

New FACTA Law

Makes Shredding More Important Than Ever!

By now, almost everyone in America is familiar with the term “identity theft.” Most businesses and a growing number of individuals are taking steps to protect themselves from becoming the next victim of America’s fastest growing crime. Shredding documents for disposal has always been a vital step in preventing ID theft, but in June of 2005, the Disposal Rule section of the FACTA security law was enacted which makes shredding a necessity for businesses of any size, as well as individuals who employ even one person.

FACTA Disposal Rule Defined

Developed by the Federal Trade Commission, FACTA stands for Fair and Accurate Credit Transactions Act. Designed to minimize the risk of identity theft and consumer fraud, **the Disposal Rule section of the FACTA became law on June 1, 2005.** The Disposal Rule states that any person who maintains or otherwise possesses consumer or employee information for a business purpose is required to properly dispose of the information. This includes information used, or expected to be used, to establish eligibility for credit, insurance, or employment. In addition, all information contained in or derived from consumer reports and records must be properly disposed to protect against unauthorized access to or use of the information. This part of FACTA was developed to cut down on the incidences of identity theft by, among other methods, restricting the ability of thieves to ‘dumpster dive’ for valuable consumer information contained in discarded business records. The Disposal Rule goes on to say that all employers must take ‘reasonable measures’ to protect against unauthorized access to or use of the information in connection with its disposal. These measures include:

- *Burning, pulverizing, or shredding of physical documents*
- *Erasure or destruction of all electronic media*

The main difference between the FACTA Disposal Rule and previously existing security laws such as HIPAA, Sarbanes-Oxley, and Gramm-Leach-Bliley is that it does not affect a single industry-it affects every business and many households in America.

Are You Affected by FACTA?

If you employ someone, then the FACTA Disposal Rule affects you. Every employer in the United States is required to properly and effectively destroy all documents and material that contain sensitive employee or consumer information. Specifically, this applies, but is not limited to:

- *Businesses that use consumer information in their everyday operations, such as banks, lenders, insurers, auto dealers, realtors, and medical facilities*
- *Service providers that store consumer reports and information, such as record and information management companies*
- *Service providers that destroy information, such as recyclers, waste management or technology disposal companies*

Importantly, the FACTA Disposal Rule is not limited to only companies or small businesses. It affects you as the homeowner as well. If you hire a nanny, tutor, yardman-*anybody whose employment requires the exchange of sensitive information*-you are responsible for the handling and disposal of that information. If you don't shred your discarded information and that information leaks out; you could be subject to civil or class-action lawsuits, as well as state and federal fines.

Shredding is Your First Line of Defense

Often, the first thing people think about when it comes to data security is their computers. Viruses, hacking-they're all over the news and on people's minds. It's true that hackers pose a threat, but so does your own trash can. Firewalls and security programs will not protect you from 'dumpster diving,' which remains the most common means of collecting information used in identity theft.

A quality shredder is always your first line of defense.

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National Mailing Systems[®] has an extensive line of MBM Destroyit[®] shredders that offer the perfect solution for protecting employers as well as employees from identity thieves. Convenient and easy to use, Destroyit[®] shredders have set the world standards for quality engineering. Unlike shredders from office superstores, the cutting heads on every Destroyit[®] are made of the highest quality tempered steel to ensure years of reliable service and are backed by a ten year warranty. Destroyit[®] shredders may cost a little more than superstore shredders, but they won't have to be replaced every few years. Destroyit[®] shredders also provide the peace of mind that comes from knowing your materials are shredded at the source. Off-site services will come to your location and shred your sensitive materials, but that means endless expense and one more point of human contact (set of eyes) added to the disposal process. With MBM Destroyit[®] shredders at your business location or home office, you eliminate the potential for a wide range of problems.

Back to Basics with National Mailing Systems[®]

Laws like FACTA Disposal Rule are enacted to try and curb the identity theft epidemic. In 2004, 10 million people were victims of identity theft. Not only is the number of victims increasing, the number of identity thieves is increasing as well, and the threat they pose will only continue to grow. Getting back to the basics of simply destroying sensitive documents at the source with a reliable Destroyit[®] shredder makes perfect sense-now more than ever! Contact us today to find out more about the many shredding options available to you.

Call **(703) 848-9494** or email; admn@nationalmailingsystems.com for more information on MBM Destroyit[®] Shredders and other exciting products!

For more information about FACTA, visit the Federal Trade Commission (FTC) website at www.ftc.gov (search for '16 CFR part 682')