



## Shredding Can Save You From Identity Theft

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Got any secrets?

Sure you do. How about your bank and credit card statements? Personal bills, canceled or blank checks, investment information and financial statements? And, then there are medical records, income tax records and credit reports.

Do you simply toss them in the trash when you no longer need them for your records? If so, you need to change your modus operandi. Start shredding.

Anything you wouldn't feel comfortable having someone pick up and read, you should shred, says Jerry Haas, vice president of sales and marketing for American Document Destruction Corp. in Tampa, Fla.

Criminals need very little information to steal your identity. With your Social Security number they can apply for credit cards, cellular phones, loans, bank accounts, apartments and utility accounts.

Garbages hold a plethora of information. Once your Social Security number or an account number hits the Dumpster, your identity is floating among the refuse, just waiting to be stolen. Shredding is a minimal inconvenience and minor expense compared to its alternative -- becoming an identity theft victim.

### **FTC is getting tough -- shred or else**

The Federal Trade Commission issued the Fair and Accurate Credit Transactions Act in 2003, a law aimed at minimizing the risk of identity theft and consumer fraud. In November 2004, the FTC added the FACTA Disposal Rule to enforce the protection and disposal of sensitive consumer data.

The FACTA Disposal Rule says that "any person who maintains or otherwise possesses consumer information for a business purpose" must destroy discarded consumer information, whether in paper or electronic

Who must comply? Simply put, virtually everyone. Any business (whether employing one or thousands) using consumer information in its everyday operations or storing personal data as a business, such as banks, lenders, insurers, auto dealers, real estate agents, employers and record management companies, must safeguard consumer information. The law also applies to service providers that destroy information, from shredders, recyclers, waste management or technology disposal companies.

The disposal rule offers business owners a few choices. They must burn, pulverize or shred paper documents and completely erase or destroy all electronic media. Or, they can contract a third-party information-destruction company.

"The most important impact of the disposal rule is the attention it sheds on the problem of identity theft and proper information destruction," says Bob Johnson, executive director of the National Association for Information Destruction, a paper-shredding industry trade group.

"Many larger institutions, such as banks, investment companies or hospitals, have been working toward the issue of protecting consumer information, but too many smaller businesses, from auto dealerships, furniture stores and apartment landlords, have been flying under the radar.

"As a matter of fact, every household should have a shredder to destroy personal documents," he adds. "I see them as being as common as the washing machine and dishwasher."

### **It's quite a list**

Financial documents aren't the only items that should be destroyed rather than tossed out with the trash. Mobile Document Shredding in Lewisville, Texas, provides a list that includes:

- Bank information
- Budgets
- Canceled or blank checks.
- Credit card offers
- Credit card information.
- Employee evaluations
- Financial statements
- Income tax records
- Insurance coverage
- Investment information
- Legal papers
- Medical records
- Personal bills

If you work out of a home office, you'll want to destroy even more. Consider accounts payable and receivable, bidding strategies, blueprints, building and computer access codes, customer lists, estimates and invoices.

...and, you need to decide whether to buy a shredder or hire a shredding service.

## **The wonderful world of shredders**

Shredders come in many shapes and sizes and sell at a variety of prices. A quick survey of the Web sites of three office-supply stores and two department stores that sell shredders show that prices range from \$20 to \$2,650.

"Basically, there are two types of shredders sold for household use: a strip-cut shredder and a crosscut shredder," says David Bristow, general manager of Automatic Response Systems, a company in Berkeley, Calif., specializing in shredder sales, service and document destruction.

0. Strip-cut: The most basic shredder, it strips paper into shreds of various thickness. It is the easiest shredder to maintain. "A strip-cut shredder is more of a deterrent than security," says Bristow.
0. Crosscut: The crosscut shredder dices paper by cutting it in two directions and provides better security, says Bristow, but it requires more maintenance and handles fewer sheets of paper at a time than a strip-cut machine. You need to regularly oil a crosscut shredder to help it work better and last longer. Bristow recommends oiling once after every 20 to 30 minutes of use.

When selecting a shredder, consider:

- The speed at which it operates.
- The security level provided by the size of the shred.
- Whether the size of the opening will accommodate the paper you have.
- How many sheets of paper it will handle in one pass.

You also need to consider the condition of the documents you need to destroy. The finer the cut, the fussier the machine. Machines that make fine shreds dislike a diet of staples and paper clips. To prolong the longevity of any shredder, Bristow recommends removing these objects.

What about hiring a shredding service? If you have a lot of shredding, it might be easier to hire a shredding service to do it.

## **So what do you get?**

Shredding services will either do the work in a truck on your property or remove your papers to a shredding facility. People in the business say it is more secure to have them shredded on your property because it assures they are illegible when they are transported.

You can schedule shredding service at regular intervals, or take collected papers and electronic data in when you clean out a filing cabinet of old

regular shredding services, some charge by the pound, some by the volume.

American Document Destruction Corp. bills by the pound -- about 16 cents per pound, Haas says. But the price per pound varies depending on quantity (the more shredding, the lower the per-pound price) and accessibility (the harder it is to get to, the higher the price).

"If you're only going to have 10 or 15 pounds in a month, if you're going to have half a box of paper," Haas says, "it's just not worth having a shredding service."

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