17200 et seq.), and alleges the following upon information and belief:

**PARTIES**

2. Plaintiff is the People of the State of California. Plaintiff brings this action by and through Xavier Becerra, Attorney General. The Attorney General is authorized by Business and

1 Professions Code sections 17204, 17206, and 17207 to bring actions to enforce the Unfair  
2 Competition Law (UCL).

3 3. Defendant Equifax Inc. is the parent of Equifax Information Services LLC, a  
4 consumer reporting agency, with its principal office located at 1550 Peachtree St. NW, Atlanta,  
5 Georgia 30309.

### 6 JURISDICTION AND VENUE

7 4. Equifax is one of the three largest consumer reporting agencies in the United  
8 States, and collects, organizes, assimilates, and analyzes personal information on more than 820  
9 million consumers and more than 91 million businesses worldwide.

10 5. Equifax has transacted business within the State of California, including the City  
11 and County of San Francisco, at all times relevant to this complaint. The violations of law  
12 described herein occurred in the City and County of San Francisco and elsewhere in the State of  
13 California.

### 14 DEFENDANT'S BUSINESS ACTS AND PRACTICES

15 6. Equifax owns, licenses, and maintains consumer personal information in order to  
16 market and sell consumer credit reports, which provide detailed information specific to a  
17 consumer's life, including but not limited to:

- 18 • Personal Information, such as full name, date of birth, current and past addresses,  
19 and Social Security number;
- 20 • Credit History, such as financial account information, monthly balances, monthly  
21 payment history, and whether payments were made on time;
- 22 • Credit Inquiry Information, such as a record of when a consumer's credit report is  
23 viewed by a lender, credit card company, service provider, landlord, or insurer; and
- 24 • Public Records, such as bankruptcies, tax liens, and civil judgments.

25 Any consumer who has conducted a financial transaction within the last few decades, such as an  
26 renting an apartment, purchasing a home or car, opening a credit card account, remodeling their  
27 home, or borrowing money for higher education, likely has a credit report with Equifax and other  
28 consumer reporting agencies.

1           7.       In addition, Equifax performs analytics on consumer personal information.  
2 Equifax then markets and sells consumer credit and insurance reports and analytics to business  
3 customers, including, but not limited to: retailers, healthcare organizations and providers,  
4 insurance firms, government agencies, public utility providers, credit unions, and banks and  
5 finance companies. Because Equifax pulls data from a variety of sources from private-sector  
6 companies to credit-granting institutions to banks, consumers cannot prevent the disclosure of  
7 their personal information to Equifax and cannot prevent Equifax from selling reports and  
8 analytics based on the consumer's personal information.

9           8.       Equifax represents, via its website, that it takes reasonable steps to protect the  
10 security of consumers' personal information and uses technical, administrative, and physical  
11 security measures that comply with applicable federal and state laws.

12           9.       On September 7, 2017, Equifax publicly announced and reported to the Office of  
13 the Attorney General for the State of California a massive data breach affecting nearly 143  
14 million U.S. consumers. Equifax subsequently revised the total number of affected consumers to  
15 over 147 million U.S. consumers, approximately 15.8 million of whom were California residents.  
16 Equifax reported that consumers' Social Security numbers, birth dates and addresses had been  
17 compromised, as well as in some instances driver's license numbers, credit card numbers, and  
18 credit dispute documents.

19           10.      Equifax disclosed that the breach was due to a vulnerability in Apache Struts, an  
20 open-source software that Equifax used in its public-facing online dispute portal. On or about  
21 March 8, 2017, Equifax was alerted that Apache Struts had a critical vulnerability that would  
22 allow an intruder to execute arbitrary commands on Equifax's computer system and that Equifax  
23 should apply an available patch to fix the vulnerability. Although Equifax had a documented  
24 patching process as part of its information security program, Equifax nonetheless failed to apply  
25 the available fixes to the Apache Struts vulnerability.

26           11.      Equifax's failure to patch the Apache Struts vulnerability was due to breakdowns  
27 in Equifax's information security program, specifically failures in technology and failures in  
28 governance oversight. Equifax did not know where it was using Apache Struts because Equifax

1 did not have a comprehensive inventory of its information-technology assets. Equifax also was  
2 relying on an outdated email list that did not include the employee in charge of the application  
3 that used Apache Struts; thus, the employee did not receive the alert and did not know that  
4 Apache Struts should be patched. Compounding these security problems, Equifax misconfigured  
5 the scanning tool used to detect the vulnerability, and the tool did not search all parts of Equifax's  
6 network to detect or alert information technology (IT) staff that the vulnerability had not been  
7 patched. By not having updated, comprehensive information at the ready and by misconfiguring  
8 security tools, Equifax was unable to effectively apply the patch or verify that the patch had been  
9 applied.

10 12. As a result, an intruder (or intruders) accessed consumer personal information on  
11 or about May 13, 2017 through July 30, 2017. Once inside Equifax's network via the online  
12 dispute portal, the intruder(s) took advantage of Equifax's additional security failures to move  
13 throughout Equifax's internal network, access databases containing consumers' personal  
14 information, and exfiltrate that information from Equifax's network.

15 13. Equifax first discovered suspicious activity on or about July 29, 2017, and began  
16 to investigate the scope of the activity, whether and what personal information was involved, and  
17 the number of affected consumers. On or about August 15, 2017, Equifax had confirmed that  
18 personal information had been stolen and began to compile the list of affected consumers.  
19 Equifax waited until September 7, 2017 to publicly announce the breach through a nationwide  
20 press release.

21 14. Equifax's initial public announcement caused widespread confusion. Equifax was  
22 unable to process the large volume of consumer calls and website visits. Consumers encountered  
23 long delays and conflicting information when they tried to determine whether their information  
24 was breached, enroll in credit monitoring services, freeze their credit reports, or get more  
25 information about what they should do to protect themselves. Indeed, the Office of the Attorney  
26 General received hundreds of complaints and issued consumer alerts to assist Californians in the  
27 wake of Equifax's announcement. In addition, numerous consumers in California spent time and  
28

1 money to place freezes on their credit reports and purchase products and services to protect their  
2 identities from potential fraud or identity theft.

3 **FIRST CAUSE OF ACTION**

4 **VIOLATION OF UNFAIR COMPETITION LAW**

5 **BUSINESS AND PROFESSIONS CODE SECTION 17200**

6 15. The People incorporates by reference each of the paragraphs above as though fully  
7 set forth herein.

8 16. Equifax has engaged in unlawful, unfair, or fraudulent acts or practices, which  
9 constitute unfair competition within the meaning of Section 17200 of the Business and  
10 Professions Code.

11 17. Specifically, Equifax:

12 (a) Violated California Civil Code section 1798.81.5, subdivision (b), which  
13 requires EQUIFAX to implement and maintain reasonable security procedures and practices  
14 appropriate to the nature of the personal information that Equifax owns, licenses, or maintains, to  
15 protect the personal information from unauthorized access, destruction, use, modification, or  
16 disclosure;

17 (b) Violated California Civil Code section 1798.82, which requires Equifax to,  
18 in the most expedient time possible and without unreasonable delay, disclose a breach of the  
19 security of its system following discovery or notification of the breach in the security of  
20 unencrypted personal information of a resident of California and to further include specified  
21 information in a specified format in the disclosure;

22 (c) Engaged in unfair acts or practices regarding Equifax's data security  
23 practices at the time of the breach; and

24 (d) Made unfair, deceptive, untrue, and misleading statements regarding  
25 Equifax's data security practices at the time of the breach.

26 **PRAYER FOR RELIEF**

27 WHEREFORE, Plaintiff prays for judgment as follows:  
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1. Pursuant to Business and Professions Code section 17203, that the Court enter all orders necessary to prevent Equifax, its successors, agents, representatives, employees, and all persons who act in concert with Equifax from engaging in any act or practice that constitutes unfair competition in violation of Business and Professions Code section 17200, including as alleged in this Complaint;

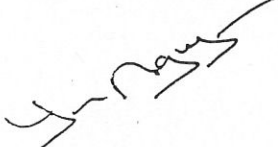
2. Pursuant to Business and Professions Code section 17206, that the Court assess a civil penalty of Two Thousand Five Hundred Dollars (\$2,500) for each violation of Business and Professions Code section 17200, as proved at trial;

3. That Plaintiff recovers its cost of suit herein, including costs of investigation; and

4. For such other and further relief as the Court deems just and proper.

Dated: July 22, 2019

Respectfully Submitted,  
XAVIER BECERRA  
Attorney General of California  
NICKLAS A. AKERS  
Senior Assistant Attorney General  
STACEY D. SCHESSER  
Supervising Deputy Attorney General



YEN P. NGUYEN  
Deputy Attorney General

*Attorneys for The People of the State of California*