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ABRIDGED

June 5, 2006

Mr. Gerry Lylyk
Director, Consumer Affairs
Telecommunications Branch
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Lylyk:

Re: *Maclean's* Magazine article re disclosure of phone records

We refer to your letter of April 24, 2006 requesting that TELUS Communications Inc. provide further information outlining the specific details surrounding alleged incidents of disclosure of confidential customer information. Commission staff have also requested that TELUS describe the safeguards that were in place at the time the alleged incidents took place as well as any additional safeguards that have been or will be implemented.

We wish to point out that the alleged incidents described in the *Maclean's* article were actually related to TELUS Mobility, not TELUS Communications Inc., and therefore further references to "TELUS" in this letter are to TELUS Mobility.

We also wish to note that this letter and the attachments contain confidential customer information as well as confidential and sensitive information as to TELUS' security and fraud management practices. If these security and fraud management practices were made public, it would assist fraudsters by identifying the very systems and practices designed and put in place to protect confidential customer information (and which the fraudster needs to thwart) and thereby cause specific and direct harm to the company by significantly impairing its ability to prevent unauthorized access to confidential customer information. Accordingly, this letter and the attachments are filed in confidence on behalf of TELUS pursuant to section 39 of the *Telecommunications Act* and section 19 of the *CRTC Telecommunications Rules of Procedure.* We are not providing an abridged version of this letter or the attachments for the public record, because they are not meaningful when abridged.

It is important to note the context of the alleged disclosures as well as events that have occurred since the disclosures. It is also important to put into perspective both the events and the security measures that were relevant to those events. The first, and most important

point to understand, is that the actual disclosure of customer information resulted from the fraudulent process of “pretexting”, or social engineering, of one of TELUS’ Customer Care Representatives (CCR). There was no failure of any automated system at TELUS, either via telephone access through an IVR or via on-line access. The disclosure was the result of “con artists” manipulating a TELUS CCR into believing she was dealing with the customer. In this case, both the customer and TELUS, were victims of the perpetrators. #
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Additionally, TELUS is not aware of any customer complaints to the CRTC regarding this kind of disclosure.

TELUS has, however, taken action to prevent further occurrences, as will be explained in our answers to the CRTC Staff questions. In taking these actions, we have had to carefully balance several interests. On the one hand, we must maintain appropriate privacy and security safeguards. On the other hand, we must be sensitive to the demand by customers to have convenient access to their information in order to manage their accounts and arrangements with TELUS.

Of further note is the current state of the U.S. data broker industry, # #
A number of such data brokers have been served with “cease and desist” orders by several of the major wireless carriers in the U.S. and have been subject to similar actions by Canadian carriers. Additionally, many U.S. states, along with the FCC, have introduced legislation that will make it an offence in the U.S. to gain access to such information on false pretenses. These actions have all but shut down these elements of the U.S. data broker industry, substantially reducing the risk of similar fraudulent activities in the future.

It is also important to point out that there are a number of significant fraud and security-related risks associated with TELUS’ operations that are evaluated and mitigated on an ongoing basis. Appropriate actions are taken to protect both our customers and our business operations from fraud and other threats. The risk of unauthorized disclosure in response to social engineering must be evaluated and weighed in light of other risks that are also present, and mitigation actions must be commensurate with the nature and extent of the risks. It is not appropriate to try to completely eliminate each and every risk without consideration of its severity or the impact that mitigation measures may have on customers.

TELUS has responded to questions from the Office of the Privacy Commissioner of Canada (OPC) that are similar to those posed in your April 24 letter. #
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In addition, it may be helpful for you to review our submissions to the OPC, as the OPC have conducted a thorough investigation into the matters surrounding the *Maclean’s* article. This information contains confidential customer information and sensitive security information, so it is also provided in confidence. It is being provided to demonstrate to the Commission that there has already been a detailed and thorough investigation into the incident surrounding the *Maclean’s* article by the OPC. We hope that all of this information will be sufficient to answer your questions and address any concerns that you may have. Finally, we note that the Privacy Commissioner will be issuing her report (including recommendations) in due course. We respectfully suggest that the Commission await that report to see whether the Commission’s concerns have been addressed.

Attached to this letter please find the following documents:

1. March 24, 2006 letter to Ms. Kasia Krzymien, Senior Privacy Officer, Office of the Privacy Commissioner of Canada with two enclosures (revised PIPEDA Complaint Statement of Fact, and our comments on draft OPC Recommendations);
2. Response to the Commission's April 24, 2006 questions for TELUS; and
3. Completed table provided in Attachment 2 to the Commission's April 24, 2006 letter.

Sincerely,

Drew McArthur
Vice President Corporate Affairs and Compliance Officer
TELUS Communications Company

Filed in confidence with the CRTC.