

1 MARK BRNOVICH  
Attorney General  
2 (Firm State Bar No. 14000)  
John C. Gray (State Bar No. 028454)  
3 Office of the Attorney General  
2005 North Central Avenue  
4 Phoenix, AZ 85004  
Telephone: (602) 542-3725  
5 Facsimile: (602) 542-4377  
Email: [consumer@azag.gov](mailto:consumer@azag.gov)

6 Attorneys for Plaintiff  
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8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10  
11 STATE OF ARIZONA, *ex rel.* MARK  
BRNOVICH, Attorney General,

12 Plaintiff,

13 v.

14 EQUIFAX INC., a corporation,

15 Defendant.  
16  
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Case No.

**COMPLAINT**

1. **Violation of Arizona Consumer Fraud Act, A.R.S. § 44-1521 *et seq.***

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1 Plaintiff State of Arizona, *ex rel.* Mark Brnovich, Attorney General (“the State” or  
2 “Plaintiff”) brings this action against defendant Equifax Inc. (“Equifax” or “Defendant”) and  
3 alleges as follows:

#### 4 **NATURE OF ACTION**

5 1. Plaintiff brings this lawsuit pursuant to the Arizona Consumer Fraud Act, A.R.S. §  
6 44-1521 *et seq.* (the “CFA”).

#### 7 **JURISDICTION AND VENUE**

8 2. The Court has jurisdiction over this matter pursuant to the CFA.

9 3. The Court has jurisdiction over Defendant because Defendant, at all relevant  
10 times, has maintained sufficient contacts with Arizona to make the exercise of jurisdiction in  
11 this Court reasonable and just with respect to the claims asserted herein.

12 4. Venue for this action properly lies in the County of Maricopa, Arizona, pursuant  
13 to A.R.S. § 12-401(17).

#### 14 **THE PARTIES**

15 5. Plaintiff is charged with enforcement of the CFA, among other things.

16 6. Defendant is a Georgia corporation with its principal place of business at 1550  
17 Peachtree Street NE, Atlanta, Georgia 30309. Defendant, at all relevant times, has been  
18 registered with the Arizona Corporation Commission as an active, foreign for-profit (business)  
19 corporation.

#### 20 **BACKGROUND**

21 7. Equifax was founded in 1899 and is known as the oldest of the three largest  
22 American consumer credit reporting agencies.

1           8.     As such, Equifax collects, organizes, assimilates, and analyzes sensitive personal  
2 information regarding more than 820 million consumers and more than 91 million businesses  
3 worldwide.

4           9.     Equifax's databases include employee data contributed from more than 7,100  
5 employers.

6           10.    Equifax markets and sells consumer credit and insurance reports and analytics to  
7 business customers, including but not limited to retailers, healthcare organizations and  
8 providers, insurance firms, government agencies, public utility providers, credit unions, and  
9 banks and other financial institutions.

10          11.    Consumer credit reports provide detailed information specific to a consumer's life,  
11 including but not limited to:

- 12           • personal information, such as name, date of birth, current and past addresses, name  
13           of current and past employers, and Social Security number;
- 14           • credit history, including information about each account that a consumer has  
15           opened with a credit card company, bank, or other creditor in the last few years  
16           (date of account opening and closing, credit limit or loan amount, monthly balance  
17           as of each statement date, monthly payment history, and whether payments were  
18           made on time);
- 19           • credit inquiry information, including a record of each time a consumer's credit  
20           report is viewed by another party (a lender, credit card company, service provider,  
21           landlord, or insurer);
- 22           • public records, including bankruptcies, tax liens, and civil judgments; and

- a personal statement, which allows a consumer to explain any potential disparaging information contained within his or her file.

12. In the late 1990s, Equifax began offering services and tools to the consumer sector, consisting of credit monitoring and identity-theft monitoring and prevention products.

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

#### **DEFENDANT'S DATA BREACH**

14. Equifax announced on September 7, 2017, that it had experienced a data breach due to a vulnerability affecting its network security infrastructure.

15. Specifically, Equifax was using an open-source software called "Apache Struts" on its website.

16. On March 8, 2017, Equifax was alerted that Apache Struts had a vulnerability that would allow remote attackers to execute commands and that Equifax should apply an available patch to fix the vulnerability.

17. Equifax, however, failed to apply the available fixes throughout its operating network.

18. As a result of Equifax's failure to address the Apache Struts vulnerability, intruders were able to and did access Equifax's network.

19. Once they were inside Equifax's network, the intruders took advantage of additional security failures by Equifax to move through the network, access databases

1 containing consumers' personal information, and take that information out of Equifax's  
2 network.

3 20. Although it appears that the vulnerability was exploited in March 2017, the  
4 intruders had access to the personal information at issue from May 13, 2017, through July 30,  
5 2017.

6 21. When Equifax announced its data breach on September 7, 2017, it disclosed that  
7 the breach affected approximately 143 million U.S. consumers.

8 22. Equifax subsequently revised that number to a total of approximately 148 million  
9 U.S. consumers affected by the breach.

10 23. Of that number, approximately 2.9 million are Arizona residents.

11 24. The information compromised in the data breach included the Social Security  
12 numbers, birth dates, and addresses of all of the affected consumers, as well as driver's license  
13 numbers, credit card numbers, and certain credit-dispute documents of some consumers.

14 25. The data breach has caused substantial harm to consumers by publicly exposing  
15 their most sensitive personal data, which has substantially increased the threat of identity theft.

16 26. This harm includes both economic and non-economic damages that consumers  
17 will sustain or have sustained by having to purchase products and services to protect their  
18 identities, including credit freezes and credit monitoring, as well as inconvenience and lost  
19 wages, by having to take steps to either protect their identities or, in cases where consumers'  
20 identities have already been compromised, having to restore their identities.

1                   **DEFENDANT’S DECEPTIVE AND UNFAIR ACTS AND PRACTICES**

2           27. Consumers in modern society cannot reasonably avoid Equifax’s collection,  
3 compilation, and sale of their sensitive personal information, nor can they avoid the  
4 consequences of Equifax’s privacy and security practices (or the failures thereof).

5           28. Indeed, most consumers do not choose to have Equifax compile sensitive personal  
6 information about them and sell it to potential credit grantors and other third parties.

7           29. Yet almost anyone who has conducted a financial transaction within the last few  
8 decades (i.e., anyone who has rented an apartment, purchased a home or car, opened a credit-  
9 card account, or borrowed money for higher education) likely has a credit report with Equifax  
10 and other consumer reporting agencies.

11           30. Nonetheless, and despite its promises and representations to the contrary,  
12 Defendant failed to take reasonable steps to protect consumers’ sensitive information, as  
13 evidenced by, among other things, its failure to apply a publicly available software patch  
14 throughout its network.

15           31. As a result, at least 148 million Americans live with the very real danger that  
16 someone may use their sensitive personal information to commit identity theft.

17                   **FIRST CLAIM FOR RELIEF**

18                   **Violation of Arizona Consumer Fraud Act, A.R.S. § 44-1521 *et seq.***

19           32. The Plaintiff incorporates the preceding paragraphs as if they fully alleged herein.

20           33. Defendant’s conduct, as alleged above, violated the CFA.

21           34. Among other things, Defendant made false and misleading statements and  
22 promises to consumers regarding its data privacy and security practices.

1           35. Defendant also concealed, suppressed, and omitted material facts about its data  
2 privacy and security practices from consumers with the intent that others rely on such  
3 concealment, suppression, and omission.

4           36. In addition, Defendant's failure to take reasonable steps to protect consumers'  
5 personal information and its subsequent data breach were unfair to consumers, as they were  
6 likely to cause (and have caused) substantial injury to consumers which was not (and is not)  
7 reasonably avoidable by consumers themselves and not outweighed by countervailing benefits  
8 to consumers or to competition.

9           37. All such conduct was undertaken in connection with the sale and advertisement of  
10 merchandise, as defined under the CFA, including but not limited to Equifax's sale and  
11 advertisement of consumers' personal information and credit reports.

12           38. Further, Defendant's CFA violations were willful, as Equifax knew or should have  
13 known that its conduct was unlawful.

14   **PRAYER FOR RELIEF**

15           39. WHEREFORE, Plaintiff respectfully requests that the Court enter Judgment in  
16 favor of Plaintiff and against Defendant on each claim for relief asserted herein, including:

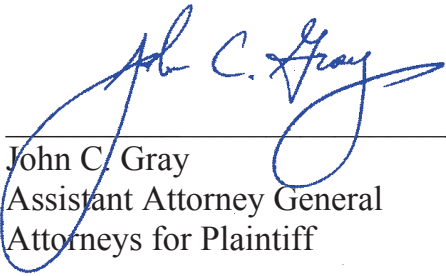
- 17           a. An order, pursuant to A.R.S. § 44-1528(A)(1), preventing Defendant from  
18           using or employing any unlawful practices;
- 19           b. An order, pursuant to A.R.S. § 44-1528(A)(2), requiring Defendant to  
20           restore to all affected consumers any property which may have been  
21           acquired by means of any unlawful practices;

- c. An order, pursuant to A.R.S. § 44-1528(A)(3), requiring that any profits, gains, gross receipts, or other benefits Defendant obtained by means of any unlawful practices be disgorged and paid to the State for deposit in the consumer remediation subaccount of the consumer restitution and remediation revolving fund established by A.R.S. § 44-1531.02;
- d. An order, pursuant to A.R.S. § 44-1531, requiring that Defendant pay a civil penalty to Plaintiff of not more than ten thousand dollars per violation;
- e. An order, pursuant to A.R.S. § 44-1534, requiring Defendant to pay Plaintiff's costs, including reasonable attorney fees; and
- f. Such other and further relief as is appropriate and necessary.

RESPECTFULLY SUBMITTED this 22nd day of July 2019 \_\_\_\_\_.

MARK BRNOVICH  
Attorney General

By: \_\_\_\_\_

  
John C. Gray  
Assistant Attorney General  
Attorneys for Plaintiff