

**Due: Beginning of Class, Wednesday, May 5, 2010**

*Hand in hard copy. Staple all pages. Include your name and the HW #. Please include the question title in front of each answer, to identify which answer is which.*

### **1. Loyalty Cards**

Many grocery stores use a dual-pricing systems on their products. For the same item, customers who use their loyalty cards pay a lower price; while those who do not use their cards pay a higher price.

- (a) Is it fair for a store to charge us more if we don't want to use its loyalty card? Explain your reasoning.
- (b) Some customers give phony personal information when they apply for loyalty cards at stores. Are these people doing anything wrong? Why or why not?

### **2. RFID Chips**

Veterinarians implant RFID chips into pets and farm animals to identify them if they get lost. Some people suggest doing so for children. Discuss the privacy implications of such proposals. What are the risks? Do the benefits outweigh the risks?

### **3. FACTA**

To help consumers fight the growing crime of identity theft, the US Congress passed the Fair and Accurate Credit Transaction Act (FACTA) in 2003. Look it up on the Web, and write a short summary of its main provisions.

### **4. Search Engines**

Suppose each of the following is a proposed law. For each one, choose a side, either supporting or opposing it, and defend your position.

- (a) Companies that provide search engine service to members or to the public must maintain user search query records for two years in case

law enforcement agencies or terrorism investigators need them.

- (b) To protect privacy, companies that provide search engine service to members or to the public must not store user search queries in a way that links the queries of any one person together for more than one week.

In addition, select two current search engine companies and find out their privacy policy regarding the content of user search query records and the length of data retention.