

How to Protect Yourself & Employees from Identity Theft

Recently a small company was sued by some of its former staff members after an employee stole a box of old personnel records found in a storage closet. Information from the records (including names and social security numbers) was used to rent apartments, set up cell phone services and open credit card accounts. The victims argued the crime would have never happened if the employer had taken proper care of their records. The ID thief was eventually convicted and the company settled the case out of court.

Identity theft is a growing crime in this country and the liability risk of employers is increasing along with it. Each year, millions of Americans fall victim to identity theft. According to some studies, improperly handled employee records were the greatest contributor to identity theft in the workplace.

EXPRESS PAYROLL has implemented systems to protect your company from identify theft and to help keep your employee data confidential. Here's a few of the ways our system helps your company:

- 1.** We only collect the necessary information from your employees to establish them for payroll processing.
- 2.** We use employee numbers rather than SSNs to identify employees.
- 3.** Our site enforces the confidentiality of employees' personal information, including their SSNs and ID numbers. Only persons with a need to know have access to the information.
- 4.** Our system and process is paperless for employee and employer records. All data is compiled and stored in our state of the art web-based system that can be accessed 24/7. Employers don't receive bulky paper packages with confidential employee data after a payroll run or at the end of the quarter. There is no chance of this paperwork being lost in the mail, viewed by a courier, or misplaced/mishandled by office workers.
- 5.** Employee's receive on-line pay stubs as opposed to paper copies. Our state of the art web-based system provides an individual user name and password for each of your employees so they can access their pay stubs for viewing, printing and saving. No more risk of having pay stubs laying around the office or being mishandled or stolen.
- 6.** A good practice is to destroy employee records when they're no longer needed. Make electronically stored records unreadable and use crosscut paper shredders on paper documents. This is not an issue with EXPRESS PAYROLL as all media is generated and kept electronically and we destroy your data in accordance with federal record retention policies. Remember, the *Fair and Accurate Credit Transaction Act* requires employers and others to destroy all paper documents and computer disks containing *consumer* information before discarding them. That means it's a violation of the law to simply throw out documents such as employee application forms with names, Social Security numbers and credit histories listed on them.

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7. When signing up new employees in the system, or changing confidential information relating to an employee, it can be done by the employee directly. This eliminates your risk from losing confidential employee information as it's entered in the system directly and there is no chance for the data to be mishandled. Traditional payroll providers require information to be faxed, scanned, etc so it can be uploaded to the system from their associates.

8. Lastly, your organization should adopt a written policy on identity theft and distribute it to employees in your employee handbook. Include in your policy a way for employee victims of identity theft to report it to management in confidence. This is important so that your company can investigate whether the crime originated in your workplace.