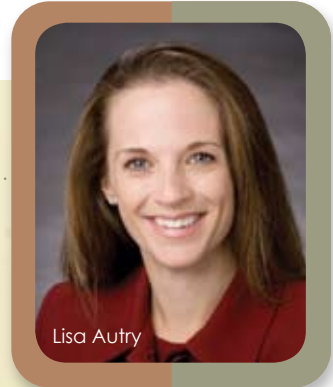




GRIZZAFFI DARBY  
BEYOND BENEFITS

**RECORD DISPOSAL: Are you risking your employees' financial security?**

Enrollment forms, payroll data, census lists. These documents are handled by our clients throughout the year, and they contain sensitive data: social security numbers, addresses, birth dates and other identifying information. These records place employees at risk for identity theft and expose employers to potential liability.



Lisa Autry

Identity theft has become this country's primary fraud complaint, and information collected and disposed of by employers is a prime target. What is your responsibility as an employer in disposing of this information?

The Fair and Accurate Credit Transactions Act of 2003 ("FACTA") and the Fair Credit Reporting Act ("FCRA") regulations require employers to adopt "reasonable and appropriate" measures to dispose of sensitive information obtained from consumer reports. Remember, consumer reports are defined quite broadly, including third party reports relating to employment background, reference checks, or medical history. For more information on proper disposal see:

<http://www.ftc.gov/bcp/online/pubs/alerts/disposal1rt.shtm>.

Under the Health Insurance Portability and Availability Act (HIPAA), covered entities must safeguard Personal Health Information (PHI) and must make sure that Business Associates are protecting that information as well. You can find more guidance at:

[http://www.twc.state.tx.us/news/efte/hipaa\\_basics.html](http://www.twc.state.tx.us/news/efte/hipaa_basics.html).

Every company needs a document retention and destruction policy. At Grizzaffi Darby, LLC, we practice what we preach. In accordance with state and federal laws requiring proper disposal of customer information, we follow a certain process when documents no longer need to be retained. Items containing sensitive information are placed in a locked box. A document disposal company comes to the work site, the privacy officer observes the shredding of the papers, and we receive a "Certificate of Destruction." We also limit



and regulate access of third parties, such as janitorial crews and visitors, into the areas where PHI may be found.

An important component of a comprehensive benefits plan includes disposal of benefits-related data. You should expect your broker to handle this information carefully. Please contact us to discuss your benefits plan and related document disposal issues. Additionally, we will provide more guidance on compliance issues at our COBRA/HIPAA Seminar on July 17th at the Addison Conference Center. We hope to see you there!

