

What is the Montana Law regarding Identity Theft and Security Breaches?

Montana's Identity Theft Act (HB 732) requires businesses to notify individuals when a security breach results in their personal information being released to unauthorized parties if that breach causes or is reasonably believed to cause loss or injury to a Montana resident. The Act specifies the notification steps businesses must follow in the event of a security breach. Additionally, the Act specifies that Montana businesses must take reasonable steps to destroy customer records no longer needed that contain personal information by "shredding, erasing, or otherwise modifying the personal information". The Act came into full effect March 1, 2006.

Who is affected?

This Act affects all businesses that conduct business in Montana and that store personal information of state residents. Personal information is defined as the first name or initial and last name in combination with one or more of the following nonpublic, unencrypted pieces of information: a social security number, a driver's license number or state identification card number, a financial account number, credit card or debit card number accompanied by the applicable passwords or security codes.

What does the Identity Theft Act have to do with information management?

According to the Act, Montana businesses are responsible for the security of their computerized and non-computerized customer records. If companies experience a security breach and disclose personal information to unauthorized parties, and if the breach has caused loss or injury or is reasonably believed to cause loss or injury to a Montana resident, companies are responsible for notifying the affected individuals.

By monitoring and controlling the amount of customer data held on site in computerized form, businesses can reduce the risk of losing or otherwise releasing data to unauthorized parties. Computer backups containing personal information that are no longer needed should be disposed of securely. Similarly, other computerized mediums containing personal information, such as CDs, computer disks, and hard drives, should be destroyed once no longer needed.

Additionally, all non-computerized customer records containing personal information should also be destroyed completely once no longer needed.

What do companies have to do to comply with the Act?

Businesses must alert affected Montana residents when computerized personal information which is not publicly available is acquired, or is reasonably believed to have been acquired, by unauthorized parties and loss or injury has occurred or is reasonably believed to occur. Methods for notifying affected individuals are outlined in the Act. If the cost of notifying affected individuals is more than \$250,000, or if the number of affected individuals exceeds 500,000, or if there is insufficient contact information for the affected individuals, substitute notification methods may be followed. According to the Act, businesses must also securely dispose of non-computerized customer records containing personal information that is no longer necessary to be retained by the business by "shredding, erasing, or otherwise modifying the personal information in those records to make it unreadable or undecipherable."

Additionally, if a business discloses a security breach to any individual and gives a notice to that individual that suggests, indicates, or implies that the individual may obtain a copy of the file on the individual from a consumer credit reporting agency, then the business must coordinate with the consumer reporting agency as to the timing, content, and distribution of the notice to the affected individuals.

Monetary penalties of up to \$10,000 for each violation may be imposed on businesses that violate this Act.

How can we help?

As you develop your document disposal program in accordance with the Identity Theft Act, consider contracting Securit to handle your document destruction needs. Securit destroys all of your confidential materials, including computerized data such as CD-ROMs/CDRs/DVDs and computer backups. By providing locked consoles for your office, Securit makes it easy and efficient to destroy unnecessary copies of your customers' personal information. Securit destroys documents on site in our mobile shredding truck. Documents are shredded into confetti-sized pieces and then recycled. For peace of mind, contact Securit today at 1 800 697-4733.



For more information:

Montana State Legislature - <http://leg.state.mt.us/css/default.asp>

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