

bizAZ

January/February 2006
bizaz.com
\$3.95

THE MAGAZINE FOR THE
HUNGRY BUSINESS MIND

It's Not All About the Bottom Line For Our Best Business Leaders

(Just ask Microchip's Steve Sanghi)

France ...
Napa ...
Sonoma ...
Arizona?

How Will You Fare in 2006?

Vol 9 Num 3 • Jan/Feb 2006 • \$3.95



Forward Thinking Employers Offer Benefits in Cracking Down on Identity Theft

BY RUSS JOHNSON

Businesses are on the front lines in the battle against identity theft, and they face significant challenges in protecting sensitive information from thieves. But the downside of not doing enough to protect against identity theft is far worse than the costs of taking proper steps to protect sensitive information. Businesses who fail to adequately protect against identity theft may see their customers and their employees leave, lose money and become targets of class-action lawsuits.

Businesses inevitably have access to personal identifying information from their customers, employees and vendors. With ID theft crimes on the rise, and Arizona ranking No. 1 per capita in the nation, it is critical for businesses to safeguard all of their critical information. Some of the steps that we recommend businesses to take in order to keep information out of the hands of identity thieves include:

If you don't need it, don't ask for it.

Criminals can't steal customer information from you if you don't have it.

Do not use an employee's social security number as the employee's employee number.

If you need to assign a number to an employee, generate a random number.

Take advantage of the Social Security Administration's social security number identification program.

The Social Security Administration offers a free program to employers that allows them to verify that a social security number provided is actually a real social security number and matches the employee's social security number. (For more information: ssa.gov/employer/ssnv.htm; 800-772-6270)

Work with law enforcement.

Law enforcement should be considered your friend, not your adversary. The Maricopa County Attorney's Office partners with the Greater Phoenix Chamber of

Commerce to train businesses in protecting against identity theft.

Take advantage of existing technology to safeguard electronic information.

Use firewalls, adware/spyware detection software, virus protection software, and other tools to prevent hackers and other criminals from getting into your internal computer system to rip off information.

Develop a privacy policy.

Develop and disseminate a privacy policy so that employees of your business know exactly what is expected of them with regard to personal information, and your customers know up front how their personal information will be treated.

Consider a drug testing program.

A drug testing program can help you weed out illegal drug addicts who are more likely to steal your customer's identity. Before instituting such a program, it is highly recommended that you consult with legal counsel. (There are also resources available from the Department of Labor: dol.gov/workingpartners)

Develop a crisis management plan.

If the identity theft criminals find you, don't be caught flat footed. Have a plan of attack already in place.

Consider including ID theft services in your employee benefit package.

Surveys estimate it takes anywhere from 60 to 600 hours for someone to recover their identity after experiencing ID theft. Unfortunately, the fact of the matter is that most victims spend time at work trying to put their good names and financial records back in order. Offering ID-theft services to your employees as part of their benefit package is a low-cost benefit with great value to your employees.

Russ Johnson (rjohnson@merchantsinfo.com) serves as president and CEO of Merchants Information Solutions, provider of technology based credit and information solutions.