



DEPARTMENT OF DEFENSE
DIRECTORATE FOR FREEDOM OF INFORMATION AND SECURITY REVIEW
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155

23 JAN 2004

Ref: 02-F-0753


Mr. David L. Sobel
Electronic Privacy Information Center
1718 Connecticut Ave. NW
Washington, DC 20009

Dear Mr. Sobel:

This is another interim response to Mr. Madsen's February 21, 2002, Freedom of Information Act (FOIA) request to the Defense Advanced Research Projects Agency (DARPA), as modified by your February 5, 2003, letter to this Directorate.

The enclosed documents are provided as responsive to your request. Additional documents responsive to Mr. Madsen's request are still under review within the Department of Defense, and you will be notified by this Directorate when the processing is complete.

Sincerely,


C.Y. Talbott
Deputy Director

Enclosures:
As stated



ddyer

From: rpopp
Sent: Sunday, May 26, 2002 8:59 PM
To: ddyer; jpoindexter
Subject: RE: Recommendations on Acxiom

Doug, did you broach w/ Acxiom the subject of estimated costs for performing #1 & #2??

-----Original Message-----

From: ddyer
Sent: Tuesday, May 21, 2002 11:41 AM
To: jpoindexter; rpopp
Subject: Recommendations on Acxiom

John, Bob,

I've spoken about these recommendations to both of you separately, but to recap:

Acxiom is the nation's largest commercial data warehouse company (\$1B/year) with customers like Citibank, Walmart, and other companies whose names you know. They have a history of treating privacy issues fairly and they don't advertise at all. As a result they haven't been hurt as much as ChoicePoint, Seisint, etc by privacy concerns and press inquiries. Essentially, Acxiom buys or otherwise acquires transaction information, uses a key, proprietary technology they call Abilitec that links these transactions uniquely with a person/address pair (UUIDs for both), and then projects from this database to provide datasets to their customers. Abilitec is important because it is about 99% accurate despite differences in spellings and errors in data and because of high performance (hundreds of millions of these links/second on current hardware). Customer data sets Acxiom creates can be relational databases or in some other structured format. Acxiom also hosts supercomputers that enable their customers to do analysis and data mining. One example of why this data mining pays off is to determine who to send pre-approved credit card applications to. They also do mass mailings and even host a few high-performance web sites.

Coverage claimed: Acxiom spends about \$50M for data on US data and covers more than 80% of the population. They have 80% coverage in the UK and have some coverage in Australia, Canada, and Germany. They are interested in expanding when it makes sense financially and do continual analysis to assess costs and payoffs (so they know many of the data sources that exist around the world---and have incentives to keep up to date).

I think we can win with Acxiom in four ways:

- 1) Engage Acxiom in conjunction with the Rand study to identify all the relevant databases (without knowing Rand's knowledge base, I'm guessing that Acxiom has more current knowledge about commercial databases).
- 2) Have Acxiom provide us with a statistical data set (using UUIDs rather than any identity or address information) for use in the TIA critical experiment (I don't know if we have a name for this yet, but it's the one which involves discovering the red-team signature, discerning bad behavior from odd or normal behavior). We can use this real, large, but private data set to accelerate our critical experiment.
- 3) Acxiom's Jennifer Barrett is a lawyer and chief privacy officer. She's testified before Congress and offered to provide help. One of the key suggestions she made is that people will object to Big Brother, wide-coverage databases, but they don't object to use of relevant data for specific purposes that we can all agree on. Rather than getting all the data for any purpose, we should start with the goal, tracking terrorists to avoid attacks, and then identify the data needed (although we can't define all of this, we can say that our templates and models of terrorists are good places to start). Already, this guidance has shaped my thinking.
- 4) Ultimately, the US may need huge databases of commercial transactions that cover the world or certain areas outside the US. This information provides economic utility, and thus provides two reasons why foreign countries would be interested. Acxiom could build this mega-scale database.

8/30/2002

At any rate, there is little or no chance that Acxiom or any other commercial data warehouse/mining company is likely to advance the state of the art. Any innovation DARPA might pay for would be quickly intertwined with proprietary technologies. This doesn't reduce the security/economic utility of a system like the one described in (4).

Cheers,

Doug

Lt Col Doug Dyer, PhD

DARPA/IAO

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8/30/2002