



**The following is a brief summary of the laws relating to the secure destruction of your sensitive and confidential paper as mandated by the following laws:**

### **HIPAA: The Health Insurance Portability and Accountability Act**

HIPAA is designed to prevent unauthorized access to personal health Information. Businesses involved in the healthcare industry must put in place administrative, technical and physical safeguards for the proper disposal of paper documents containing protected health information by shredding them prior to disposal. In 2009 HIPAA was revised and the penalties for non-compliance were increased to a whopping \$1,500,000 per incident.

### **FACTA Law: Fair and Accurate Credit Transaction Act**

FACTA is designed to reduce the risk of consumer fraud and identity theft created by improper disposal of consumer information. It requires the destruction of consumer information before it is discarded. FACTA establishes uniform national standards in key areas of regulation regarding handling and disposal of consumer information in the possession of all companies and organizations.

### **GLB Act: Gramm-Leach-Bliley Act**

Includes provisions to protect consumers' personal financial information held by financial institutions. There are three principle parts to the privacy requirements the Financial Privacy Rule, Safeguards Rule and pretexting provisions (the use of false pretenses). The law states that these institutions and companies need to "respect the privacy of its customers and to protect the security and confidentiality of those customers' non-public information." The language in the Safeguard Rule suggests that paper documents containing such personal information should also be protected and safely destroyed.

### **Economic Espionage Act of 1996 (EEA)**

EEA is a very powerful law which helps with the enforcement of properly handling information. This law is the first federal law that defines and severely punishes misappropriation and theft of trade secrets. However, according to this Act, the government will only protect companies who take "reasonable measures to safeguard their information.

## **California Civil Code - SB 1386**

Civil Code, relating to personal information.

Civil Code Section 1798.81 "A business shall take all reasonable steps to destroy, or arrange for the destruction of a customer's records within its custody or control containing personal information which is no longer to be retained by the business by (1) shredding, (2) erasing, or (3) otherwise modifying the personal information in those records to make it unreadable through any means."

Civil Code Section 1798.81.5 California legislature makes that statement that it is NOT on the side of business regarding the safety and security of customer's personal information. "(a) It is the intent of the Legislature to ensure that personal information about California residents is protected."

### **Identity Theft FACTS**

1. According to the FTC and the Better Business Bureau, approximately 9.3 million adults have been victimized by some form of identity theft annually.
2. The Better Business Bureau reports that Identity Theft is more prevalent offline with paper than online.
3. The Better Business Bureau estimates that over 80% of all identity theft comes from unsecured paper records. Less than 5% from online transactions.
4. Along with federal and state fines, you can be sued by all parties injured as a result of identity theft. Each case typically results in a business paying out well over \$150,000.