

SOCIAL SECURITY NUMBER  
PHONE NUMBER  
CREDIT HISTORY  
CHILDREN'S NAMES  
CREDIT RATING  
PREVIOUS ADDRESS  
CURRENT ADDRESS  
INVESTMENT INFORMATION  
OUTSTANDING BALANCE  
MEDICAL CONDITIONS  
JOB HISTORY  
FINANCIAL TRANSACTIONS  
TAX RETURN INFORMATION  
CREDIT LIMIT  
CHILDREN'S NAMES  
CREDIT RATING  
PREVIOUS ADDRESS  
CURRENT ADDRESS  
INVESTMENT INFORMATION  
OUTSTANDING BALANCE  
MEDICAL CONDITIONS  
JOB HISTORY  
FINANCIAL TRANSACTIONS  
TAX RETURN INFORMATION  
CREDIT LIMIT

# FACTA... Puts Document Destruction Requirements in Black and White

## What is FACTA?

FACTA (or FACT Act) is the Fair and Accurate Credit Transaction Act, a BRAND NEW federal law designed to reduce the risk of consumer fraud and identity theft created by improper disposal of consumer information.

## What You Should Know About the FACTA DISPOSAL RULE:

- It Applies to Virtually Every Person and Business in the United States
- It Requires the Destruction of all Consumer Information before it is Discarded
- Potentially Severe Penalties Await Violators



## FACTA Applies to Virtually Every Person and Business in the United States

The Federal Trade Commission (FTC) has issued their FACTA DISPOSAL RULE. And, while the FTC has singled out . . .

- Lenders • Insurers • Employers • Landlords
- Government Agencies • Mortgage Brokers and Automobile Dealers

. . . the FACTA DISPOSAL RULE, in fact, applies to every individual and business subject to their jurisdiction, which INCLUDES VIRTUALLY EVERY PERSON AND BUSINESS IN THE UNITED STATES.



## FACTA Requires the Destruction of Consumer Information before it is Discarded

According to the FTC's FACTA DISPOSAL RULE, "any person who maintains or otherwise possesses consumer information for a business purpose" must properly destroy discarded consumer information.

The FTC's FACTA DISPOSAL RULE further states that every person and/or business, "must properly dispose of such information by taking **reasonable measures** to protect against unauthorized access to or use of the information in connection with its disposal."

**Reasonable measures** are defined in FACTA as "burning, pulverizing, or shredding of papers containing consumer information" or entering into "a contract with another party engaged in the business of record destruction to dispose of material, specifically identified as consumer information, in a manner consistent with this rule."

## Potentially Severe Penalties Await Violators

### Civil Liability:

FACTA provides for substantial civil liability. In some cases, consumers may be entitled to recover their actual damages sustained as a result of a violation of the rule **which, in the case of identity theft, could be very large.** In other cases, consumers may be able to recover statutory damages of up to **\$1,000** for each consumer affected by a violation of the rule.



### Class Action:

Where large numbers of consumers are affected, they may be able to bring class actions seeking potentially massive statutory damages. *If 1,000 consumers were affected, for example, a class action might seek up to \$1,000,000.00 in statutory damages.* Courts are also authorized to award punitive damages in either an individual suit or a class action. Finally, a successful plaintiff, or class of plaintiffs, may recover reasonable attorneys' fees.

### Federal Enforcement:

The federal government is also authorized to bring enforcement actions in federal court for violations of the disposal rule. In some cases, the government may bring an action in federal district court for up to **\$2,500 in penalties** for each independent violation of the rule.

### State Enforcement:

The states are also authorized to bring actions on behalf of their residents and, in appropriate cases, may recover up to **\$1,000** for each willful or negligent violation of the rule. In cases involving multiple violations, such statutory penalties might quickly add up to very large sums. As with private lawsuits, moreover, the state may recover its attorneys' fees if successful in such an action.

## Complying with FACTA

Contracting a NAID Member to shred all discarded consumer information is the best way to comply with FACTA. Service can be arranged on a schedule that suits any office. It is the most economical alternative no matter how small or large the need.

NAID (**National Association for Information Destruction**) is a non-profit trade group of document destruction firms dedicated to upholding the highest professional and ethical standards in the shredding industry. By choosing a NAID Member, you are selecting a company bound by those high ethical standards.



## ANY WAY YOU CUT IT . . . No Matter How Big or Small an Office, Using a NAID Member is the Best Way to Comply with the FTC's FACTA DISPOSAL RULE!

### Office Shredders . . .

- Must be replaced often
- Are messy
- Can't take staples and clips
- Can't handle film and computer disks
- Take time away from the real office work
- Are not used consistently by employees (creating a high-risk situation)

### As a Better Alternative Consider Using a NAID Member . . .

- Provides convenient security collection containers (making it easy and convenient for employees to use)
- Destroys it fast, whether it is 10 lbs. or 1,000 boxes
- Shreds staples, clips, film and CDs with no problem
- Frees employees to do their real job
- Is cost effective. The smaller the office, the more economical the service (the less you have, the less it costs)

## HOW IT WORKS:

- 1) The NAID Member provides collection containers for confidential materials (or you can use your own).
- 2) On a schedule that fits your needs, the NAID Member collects the confidential material for destruction.
- 3) Afterward, you receive documentation to establish that you are complying with the new privacy requirements.

IT IS FAST, SECURE, ECONOMICAL, EFFORTLESS AND THE RIGHT THING TO DO.



Consumer Information stored on **COMPUTERS** is also covered by the **FACTA DISPOSAL RULE**. **One hard-drive or CD can contain thousands of files. Simply pressing the DELETE button does NOT destroy the information. Ask a NAID Member about your options.**

For more information from a NAID Member who can help you with FACTA DISPOSAL RULE compliance, contact: