



NC Firms Paying \$65K For Trashing Consumer Info



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RALEIGH - Three North Carolina firms are finding out the hard way about a new state law that fines companies that put their customers' information at risk for identity theft.

According to the NC Attorney General Roy Cooper's office, three Charlotte businesses are going to have to pay a total of \$65,500 in fines for throwing in dumpsters, paper copies of information that contained customers' Social Security numbers or bank account information or both. Details of each of the violations appear below.

"These companies turned trash into treasure for identity thieves by dumping their customers' personal information," said NC Attorney General Roy Cooper in a statement to the media. "We won't tolerate companies that break the law and put people at risk of identity theft."

Under a law that Cooper says he pushed through the North Carolina General Assembly in 2005, businesses that dispose of personal identifying information are required to destroy or shred those records, so that identity thieves can't retrieve information from discarded files that have been tossed in the garbage.

The NC Attorney General's Office says that new laws on the books also require businesses as well as state and local governments to notify consumers and the media when collected personal information may have been lost or stolen due to a security breach.

In each case, a neighboring business, reporter, or consumer alerted the state to the dumping of consumer records.

"We've been working to get businesses to do a better job of protecting consumers' personal information," said Attorney General Cooper.

"If you spot a business that's making it too easy for criminals to get their hands on consumers' personal information, let my office know about it," he added.

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Photo By The Raleigh Chronicle



it, he added.

Anyone with information about a business that isn't following the law to destroy old records and protect consumers from identity theft is encouraged to report it to the Attorney General's Consumer Protection Division by calling 1-877-5-NO-SCAM toll-free within North Carolina.

Details Of Settlements

According to the Attorney General's office, listed below are the three firms that were fined, the circumstances surrounding the dumping of customer records, and the settlements details reached with each company:

Movie Gallery operated a video rental store at 3001 Union Road in Gastonia. Around September 25, 2006, the owner of a neighboring business reported seeing a large number of Movie Gallery's files and videos in the dumpster. According to the settlement, the files contained personal information of people employed by Movie Gallery and people applying for jobs at the video store as well as people applying for movie rental membership. Movie Gallery has agreed to pay \$50,000 to the state.

Empire Equity Group operated a mortgage lending office at 2400 Crownpoint Executive Drive in Charlotte beginning in September 2002. Jonathan Lee Bailey served as manager and had previously operated offices for other mortgage companies in the area. According to the settlement with Cooper's office, around October 28, 2006 Bailey threw mortgage files that included personal financial details about people who applied for mortgage loans in the dumpster. Empire Equity and Bailey will pay the state \$12,500.

Stephen and Terri Newsome operated **Home Finance Mortgage, Inc.** at 20723 Torrence Chapel Road, Suite 204 in Cornelius until sometime in 2005 or 2006. According to the settlement, in November 2006 the company dumped files containing names, addresses, Social Security numbers, credit card numbers, and bank account numbers of people who had applied for mortgage loans. An investigator from the NC Office of the Commissioner of Banks helped Cooper's office with the investigation. Home Finance and its owners have agreed to pay the state \$3,000 for their violations. ::

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