

Anderson & Associates

Identity Theft Mitigation Plan for employers

“One solution that provides an affirmative defense against potential fines, fees, and lawsuits is to offer some sort of identity theft protection as an employee benefit. An employer can choose whether or not to pay for this benefit. The key is to make the protection available, and have a employee meeting on identity theft and the protection you are making available, similar to what most employers do for health insurance ... Greg Roderick, CEO of Frontier Management, says that his employees “feel like the company's valuing them more, and it's very personal.”

Business and Legal Reports January 19, 2006

How does this work?

The Federal Trade Commission says that the average victim spends anywhere from 60 to 600 hours recovering from an identity theft. This amount of time is usually done during company time and company expense. There are a series of new laws that place absolute liability on businesses for the data it collects, maintains and processes on its clients and customers. Under these laws if an employee is a victim of identity theft that was caused within the workplace then the employer could find themselves paying the employee up to 600 hours worth of paid vacation. If an employer has documented evidence that it made identity theft protection available to the employee it lowers the employer's liability in two ways. First if the employee enrolled in a comprehensive program they would only need to file a police report and sign a limited power of attorney and the program would restore their identity for them. This would mean the identity theft restoration wouldn't be done on company time or company expense. The second way this lowers the company's exposure is if a breach occurs and the same employee is victimized yet hasn't signed up for the protection, then the company has documented evidence it provided the employee with protection and the employee declined. Both methods tremendously lower the company's exposure to potential lawsuits. This is the most cost effective means of putting a mitigation plan in place because when the company offers the benefit voluntarily it doesn't cost the company anything.

What does an employer need to look at when determining what type of identity theft protection to provide to the employee?

The first thing an employer should understand is that identity theft is about more than just finances. According to the Federal Trade Commission, nearly 10 million people fall victim to identity theft annually, costing consumers \$5 billion in out-of-pocket losses and businesses \$48 billion. For these individuals, the problems range from loss of credit to problems with medical history records and even potential wrongful exposure to criminal prosecution.

In order for the offering of a benefit to lower the exposure for an employer the program should protect employees in all areas of identity theft before, during and after the incident occurs. In order for this the program must provide layered protection including monitoring, full restoration, and nationwide access to counsel. Monitoring is the best method of early detection in identity theft cases. Once a person realizes that they have been victimized they are going to need full restoration. The restoration of someone's identity is usually a very time consuming arduous process and most people don't know where to begin. The final component in identity theft protection is access to nationwide counsel. Nationwide counsel is imperative because most forms of identity theft absolutely require an attorney to help resolve. Since identity theft is a technological crime it typically crosses state lines and without being able to predict which states the victim will need assistance it is imperative to provide nationwide access to counsel.

Which program do we endorse and provide?

We at Anderson & Associates have carefully reviewed the products in the market and have chosen to provide the identity theft shield serviced by Prepaid Legal Services and Kroll Background America. These companies are both thirty five year old publicly traded companies and are leaders in their prospective industries. Their program has recently been endorsed by:

- The president of the US Chamber of Commerce
- The president of the National Black Chamber of Commerce
- The former president of the American Bar Association
- The former president of the National Association of Attorneys General
- Numerous other Attorneys General

What we do and how?

Anderson & Associates is a full service Identity Theft Risk Management and Privacy Firm. We provide a comprehensive list of identity theft risk management and privacy services. For all our clients who offer our employee benefit we will provide an extensive employee training on identity theft in the workplace, will update the confidentiality agreements, and provide documented evidence of the offering of the benefit to your employees. This is a way for Anderson & Associates to provide your company with a mitigation plan at essentially no direct cost to your company.

For more information on this program contact K.J. Anderson III at 404-474-2273 or KJ3rd@KJ3rd.com.