



FACTA: New Regulations Regarding Data Security

What It Is:

The Federal Trade Commission's new rule regarding the proper disposal of confidential consumer information went into effect on June 1, 2005. The regulation was drafted pursuant to the Fair and Accurate Credit Transactions Act of 2003 (FACTA), and requires covered entities to take "reasonable measures" to keep "consumer information" out of the hands of those who are not authorized to see or use it. The law includes consumer information (or a compilation) in paper, electronic or other forms, but only if it is a consumer report or derived from a consumer report, as those terms are defined by the Fair Credit Reporting Act.

What It Means To You:

The new regulation addresses the destruction of consumer information obtained about current employees, former employees, job applicants, customers and vendors through credit checks, background checks, or other business investigations, but only if the information is in the form of a consumer report or is derived from a consumer report. All information covered by the regulation must be disposed of in a way that reduces the chance it will be stolen by an identity thief.

"Reasonable measures" will differ depending on a company's size, capabilities, and the amount of sensitive personal information it generates or obtains. However, even the smallest company should review the way it disposes of such items as reports of background checks for rejected job applicants or credit reports for potential customers. At the very least, businesses should consider shredding such information before throwing it away, particularly if the garbage sits in an accessible area (such as a common trash room) for a period of time before being taken away. It also is important to audit disposal practices to make sure that nothing is overlooked. This includes reviewing not only procedures for destroying paper records, **but also the way electronic information is disposed of, either by erasing or otherwise destroying computer disks or actually erasing information from computer hard drives or storage files when it is no longer needed.**

Why You Should Care:

Willful or negligent violations of FACTA can result in fines of up to \$1,000 per consumer, plus actual and punitive damages.

How We Can Help:

Lifespan Technology Recycling can assist your company to comply with the new regulations and safeguard sensitive consumer information. We offer Software and Data Destruction – complete disk drive cleansing using procedures that comply with U.S. Department of Defense data erasure standards. For more information on how we can help, please call: (888) 720-0900.

About LifeSpan Technology Recycling:

LifeSpan Technology Recycling helps companies manage their end-of-life equipment with intelligent asset retirement services. With a national presence and expertise in information technology, LifeSpan services include logistics management, data destruction, investment recovery and recycling, and are delivered in an environmentally-safe and cost-effective manner.

For more information, please visit <http://www.lifespanrecycling.com>