

Think your financial data get disposed of securely? Don't bank on it

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Confidential, unshredded information sits in dumpsters and bins

Kevin A. Taube of Glastonbury, we know where you work, how much you earn, your Social Security number and the amount you recently borrowed to buy your new Dodge Caravan.

Kathryn and Charles Frasca of Wethersfield, we know your credit card numbers, the amounts you owe and your total worth, including how much you've deposited in your savings and retirement accounts.

We know all this because your banker left the information in the trash where anyone had access to it.

And you're not the only ones. The Courant recently found confidential financial information about dozens of Connecticut residents and businesses in garbage dumpsters and recycling bins outside banks in the Hartford area. The investigation began after a reporter discovered bags of bank documents next to a used-clothing bin in a Wethersfield shopping center.

Among the documents were applications for car, mortgage and home equity loans; deposit and withdrawal slips complete with ac-

count numbers and signatures; canceled checks; bank books; ATM and credit card receipts; and payroll stubs.

Also found were printouts of customer accounts, including balances; safe deposit box numbers, copies of savings bonds and stock certificates; and credit reports.

The availability of such documents is disturbing because of instances around the country in which professional "dumpster divers" have used such information to commit fraud.

For example, a police investigation in New Jersey last year found that gangs, using signatures and other information pulled from bank dumpsters, had stolen more than \$300,000 from financial institutions.

The Courant found the sensitive customer information at the Wethersfield or Glastonbury branches of six banks: American Savings Bank, Bank of Boston Connecticut, Glastonbury Bank & Trust, the Savings Bank of Manchester, People's Bank and Shawmut Bank.

Representatives of the banks said they all have policies requiring the destruction of sensitive customer information, and they all expressed surprise that such documents were sitting in their dumpsters and recycling bins.

The information found varied from bank to bank, with some documents more sensitive than others. But in each case there were documents the banks agreed should not have been accessible.

Police and banking officials say they have no evidence that discar-

ed documents have been used for wrongdoing in Connecticut. But they say there is certainly the potential and, police say, it is hard to tell where con artists obtain information.

"I could see this stuff being a very serious matter. People will pay for that kind of information. It is definitely information a con artist would want," said Lt. James L. Cetran, chief of detectives for the Wethersfield Police Department.

He said criminals can use Social Security numbers and birth dates to create false identity papers and to

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open fake checking accounts. They can use credit card numbers to order merchandise over the telephone. And they can use bank account information to target people, especially the elderly, for a variety of scams.

None of the garbage or recycling bins were locked. Although some documents had been torn into two or more pieces, there were no signs that any had been put through a shredding machine.

Both federal and state supreme courts have ruled that anyone who takes garbage to the curb for pickup gives up any right to privacy. Although in these cases the garbage wasn't literally at the curb, it was in publicly accessible parking lots.

Although state and federal laws are explicit about how long banks are required to retain certain documents, they are silent about how the institutions must dispose of them when the information no longer is needed.

But state Consumer Protection Commissioner Mark A. Shiffrin said banks have a responsibility to protect confidential information.

Shiffrin said that he and state Banking Commissioner John P. Burke plan to send a letter to banks and their state trade association this week "to alert them to this problem and to allow them the opportunity to take voluntary action to eliminate it." If they fail to do so, he said, he may consider other action, such as legislation.

"Those of us who are trustees for information of others have to be

concerned about this personally and professionally," he said.

Irate customers

Kathryn Frasca of Wethersfield said she was "completely sick" after a reporter told her that her application for a personal loan from People's Bank was discovered in a bag of garbage in a dumpster used by the bank and several other Wethersfield businesses.

She said she and her husband recently discussed buying a shredder for their home because of her fear that someone might rummage through their garbage. She said she always tears up her personal information before throwing it away and was surprised that the bank tossed out her application — whole.

"I'm going to say this jeopardizes my doing business with them," she said.

People's policy requires employees to destroy confidential customer information, said Peter J. Scotch, the bank's vice president and Hartford area manager.

"We're looking into the individual situation you brought to our attention. But we are also going to reiterate our policies regarding customer confidentiality," Scotch said.

Another outraged customer was Kevin A. Taube of Glastonbury, whose application for a car loan was found in a bag of office paper from the American Savings Bank. Among the documents were numerous copies of his earnings statement from the Federal Deposit Insurance Corp. in East Hartford, where he is bank investigator.

"It is incredible that someone



Tim Rasmussen / Special to The Courant
■ Recycling bins and garbage dumpsters at American Savings Bank in Wethersfield have since been replaced with locked bins.

would throw that out and not even dispose of it properly," Taube said. "You can tell them I am a very irate customer."

Taube's documents were among two bags of office paper from the bank's Glastonbury branch. Both bags, which had been ripped open, were found outside a used-clothing bin in the Heartland supermarket parking lot in Wethersfield, where the bank also has a branch.

Sheri C. Pasqualoni, the bank's vice president of sales and marketing, could not explain how the bags ended up at the clothing bin, although she acknowledged that the bank's cleaning service routinely hauls garbage from the Glastonbury branch to Wethersfield.

The recycling bins at the Wethersfield branch also contained sensitive customer information.

The bank responded last week by

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Chief of detectives, Wethersfield Police Department

replacing the recycling bins with locked ones. And it plans to install shredding machines in each of its offices by Monday, Pasqualoni said. "We don't want anyone to feel that we're not taking secure measures with their information," she said.

Extraordinarily distressed

All the banks with sensitive information in dumpsters said their privacy rules apparently had been violated by employees or cleaning contractors. All said they would reiterate their policies to employees and take any other corrective steps necessary.

For example, officials of Glastonbury Bank & Trust and Savings Bank of Manchester said they are considering installing locked dumpsters.

Some banks, including American Savings Bank and Bank of Boston, said deposit slips, pay stubs and other documents apparently had been thrown in the trash by customers inside the bank. But they also acknowledged that some of the sensitive information could only have been discarded by bank employees or cleaning contractors.

Howard R. Zern, the senior vice president who oversees Shawmut branches in the Hartford area, said

he was "extraordinarily distressed" that the bank employees apparently had violated Shawmut policies regarding confidential information. He said such documents are supposed to be sent to a central location for shredding.

"I want to address this with the appropriate officers involved and find out why this happened and to make sure we don't do this again," Zern said.

Jerry Noonan, president of the Banks Association of Connecticut, said he will raise the issue with the organization's members.

"It's something we ought to take into consideration," he said.

The average bank branch office generates about 10 pounds of confidential documents each day, said Robert W. Carr, president of Mobile Shredding Services. The Bloomfield company conducts on-site shredding for banks, hospitals, law firms, police departments and other companies in New York and New England.

"It's incredible what somebody can do with that information," he said. "Those documents should be destroyed."

The Courant plans to shred the documents in its possession or return them to bank customers who request them.