

~~SECRET~~

(S) b1 , b2-1, b7E-1

b6 -1
b7C -1

ALL INFORMATION CONTAINED
HERE IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

[Redacted]

b1
b2 -1
b7E -1

I. TYPES OF BUSINESSES:

DATE: 02-02-2005
CLASSIFIED BY 65179/DMH/BCE/EHL
REASON: 1.4 (C,G)
DECLASSIFY ON: 02-02-2030

- Sole proprietorship: This is the most common type of small business in the US, as the organization and tax regulations are the simplest. This type of business may have only one owner, who is solely liable for all debts, losses and legal actions against the business. Sole proprietorships may or may not have employees. A sole proprietorship usually is operated under the name of the individual owner; if not, state or county jurisdictions may require the filing of a fictitious business name statement. Also, many states prohibit the use of words such as "corporation," "incorporated," "Inc.," "company," "Co." and/or "LLC" unless the business is actually such an entity. Sole proprietorships generally must obtain official documentation such as a business license, zoning and/or occupancy permits, and tax permits and registrations. The largest drawback to a sole proprietorship is that it is difficult to keep the owner's assets separate from those of the business, particularly for losses, debts and legal actions – not only is the owner liable for the business's debts, but the business is liable for the owner's personal debts, because, effectively and legally, owner and business are a single entity. A sole proprietorship may continue until the owner closes it, or dies; the business, or a part of it, can be freely sold.

- Sole proprietorships are taxed on all income from the business at applicable individual income tax rates. The business income, profits, losses and deductible expenses are reflected on the owner's individual tax return – because, again, the owner and business are legally one entity. The owner must also pay self-employment taxes.

- "DBA ("doing business as") or fictitious business name statements are a legal requirement when an unincorporated business is conducting operations in a name other than that of the proprietor(s). A dba statement is usually filed with the county recorder of documents according to relevant state law. This document identifies the true name(s) of the business proprietors (i.e., John Q. and Mary A. Choicepoint-6043 Sixpack) and the fictitious business name ("Ace Investigative Services"). The dba statement is required so that the true owners can be identified in the event of debt or action against the business.

~~SECRET~~

MAY 30 2003
CLASSIFIED BY: SP-1 CLK/ky
REASON: 1.5 (C)
DECLASSIFY ON: X 1

~~SECRET~~

b6 -1

b1 b2-1, b7E-1

b7C -1

- Unincorporated businesses whose name(s) reflect those of the business principals generally are not required to file a dba statement, as other documents (tax permits, business licenses) will adequately reflect the true owners.

[Redacted]

b1

b2 -1

b7E -1

[Redacted] Some states require a new dba statement to be filed each year.

(S)

- Most state dba laws also require that the statement be published once per week for four weeks in a "newspaper of general circulation" so as to provide adequate notice to the public that the individuals are conducting business in other than their own names. A few states require such publication each year, with the renewal of the dba statement.

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

- Partnership: There are two types of partnerships: general and limited.

- A general partnership is created when at least two (frequently more) individuals agree to create a business with joint ownership of all assets, profits and losses. A general partnership can be formed with nothing more than an oral agreement, although written agreements are far more common as well as much more safe. A general partnership sometimes must be dissolved if one or more of the partners leaves or dies; however, the partnership agreement can make provision for continuing the business in the absence of one or more of the partners. The agreement will also state whether any, and which, of the partners may sell their share of the business, to whom, and under what circumstances, including price.

- A limited partnership, sometimes called a limited

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

liability partnership, must be formed according to specific regulations in each state; if these requirements are not followed, the partnership will be treated as an ordinary or general partnership. The key difference of a limited partnership is that "limited" partners' liabilities for losses and debts is limited to the extent of their contributions to and participation in the business. This may be limited by an actual monetary amount, an amount equal to the percentage of the limited partner's involvement, or to one or more specific events in which the limited partner agrees to participate (i.e., the limited partner may be involved in only one of many contracts, rather than all those held by the partnership).

- Partnerships frequently use the name(s) of the partners as the name of the business. However, in some states, a business that doesn't use the names of all the partners must file a dba statement. In most states, businesses that don't use any of the partners' names must file a dba statement.

- The partnership itself does not pay taxes, although a partnership tax return must be filed. Each partner must individually pay taxes on his/her share of the business income, profits, losses and expenses, which are reflected on the partner's individual tax return and are taxed at the applicable personal income tax rate. Recent changes in tax laws have made this complex and occasionally somewhat hazardous; a partner may be required to pay tax on income from the partnership even without actually receiving any monies. Partners must also pay self-employment taxes. Partners who do not work full-time for the business must file their ordinary tax returns and additionally may be prohibited from claiming some losses and expenses from the partnership.

- **Corporation**: A corporation is an artificial legal entity, whose identity, personality and existence are legally separate from those of its members, stockholders, directors and officers. Thus, the corporation itself is liable for losses, expenses, debts and liabilities, rather than the individuals involved. Although a corporation generally has more than one owner, it is possible and legal to create a corporation in which all the stock is owned by one individual.

- Most corporations are stock corporations, that is, they issue shares which are sold to owners, officers, and investors; the funds received for the sale are used as capital assets of the corporation. Most states recognize non-stock corporations, in which there are no owners; such entities are usually reserved for charities, non-profit organizations and similar groups such as community associations.

b6 -1

b7C -1

(S)
b1 , b2-1, b7E-1~~SECRET~~

- Doctors and lawyers, and, in some states, other licensed professionals, may be required to do business as a professional corporation rather than a sole proprietorship.

- The corporation can continue to operate in the absence or death of one or more of its principal members.

- **Limited liability corporations (LLC)** are legally structured similarly to limited partnerships, so that an individual owner or member's liability is limited to the amount of his/her investment in the corporation. LLCs frequently are formed to conduct a specific business venture, then dissolved at the venture's conclusion.

- The creation of a corporation requires strict adherence to the laws of the state in which it is created; corporations which are formed in one state, but will operate in one or more additional states, must additionally comply with the regulations of those additional states. For example, a corporation created in Delaware may not operate in Virginia until it files a request and notice of registration of foreign corporation, after which it receives formal permission from the state secretary of Virginia to operate there.

- Requirements for creating a corporation vary from state to state, but generally require the filing of articles of incorporation (sometimes called a certificate of incorporation) with the secretary of that state. Usually, additional forms, such as a statement of the corporate officers and agents, and their addresses, are required. An initial creation fee is required; most states charge an annual fee for the corporation to continue operating in subsequent years.

- The corporation must have will also need bylaws, that is, a set of rules and operating instructions on which all members agree. These cover such topics as stockholder meetings, directors' meetings, election of officers, and so on. Copies of the bylaws may be required for filing with the secretary of state. Many bylaws are "boilerplate," that is, standard forms and language that can apply to a wide variety of corporations and operations.

- Because a corporation is an entity legally separate and distinct from its members, it must have its own financial accounts, accounting system and tax forms and returns.

- A corporation may not use the name of another corporation already registered in a given state. Most states also will not allow the registration of corporations with names similar to one already

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1,

b7C -1

operating, to avoid confusion in both official and public circles.

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

- Other terms used to describe corporations:

- "Domestic" indicates a corporation organized under the laws of a given state. "Foreign" is a corporation organized under the laws of a different state or country, but permitted to operate in the given state. "Parent," "daughter," "subsidiary," "brother" and "sister" are anthropomorphic terms used to denote close relationships between corporations that mimic those of individuals.

- "Close corporation or closely held corporation" is one in which all stock is held by an individual or a small group of individuals and is not publicly traded. Stock is frequently held entirely by the members of a single family; a prominent example of this type is the Mars Candy Corporation, which is not publicly traded and all of whose stock is held by the three children of the company's founder.

- "Eleemosynary" is an archaic term applying to corporations organized for the purpose of charitable works. Such corporations are frequently identified today as 501c(3) organizations, from the section of the U.S. tax code which makes them (and contributions to them) tax-exempt.

- "Professional" corporation is one organized by one or more individuals providing personal services which require state authority or licensing. Before individual states passed laws permitting the existence of such corporations, such individuals could not legally incorporate their businesses nor take advantage of certain corporate tax laws. These professions include those such as medicine, law, accounting, engineering, surveying and architecture. Some states require such professionals to operate as a professional corporation vice a sole proprietorship.

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

- A Subchapter S corporation is small corporation permitted to be taxed as though it were a sole proprietorship, from the provision of the U.S. tax code pertaining to this regulation. Such small corporations do not pay corporate income taxes and corporate losses can be claimed as individual losses by shareholders. Such corporations are generally limited to no more than 35 shareholders and to domestic capitalization (i.e., no foreign investment) only.

- Compliance with the regulations of the Securities & Exchange Commission (SEC) usually is not required for small corporations, such as those whose stock will be purchased privately, or by a limited number of investors, or which will be sold only within one state. Government corporations (such as those formed to operate an airport or public utility) also do not require registration. The filing of various SEC documents and reports is required only for corporations with more than \$10 million in assets, and/or 500 or more stockholders.

b2 -1

b4

b7E -1

[Redacted]

[Redacted]

b2 -1

b4

b7E -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

[Redacted] (S)

b1

b2 -1

b7E -1

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

[Redacted]

(S)

b1

b2 -1

b7E -1

[Redacted]

(S)

b1

b2 -1

b7E -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

- A number of commercial corporate service firms offer so-called "shelf companies," which are companies that have been incorporated but remain incompletely organized - for example, they may lack directors or bylaws, and probably have not ever conducted any business.

[Redacted]

b1

b2 -1

[Redacted]

(S)

b7E -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

~~SECRET~~

b6 -1
b7C -1

b1 , b2-1, b7E-1

~~SECRET~~

IV. BUSINESS IDENTITY:

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

Sole proprietorships are identified for tax and financial purposes by the Social Security number of the sole proprietor. Such businesses which have no employees, and which do not file excise or pension tax returns, may use the Social Security number of the proprietor for all tax matters. The SSN is designated a Tax Identification Number (TIN) for these purposes, and a sole proprietorship is the only type of business that may use a TIN.

Any other business entity must obtain a Federal Employer Identification Number from the Internal Revenue Service (see appendix for details). The FEIN is used on all IRS documents and functions, in many instances, as an SSN for the corporation, as it may appear in financial and credit accounts, on corporate documents (though not all states require this), in various business information services, and in SEC documents.

- However, use of the FEIN in public records, documents and quasi-public information sources is inconsistent; it may not appear on all documents and is not as comprehensive and universal an identifier as the personal SSN. Many states do not require the FEIN on business or corporate documents. Dun & Bradstreet, a leading business directory and information service, does not request FEINs from its subscribers, but will include them in its directory if subscribers voluntarily provide them. As of this writing, there is no commercial or information industry source with legitimate access to the FEIN database maintained by the IRS

b1
b2 -1
b7E -1

[Redacted] (S)
[Redacted] (S)

b1
b2 -1
b7E -1

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b1

b7C -1

[Redacted]

(S)

b2 -1

b7E -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

V. FINANCE AND CREDIT

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

~~SECRET~~

(S) b1 , b2-1, b7E-1

~~SECRET~~

b6 -1

b7C -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted] (S)

b1
b2 -1
b7E -1

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

[Redacted]

b1

b2 -1

b7E -1

(S)

[Redacted]

b1

b2 -1

b7E -1

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

- Casinos, card clubs and gaming places must file CTRCs (Currency Transaction by Casino Report, IRS Form 8362 and 8852N (for Nevada casinos)) for activity by a customer in a given business day with an aggregate total of \$10,000. Casinos must also file IRS Form W-2G, Report of Gambling Winnings, on all winnings; and since 1997 have been required to file SAR-Cs, Suspicious Activity Report at Casino.

- "Money service businesses" (MSBs) (such as currency exchange bureaus; casas de cambio; money transmitters and couriers; issuers, sellers and redeemers of money orders and traveler's checks; and the U.S. Postal Service (for non-postage and philatelic services) also must file CTRs and SARs (called a SAR-MSB). Both casino and MSB employees frequently receive training to enable

~~SECRET~~

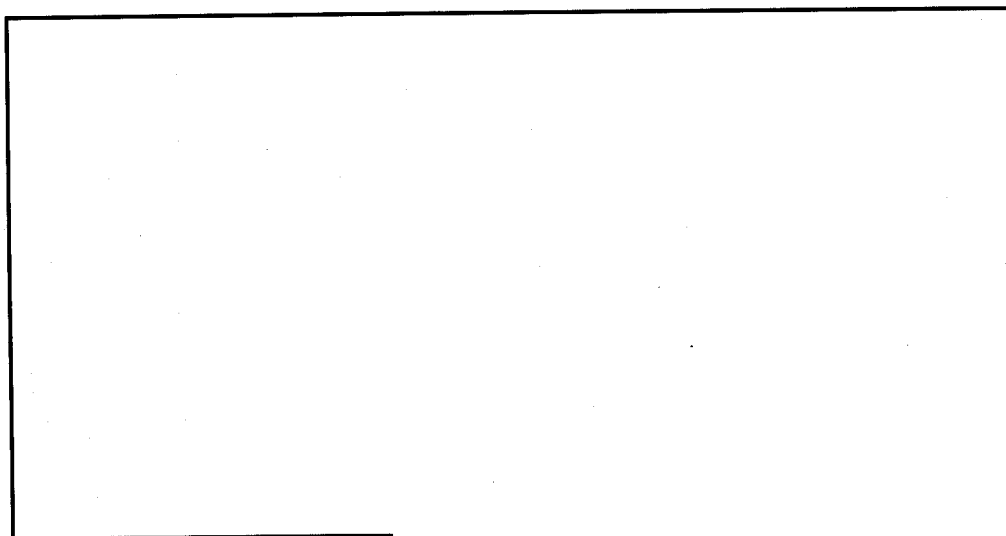
~~(S) SECRET~~

b6 -1

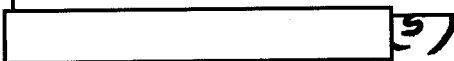
b1 , b2-1, b7E-1

b7C -1

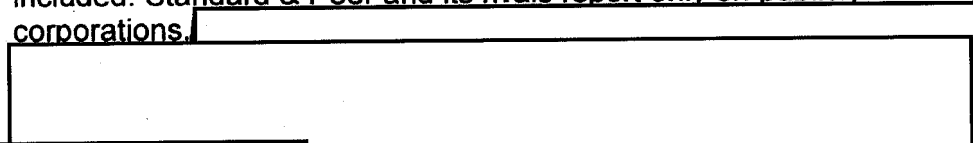
them to recognize suspicious activity, such as customers who engage in "just under" transactions – those that total nearly, but not quite, \$10,000.



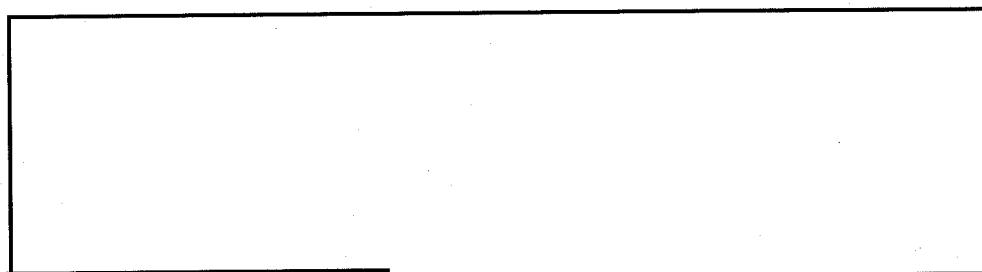
b1
b2 -1
b7E -1



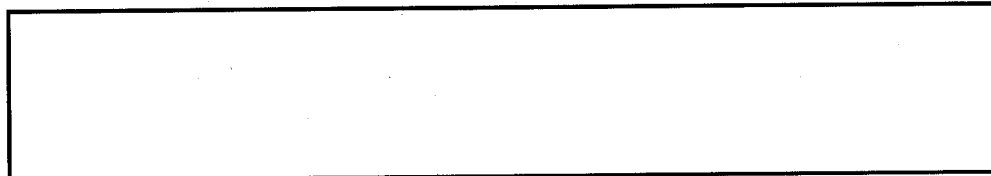
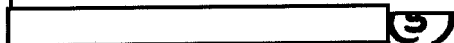
- Business credit reporting is less unified than that for individuals, in that few if any business credit reporting agencies cover all businesses. Most specialize in businesses according to size and/or type – i.e., Dun & Bradstreet, and American Business Information, report only on those who request (and pay for) their businesses to be included. Standard & Poor and its rivals report only on publicly traded corporations.



b1
b2 -1
b7E -1



b1
b2 -1
b7E -1



b1
b2 -1
b7E -1

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

- As an increasing number of businesses and individuals shift away from paper checks to electronic payment systems, few will now accept "counter checks" or those not imprinted with the name, address and other particulars of the account holder, including pre-printed check serial and sequence numbers. An increasing number of businesses will not accept printed checks with sequence numbers less than four digits. Business checks that are not machine-imprinted as well as typed or written are increasingly refused as well because of the ease of counterfeiting them with a laser printer.

- Because major credit cards (MasterCard, Visa, Discover, Diner's Club, and American Express) are so widely accepted, other credit cards, such as those for gas/oil companies, department stores, and major retail chains, are generally no longer necessary. However, many business services, such as office supply stores, offer their own "straight credit" accounts (in which the balance must be paid each month, rather than "revolving" accounts, in which the unpaid balance is carried over into the next billing period).

b1
b2 -1
b7E -1

[Redacted] (S)

~~SECRET~~

(S)

b1 , b2-1, b7E-1

~~SECRET~~

b6 -1

b7C -1

[Redacted]

[Redacted]

[Redacted]

[Redacted] (S)

b1

b2 -1

b7E -1

- Visa and American Express are the cards most widely accepted outside the United States. Diner's Club, although less prevalent than in previous years, remains popular overseas and in U.S. corporate circles; however, it and American Express are less frequently accepted by common U.S. retailers than Visa, MasterCard and Discover.

VI. THE UNIFORM COMMERCIAL CODE (UCC)

As its name implies, this code is intended to apply to commercial transactions and affairs. It is, however, a model code, which has been adopted to varying extents by the U.S. Congress and the legislatures of the fifty states (including Louisiana, popular belief to the contrary, albeit to a smaller extent than the other states)

The UCC does not apply to transactions involving real estate; security interests or liens in real estate; service agreements; employment contracts; significant labor contracts; or marriage settlements or other issues in domestic law. It does cover the sale of tangible goods, the lease of tangible goods, transactions involving "commercial paper" (checks, money orders, promissory notes), bank operations including EFTs; bulk transfers (in which a business sells all of its assets in a single transaction); investment securities; and secured transactions (any financial transaction secured by tangible property, other than real estate).

[Redacted]

[Redacted] In general, a contract of any

(S)

b1

b2 -1

b7E -1

~~SECRET~~

b6 -1

b1 ,b2-1, b7E-1

(S) ~~SECRET~~

b7C -1

kind worth more than \$500 is not enforceable unless it is in writing. The UCC permits the filing of a notice that becomes a public document, which records such a contract or debt. If, for example, Company A contracts with Company B to supply 1000 widgets at a specific price, and Company B fails to pay, Company A can file a UCC statement showing that Company B has a contract, and thus an obligation, to pay the debt.

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

VII. OTHER BUSINESS DOCUMENTS

Most jurisdictions require a business to have a license from that jurisdiction in order to operate. These are generally issued by counties and, to a lesser extent, by cities. The state department of revenue or board of taxation may also require the filing of a document showing that the business is paying appropriate taxes in that state. Some businesses are required to collect taxes as well, such as sales taxes and use taxes (such as restaurants and hotels). Certain types of business, such as those handling hazardous or polluting substances, may have a tax surcharge imposed on them as well.

[Redacted]

b1
b2 -1
b7E -1

(S)

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

b1

[Redacted]

(S)

b2 -1

b7E -1

Other documents and licenses that may be required, depending on the type of business, include liquor and lottery licenses; health department compliance licenses (for any business providing food or beverage service, lodging, and most health-related services); professional dues and taxes; tangible personal property, real estate, and vehicle taxes and registrations; utility taxes; and waste disposal taxes.

Professional licensing and certifications may be required, depending on the type of business. Professions and businesses involving extensive training and knowledge, and/or the public welfare, are the most common to require such documentation. This may range from the extensive professional examinations and licensing procedures required of doctors, health care providers, lawyers and accountants; engineers, surveyors and architects; those in safety and security fields, such as private investigators and security officers; and those involved with fiduciary duties, such as insurance professionals and investment personnel. Sites, buildings, offices and facilities may require examination, inspection, licensing and certification as well. Additionally, many such businesses must ensure that their employees meet certain standards of training, professional competence and licensing.

Various businesses may be required to obtain bonding and insurance (especially liability and malpractice insurance) as a condition of doing business. Those involved with the public's health and welfare are most likely to be required to have malpractice insurance; those most likely to need bonding are those who pose a financial and/or security risk to the public, such as contractors, home improvement and service professionals, and cleaning services.

VIII. GOVERNMENT, AGENCY AND ADMINISTRATIVE DOCUMENTS

Records on a given business may be available from a number of government sources, either by direct examination and retrieval of public records, or via information industry providers.

Bankruptcies, liens, and judgments, whether from tax, court or administrative action, are readily available by both direct retrieval and from the information industry. [Redacted]

(S)

b1

b2 -1

b7E -1

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

(S) [Redacted]

b1

[Redacted]

b2 -1

For example, ChoicePoint offers an index of sanctions and administrative actions taken against businesses by the Occupational Safety and Health Administration (OSHA); a similar index of actions by the Environmental Protection Agency is also available. Other federal sanctions that may be available from public records include actions by the National Labor Relations Board, the Equal Employment and Opportunity Commissions, and actions taken pursuant to the Americans with Disabilities Act. Patents, trademarks, and/or copyrights are increasingly available via commercial information providers from the original federal and/or state sources.

b7E -1

[Redacted]

b1
b2 -1
b7E -1

~~SECRET~~

(S)

b1 , b2-1, b7E-1

b6 -1

b7C -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

IX. ADDRESS AND LOCATION

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

(S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

- Many information companies offer "comprehensive reports" that supply all addresses previously associated with an individual or business. Many of these reports, such as ChoicePoint's Discovery Plus, additionally link real property ownership information to these addresses.

b1
b2 -1
b7E -1

[Redacted] (S)

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

X. REAL PROPERTY INFORMATION AND DOCUMENTS

Real property information is widely available through the information industry, via direct purchase from the state or county agencies that maintain it. It is one of the least frequently updated categories of information, with most states and/or counties updating ownership and property tax information only once per year (the majority of agencies maintain a fiscal year concluding June 30).

[Redacted]
[Redacted] (S)

b1
b2 -1
b7E -1

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

XI. TELEPHONES, CELLULAR TELEPHONES AND WIRELESS DEVICES

The establishment of telephone service, whether by land line or wireless, generally requires an abbreviated credit/financial check and sometimes a deposit, if the individual has a poor (or no) credit history. A current trend is for a business to obtain a wireless account and to use that for all telephone needs, including internal communications, paging and voicemail.

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

The ease with which many wireless systems can be monitored and traced is well known, having figured even in a recent presidential scandal. Several Internet-based businesses have demonstrated the ability to link the Social Security numbers of individuals with cellular numbers; at least one can link cellular numbers with business subscribers.

b1
b2 -1
b7E -1

[Redacted]

[Redacted] (S)

[Redacted] (S)

b1
b2 -1
b7E -1

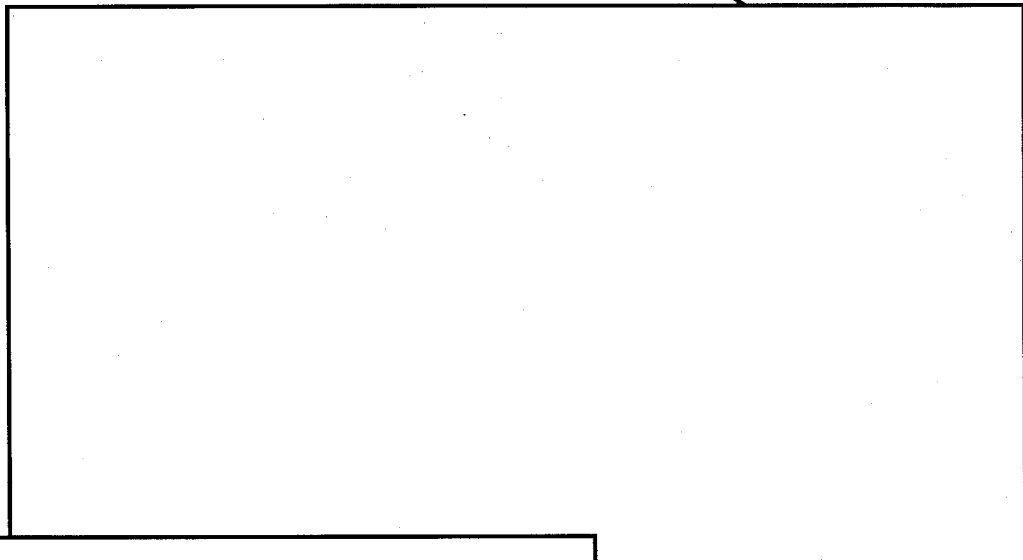
~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

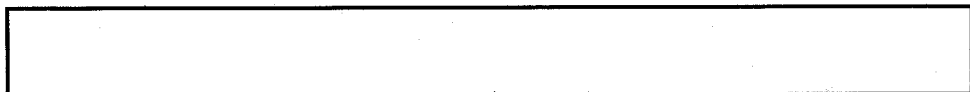


b1
b2 -1
b7E -1



(S)

- Electronic equipment includes not only cellular phones, but also pagers, Web-enabled telephones, hand-held computers ("personal digital assistants," or PDAs), wireless-enabled laptop computers, and even such esoteric devices as digital cameras and watches with storage, retrieval and transmission capabilities.



b2 -1



b4

By October 2001, the system must be in place and operating, and must be able to provide data location within 120 meters for 65% of all calls. Made mandatory by the FCC 1996 "Enhanced 911" regulation (known as E911), the system must be in place and operating, with the capability to provide data location within 120 meters for 65% of all calls, by October 2001.

b7E -1



b1

b2 -1

b7E -1

While some communications professionals advocate a system that (S)

would effectively combine cell phone tracking with GPS-type technology – to allow parents to track their children, managers to track field workers and law enforcement to track designated targets – the size and complexity of the data storage and retrieval problems will limit databases, at least at first. Concerns about privacy and misuse of the data will also militate against extensive storage and dissemination of such information.

Prepaid telephone services are available for both land and wireless

~~SECRET~~

b6 -1

b7C -1

b1 , b2-1, b7E-1

~~SECRET~~

b1

b2 -1

b7E -1

b4

telephone communications.

- For example, MCI does not track its prepaid telephone cards, beyond determining to which retailer a certain card was delivered for sale; there is then no way to determine who may have bought and/or used that particular card.

- When a card is used to make a telephone call, the only record of the call is that that particular telephone was used to call the toll-free number on the prepaid card. For example, if MCI World.Com card number [redacted] is used to make a call from [redacted] Bell Atlantic's records for [redacted] will show only that the number 1-888-283-8215 (MCI's toll-free access line number) was called. There will be no further record maintained, even if the call was a toll or long-distance call, because such calls will be billed to the prepaid card. No records are kept on calls made via prepaid cards.

b6 -2

b7C -2

- Prepaid wireless service is now available and is extremely easy to use, as the card number and security code are pre-programmed into the wireless telephone. The user merely must dial the desired number; the wireless service company will inform the caller of the amount of time or units remaining on the prepaid installment currently in use. No records of calls made with prepaid service are kept, although, depending on the wireless provider, it may be possible to determine to whom a particular prepaid card was sold. As with prepaid land-line cards, the prepaid service can be replenished at any time.

XII.THE INTERNET

Despite the recent wave of "dot.gones" (Internet companies that have gone bankrupt, sometimes called "dot.bombs") most businesses are finding it beneficial if not absolutely necessary to become familiar with "e-business" and "e-commerce." Such involvement may involve nothing more than being listed in on-line directories such as the Internet Yellow Pages, or in the electronic directories of various professional organizations.

b1

b2 -1

b7E -1

(S)

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

[Redacted]

b1

b2 -1

Internet domain names are controlled by the Internet Corporation for Assigned Names and Numbers (ICANN), a nonprofit corporation formed in the U.S. with global representation to manage Internet addresses and related issues. ICANN certifies "Internet registrars," companies that maintain directories of "Internet domain names" (i.e., the familiar Web addresses such as www.fbi.gov and www.yahoo.com), in which the domain name is associated with the computer on which that site is "hosted" or maintained. A complete list of commercial registrars is available at www.internic.net/regist.html; see also the appendix. Commercial registrars register domain names ending in .com, .net, and .org; those with other domains are more restricted. A yearly fee, usually less than \$50, is charged for such registration. (The ".com" suffix is referred to in Internet idiom as a "TLD," for "top-level domain." Two new TLDs, .biz and .info, were added to the Internet world on June 26, 2001, by ICANN. The nine TLDs currently in operation are .biz, .com, .edu, .gov, .info, .int, .mil, .net and .org. There are also 244 "ccTLDs" (country code top-level domains), two-letter address designations assigned to various nations (i.e., .de, .us); registration and use of these varies among countries. International agreements are being completed to add five more TLDs to the international registry by the end of the year: .aero, .coop, .museum, .name and .pro.)

b7E -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

(S)

~~SECRET~~

b6 -1
b7C -1

b1 , b2-1, b7E-1

~~SECRET~~

- Many professional associations offer similar services free to their members. For example, the American Bar Association provides Web support, a directory and hyperlinks to members; Findlaw (www.findlaw.com) provides Web support and advertising space for members. The Private Eye Mall (www.pimall.com) and the National Association of Investigative Specialists will provide Web support as well as design and create Web pages; many other organizations offer such things as free download images, Java applets and scrolling banners.

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S) [Redacted]

b1
b2 -1
b7E -1

Current surveys estimate that about half of all Americans over the age of 10 have at least one electronic mail account. Establishing an account is ridiculously easy; the user need only determine which email provider to use, a user name and password, and perhaps some general information required by the email provider. For example, to establish an account with the email provider Hotmail (www.hotmail.com), a user need pay nothing (in exchange for a free account, the user must put up with advertisements, commercial solicitation emails and the occasional "spam"), selects a user name and password (Hotmail will

~~SECRET~~

b6 -1

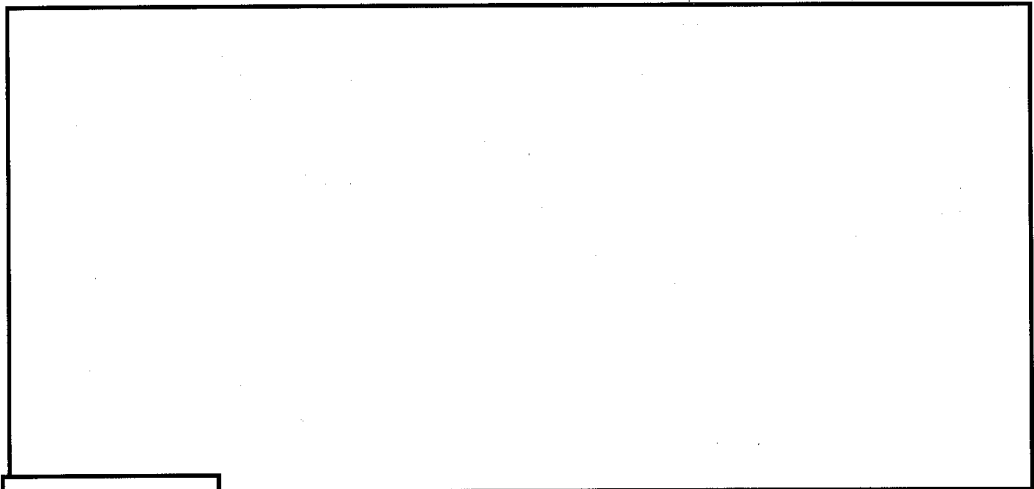
b1 , b2-1, b7E-1

b7C -1

indicate whether a given user name is already in use, in which instance another name must be selected), and provides some general personal information (birthdate, gender, zip code of residence). Hotmail has no way of verifying whether the personal information is correct and indeed states it has no intention of doing so. The user is required to agree to a list of terms and conditions for use, after which the account is enabled. If a user violates the terms and conditions of use, Hotmail will simply disable the account. In the event that a criminal violation is involved, Hotmail indicates that it will provide what information it is technically able, and legally required, to provide, which is generally limited to the Internet address from which an offending email originated.

- Most free email services provide the email addresses of their users to various Internet "white pages" and "people finder" sites. For example, establishing a Hotmail account automatically places the user's Hotmail address (including the account user name) in the "Infospace" (www.infospace.com) white pages site. The only information listed for that individual in the Infospace site is the information originally provided to Hotmail.

- Many email sites and services allow users to post additional personal information, including photographs, video and sound clips, and links to other websites.



b1

b2 -1

b7E -1



- As outlined in a previous report, various Internet technologies can provide information about users. "Cookies" are sent by a Web server to a browser to be stored for later use, for example when a browser stores a user id and password. Cookies can be used to track the sites visited by a user, and where on a given site the user travels. The most common uses for cookies include online ordering

b6 -1

b1 , b2-1, b7E-1

~~SECRET~~

b7C -1

systems, site customization, website

tracking (to determine which sites, and which areas of sites, are most visited), targeted marketing, and user identification and security. Similar programs are used to monitor those who log into "chat" rooms.

- "Finger" servers run on email networks to collect information about accounts on that network. If an account is "fingerable," "fingering" it via a fingering program will show various information about that account, such as the real name of the account owner, the last login date and time, and if they are currently logged in. Some older systems include "plan" files, which are short text files containing information provided by the account holder as a user profile. Most accounts on .edu systems are fingerable, as are some .net and .org accounts. Most .com accounts, however, are not, owing to privacy concerns.

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

- "Spyware," one of the most controversial Internet developments to date, is a program that runs undetected, either when a new software program is installed on a computer, or when a particular Web site is visited. Spyware is intended to transmit information back to its owners about what Web sites people visit and where they go within a given site. Some do relatively benign things such as transmit customized banner advertisements based on what seems to interest a given Web surfer; some do housekeeping chores such as remembering passwords and account information. However, spyware can also stored sensitive and potentially compromising information, such as consumer preferences, medical information and financial data such as bank and credit card account numbers. Spyware can also trace an Internet connection from a Web site back to the computer used to access it. Spyware can be used to link information from different sites to create a profile on a Web user - for example, if a user visits several different sites, including one that requires registration or an account, the spyware program can then link that information to subsequent sites visited.

[Redacted]

b2 -1
b4
b7E -1

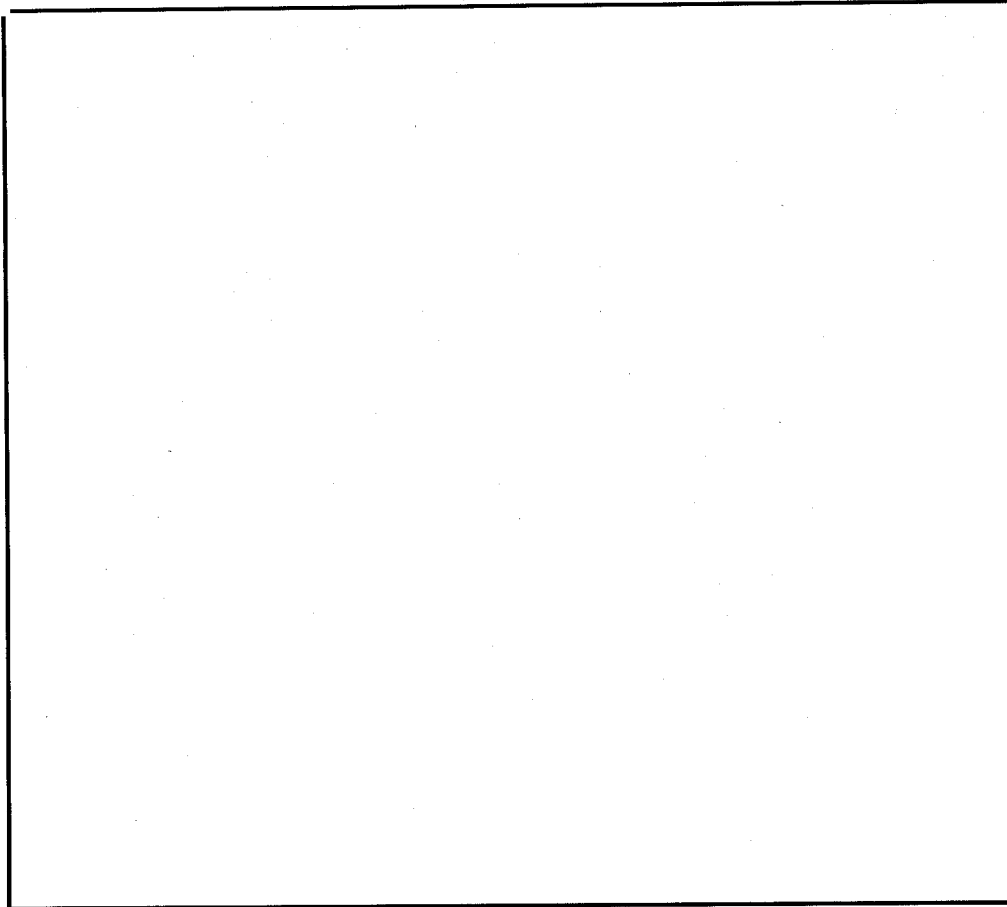
~~SECRET~~

(S)
b1 , b2-1, b7E-1

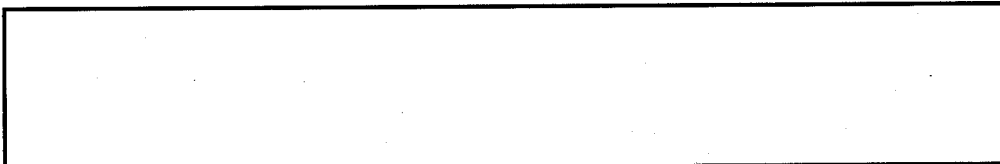
~~SECRET~~

b6 -1

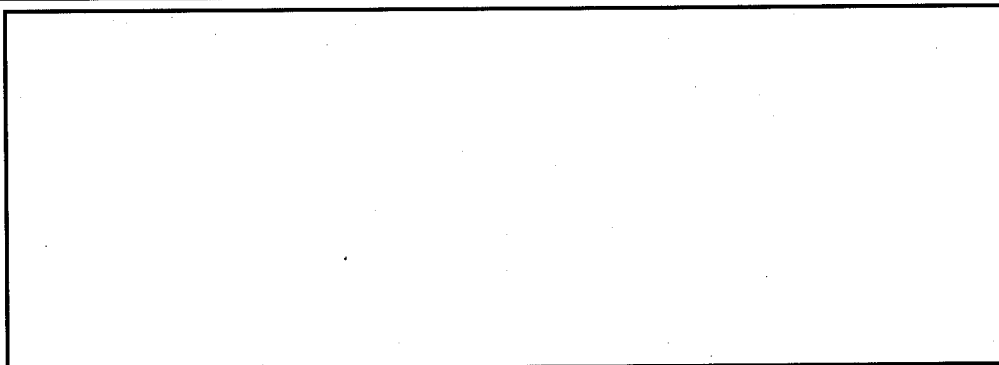
b7C -1



b2 -1
b4
b7E -1



b2 -1
b4
b7E -1



b2 -1
b4
b7E -1

~~SECRET~~

b6 -1
b7C -1

(S)
~~SECRET~~
b1 , b2-1, b7E-1

XIII. OTHER INFORMATION SOURCES

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

XIV. REGULATORY COMPLIANCE

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted]

(S)

Choicepoint-6071

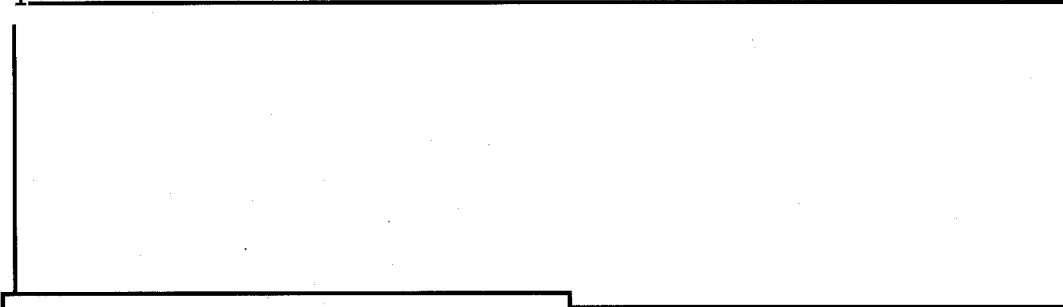
~~SECRET~~

~~SECRET~~

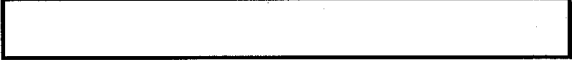
b6 -1

b1 , b2-1, b7E-1

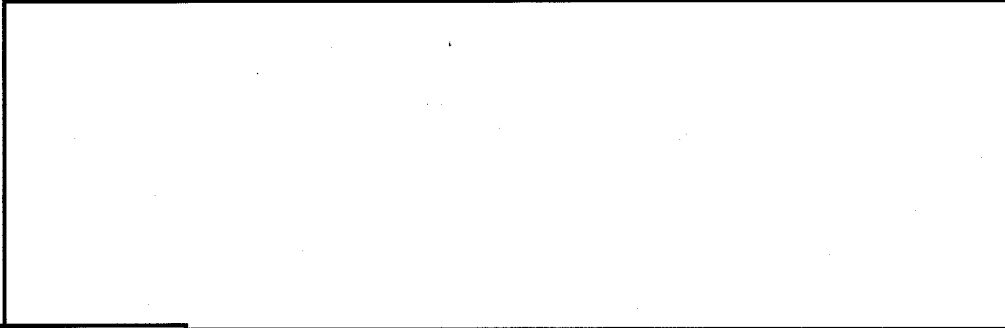
b7C -1



b1
b2 -1
b7E -1



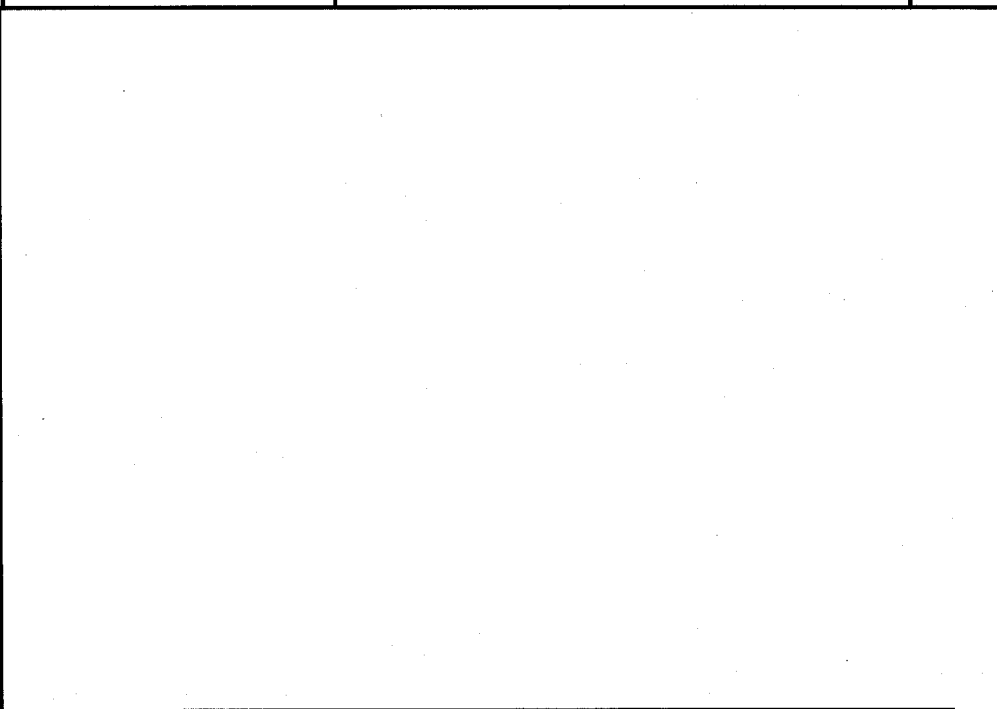
(S)



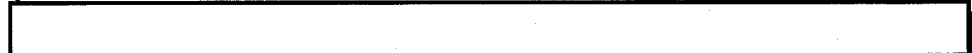
b1
b2 -1
b7E -1



(S)



b1
b2 -1
b4
b7E -1



(S)

~~SECRET~~

~~(S) SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

[Redacted] (S) b1

[Redacted]

b1

b2 -1

b7E -1

[Redacted] (S)

[Redacted]

b1

b2 -1

[Redacted] (S) b7E -1

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

XVI. CONCLUSIONS

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
(S) b7E -1

b1

[Redacted]

b2 -1

[Redacted] (S)

b7E -1

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

[Redacted]

b1
b2 -1
b7E -1

[Redacted] (S)

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

OBTAINING FEINs

IRS Form SS-4 is required to obtain an FEIN. This form can be obtained from any IRS office and most U.S. post offices, as well as many state and local government offices. It can also be downloaded from the IRS Internet site at www.irs.ustreas.gov.

Once the form is completed, the FEIN can be obtained by calling the appropriate IRS service office, as shown in the following:

LOCATION	SERVICE OFFICE
FL/GA/SC	IRS, Attn: Entity Control Atlanta, GA 39901 770/455-2360
NJ, NY (counties of Nassau, Rockland, Suffolk & West Chester only)	IRS, Attn: Entity Control Holtsville, NY 00501 516/447-4955
NY (all other counties), CT, ME, MA, NH, RI, VT	IRS, Attn: Entity Control Andover, MA 05501 978/474-9717
IL, IA, MN, MO, WI	IRS, Attn: Entity Control Stop 57A, 2306 E. Bannister Rd. Kansas City, MO 64131 816/926-5999
DE, DC, MD, PA, VA	IRS, Attn: Entity Control Philadelphia, PA 19255 215/516-6999
ID, KY, MI, OH, WV	IRS, Attn: Entity Control Cincinnati, OH 45999 859/292-5467
KS, NM, OK, TX	IRS, Attn: Entity Control Austin, TX 73301 512/460-7843

~~SECRET~~

~~SECRET~~

b6 -1

b1 , b2-1, b7E-1

b7C -1

CA (counties of Alameda, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Merced, Mariposa, Mono, Monterey, Orange, Riverside, San Benito, San Bernardino, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Stanislaus, Tulare, Tuolumne, and Ventura only)

IRS, Attn: Entity Control
Fresno, CA 93888
559/452-4010

CA (all other counties), AK, AZ, CO, ID, MT, NE, NV, ND, OR, SD, UT, WA, WY

IRS, Attn: Entity Control
Mail Stop 6271T
POB 9950
Ogden, UT 84409
801/620-7645

AL, AR, LA, MS, NC, TN

IRS, Attn: Entity Control
Memphis, TN 37501
901/546-3920

All Other Locations

IRS, Attn: Entity Control
Philadelphia, PA 19255
215/516-6999

Once the telephone application is completed, the hard-copy form must be faxed or mailed to the appropriate IRS office within 24 hours after the FEIN is issued, or the number may be invalidated. The telephone numbers can also be used for emergencies, expedited requests and additional information.

~~SECRET~~