



National Association for Information Destruction, Inc.

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Recommended improvements to SB475 and considerations for future legislation elsewhere:

1. Telephone numbers need to be included as IDENTIFYING INFORMATION and PERSONALLY IDENTIFIABLE, respectively. The logic for this is that many people pay to have their phone numbers kept unpublished. Since it is not practical to stipulate that the number be considered as IDENTIFYING INFORMATION and PERSONALLY IDENTIFIABLE only in cases where the individual has paid for such privacy, everyone's phone number should be considered private and therefore be protected. It should also be noted that telephone numbers can be used, in and of themselves, to commit fraud.
2. Increase the minimum punitive damages from \$5,000 to \$25,000.
3. Increase the criminal fine from \$500 to \$1,000 for each customer's record containing personal information that is wrongfully disposed. Increase the cumulative penalty for wrongfully disposing of multiple customers' records containing personal information from \$10,000 to \$100,000.

The amount of the fine is the most effect deterrent to the wrongful disposal of personal information. The amount of \$100,000 is commensurate with the potential damage inflicted. It is also commensurate with the callous disregard for customers' privacy protection exhibited by casually discarding customers' records on a large scale basis.

4. Remove the exemption for businesses governed by the provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. 6801, and the Health Information Portability and Accountability Act of 1996, P.L. 104-191. These acts do have language that requires physical safeguards for personal information, but the absence of specific references to, and definitions for, records disposal and destruction methods limit their effectiveness in influencing businesses to act responsibly and therefore limit their effectiveness in protecting the public.