

Brill Sued Over Suspended 'Clear' Airport Screening (Update2) 2009-07-10 01:23:50.19 GMT

(Adds Brill representative in ninth paragraph.)

By Patricia Hurtado and Thom Weidlich

July 9 (Bloomberg) -- Verified Identity Pass Inc., operator of a security program designed to help travelers move quickly through airports, and Chief Executive Officer Steven Brill were sued to block the release and sale of confidential data.

The proposed class-action, or group, lawsuit filed today asks a New York judge to issue a temporary restraining order and permanent injunction preventing Verified Identity from disseminating data belonging to subscribers who paid \$199 a year or as much as \$1,170 for 10 years for the service.

The New York-based company "abruptly and without warning" ceased operations on June 22 and dismantled its Web site, lawyer Blair Fensterstock said in the complaint filed today in New York State Supreme Court in Manhattan.

The suit says the defendants failed to provide the service, called a "Clear Pass," to customers who enrolled in its pre-screening program. Verified Identity also said it couldn't issue refunds "due to the company's financial condition," according to the suit.

The company, which hasn't filed for bankruptcy and refuses to return funds to its clients, marketed itself as a way to bypass airport security "entirely," the plaintiffs allege.

## 'Fast Lane'

"When it became clear that TSA would not permit" members to bypass airport security checkpoints and instead only use a "fast lane," the defendants "did not cease collecting the sensitive confidential data," the plaintiffs said.

To use the service that allowed travelers to bypass long lines at security, members had to provide personal information including Social Security number, fingerprints, retina scans and financial data, according to the complaint.

Brill, who started Court TV and the American Lawyer magazine, stepped down as chief executive officer of Verified Identity Pass in March, according to the complaint.

Cindy Rosenthal, a spokeswoman for Brill, didn't have an immediate comment on the suit. A representative for Verified Identity Pass couldn't immediately be reached.

Fensterstock, of Fensterstock & Partners LLP, is seeking damages of at least \$250 million. His suit also includes claims for fraud, breach of contract and negligence.

Brill said in a letter to customers that the company "has a special responsibility to protect your privacy," Fensterstock said in the lawsuit.

The program was suspended in August by the Transportation Security Administration after a laptop containing the records of 33,000 people went missing.

The company lost possession of the laptop on July 26 at San Francisco International Airport; it contained unencrypted pre-enrollment records of individuals, the TSA said in a statement.

## Personal Information

The laptop had the names, addresses and driver's license or passport numbers of mostly online applicants to the Registered Travel program, which allows customers to pass through security checkpoints quicker at 17 U.S. airports, Verified Identity Pass said at the time in an e-mailed statement.

Verified Identity Pass said last year that it had more than 200,000 customers and had started notifying the affected people about the breach. The laptop was stolen from a locked office in the airport, the company said.

The case is Blair Fensterstock v. Verified Identity Pass Inc., 09/602123, filed in New York State Supreme Court (Manhattan).

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