

ID theft plagues employers

By **Robert J. Sniffen**

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The problem of identity theft is permeating American society. Between 2002 and 2004, the number of identity theft complaints filed with the Federal Trade Commission (FTC) rose from approximately 162,000 to 246,000. Unfortunately for employers, identity theft has made its way to the workplace, requiring action to protect businesses from identity theft litigation.

Businesses are repositories for employees' confidential information. Employees now are bringing state and federal lawsuits against employers for disclosure of confidential information. The FTC has promulgated regulations addressing employers' duty to safeguard protected information. Employers, regardless of their size, should familiarize themselves with these regulations and train employees with access to confidential information on how to safeguard and dispose of protected data. The regulations may be found at www.ftc.gov/ftc/legal.htm.

Employers also are strongly encouraged to implement, and monitor compliance with, policies and procedures

designed to safeguard confidential information. The FTC also recommends employers implement a program of proper destruction of confidential documents and electronic data.

Additional due diligence includes, but is not limited to, using software to protect against computer viruses and electronic invasions, establishing a mandatory reporting system when employees believe their confidential information has been compromised, maintaining separate filing systems with respect to documents that contain confidential information and implementing an internal grievance/complaint procedure for employees and ex-employees who believe their confidential information has been improperly disseminated or accessed.

The problems associated with identity theft, like many other societal problems, now impact the employer-employee relationship. Employers who do not stay ahead of the curve with respect to this problem could find themselves the target of a costly lawsuit.

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