

# Confidential Document Destruction

Mitigating risk and liability issues with  
proper

Methodologies for Confidential Records

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## Confidential Document Destruction

The mitigation of the liability risks associated with confidential document theft due to improper procedures with the regards to document management is our focus with shredding as one part of the document security services we offer which helps us assist you to meet the requirements of Federal Law.

**Our consultancy deals with assisting you deal with the following Federal Laws:**

## Privacy Laws

- HIPPA—covers the management of Health Care data
- Gramm Leach Bliley—covers financial information

You can be held liable for losses and damages incurred from the miss handling of confidential documents leading to any of the following issues:

## Identity Theft

- Fastest Growing Crime in America
- Criminals gather information through documents handled incorrectly either by the mishandling of the data, from tossing it in dumpsters to sending it in a readable form to recycling centers.

## Media

- Following the issues of data loss or violation of privacy laws, media is using dumpster diving and other methods to test the methodologies used by companies and Government with regard to the proper procedures to ensure the destruction of records and files.
  - The media is expert at using public relations nightmares to embarrass both Government agencies and private

businesses for not meeting the privacy acts.

The risk audit questions your organization needs to answer is:

- Are your policies with the management, safeguarding and destruction of confidential records defensible in a court of Law?
  - Do you have a written procedure for the management of confidential records?
  - Do you have a written procedure identifying what documents are to be handled under the policy?
  - Do your employees know the procedure exists?
  - Do employees receive training on the proper management of these types of documents as outlined in a Standard Operating Procedure for Confidential Information?

The law allows that you have liability with the same penalties whether you commit malfeasance or misfeasance.

## Risk Management and Document Destruction Options

Misfeasance document destruction methods:

## Dumpster

- The old stand by and to many companies and professionals still use it—even some financial groups until recently after Gramm Leach Bliley became the new standard
- Pre Identity Theft—why not, people are honest?

## Recycle

- Current system for many
- It has a “Green Value” makes firms feel good
- New laws bring great risks to use it

## Office Shredder

- What is the true cost, when one figures in an employee cost of \$12 an hour? A two hundred pound job can cost a company \$120 to \$ 150 when the complete cost are accounted for.

- The average shredder can only do 600 pages a day—they are slow and dirt. Adding janitorial costs.
- One has to pull staples and paperclips and remove documents from file folders. Again more time and cost.

## Off- Site

- Value service
- What guarantees do you have that it is being destroyed prior to disposal?
  - What liability do you have for not ensuring your Confidential information was destroyed?
  - Does the firm follow any accepted practice in published methodology from national trade association?
  - Very few “load and haul” companies can show compliance to the methodology recognized for certification by industry trade groups.

## More potential problems on destruction

methods:

## Dumpsters

- 1988 US Supreme Court ruled by placing items in a dumpster one has lost ownership of them

## Recycling

- Minimum wage employees handling records
- It is treated as trash sitting outside blowing around
- Backgrounds check on who handles your records?
  - Did you knowingly or should have known that you were putting documents at risk of theft?

## Office Shredder

- Slow, dirty and costly when compared to mobile shredding.
  - Wastes valuable employee time that can

better be used on important projects.

- Strip shredded documents can actually be put back together— negating the goal of destruction.
- Breakdowns cause documents to be held back for shredding while waiting for parts or even worst thrown out in the trash.

## Off Site

- When is it going to be shredded? Stored in parking lot for days until they get the time.
- Who is going to shred it? Background checks on staff or temporary employees?
- Will it be shredded every time or just baled to be recycled when you are not there?

## Security is a Premium Issue

- With the use of Mobile Shredding it is completed. No questions of when it will be done or if it will be done correctly!

Certification with National Association of Information Destruction.

- Criminal and employment history background checks
- Drug and Alcohol testing
- Uniforms and photo ID- See policy issues
- Licensing, Insurance, Bonding

An off site shredder in addition to be NAID certified must

- Shred within 24 of accepting the records
- Have a full security system
- 24 Hour TV video system

No Western Slope off site service is currently offering NAID Certified service, leaving your financial health at risk!

## Service Options

- Weekly
- Monthly
- Quarterly Purge
- Yearly Purge

Bins—64 gallon locked receptacles. These hold 200 pounds of paper on average.

Consoles—These are for offices of the busier staff and those handling more confidential records. They can just turn in their chair and place a document in the console to be shredded, not holding them in a box to be taken down to the large bin. This offers a high level of security.

These are more of a piece of office furniture in design. They are locked and the driver removes the canvas bags of documents to be shredded and places them in a 64-gallon bin when going through the building to clean out consoles.

# Document Destruction Policy

What are your Goals?

Why do you want to shred records?

What data do you want shredded?

Special needs of departments? HIPPA/GLB

Do you want to save employee time by not having them stripping files, removing staples and paper clips?

Reduced janitorial costs from the clean up of office shredders?

Education of staff on policy.

Education of staff of what to look for when the bins are picked up—photo identification and uniform.

Don't let it walk out the door!

