



Advanced Records Management Inc.

Information Management, Storage and Retrieval

offsite business records management • certified destruction • retention/compliance guidelines

security bins & consoles • imaging/scanning • media/data vault

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Identity theft: Will You be Held Liable?

Identity theft is now the nation's fastest growing crime, as the Federal Trade Commission estimates that more than 24 million people in the United States have had their identities stolen. Do you know how to reduce your potential liability if those thieves get their data from your company?

According to an article by Toby J. F. Bishop and John Warren on The corporate Counsellor website, if identity thieves strike your company, it could cost you a bundle. "Each identity theft victim will on average spend \$1,495, excluding attorney's fees, and 600 hours of their time . . . for out-of-pocket costs alone that is, say, \$2000 per victim. Multiplying that by 10,000 customer victims equals \$20 million, " they write. "Adding as little as \$15 per hour for the victims' time and you get \$11,000 per case or \$110 million in total even before fines and punitive damages are considered. And that's on top of the potential impact on your company's future sales."

Companies who store consumer's personal data "should evaluate this risk and consider taking action to reduce their potential liability," Bishop and Warren advise, to help mitigate some of those costs. Among their recommendations are:

- Only holding personal data you actually need
- Keeping personal data secure, preferably in encrypted form
- Only promise employees and customers a level of personal data security that you can deliver.
- Make security a priority with your employees
- Don't forget your vendors
- Test your plan
- Plan for the worst

Identity theft occurs on several levels, not just through theft of a laptop or hacking into a company's computer database. Hard copy paper records also contain non-public personal and company financial information as well as non-public health information, etc., which must be protected. While the potentiality for economic loss is substantially less with paper records, Advanced Records Management, Inc., has always been mindful of its role in the security and protection of its clients' information. Long before "Identity theft" gained the prominence it has today, ARM envisioned, implemented and installed the equipment necessary to maintain fully secure and alarmed facilities, including gated access, no unescorted entry, sigh-in with photo I.D., and multi-screen surveillance cameras. The company's hiring and employment practices include employee background checks, signed confidentiality agreements, and regular educational staff meetings to enforce the requirements for confidentiality imposed by ARM in its position as a "Business Associate" under HIPAA, GLB, and other privacy rules and regulations.

For a consultation or proposal regarding your company's business records; or to obtain more information on ARM's services; the new privacy/destruction requirements of FACTA; or to receive a FREE copy of our all-important "Business Records Retention Guidelines, or new "Family Records Retention Guidelines," please contact nlacey@advancedrecords.com or call 800-275-4345