

DISPOSAL OF GOVERNMENT RECORDS

DAGS ARCHIVES DIVISION,
RECORDS MANAGEMENT BRANCH
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DISPOSAL OF GOVERNMENT RECORDS

Introduction

All record custodians should determine the most efficient method to destroy their non-permanent records that are eligible for disposal. Factors to consider in deciding on a disposal method are: legal and policy requirements including those on protection of confidential information and prevention of identity theft; cost; effectiveness of disposal methods; and possible health and safety hazards.

Whenever there is an on-going need to destroy records, especially confidential records, custodians should budget for this expense. Programs that maintain records to comply with Federal requirements may be able to use Federal funds to dispose of these records.

Record custodians should document disposals to prove that approved retention schedules were followed in the normal course of business. The record custodian should identify the destroyed records, the volume of records destroyed, the disposal method, the firm or individual who destroyed the records, the disposal date, and the records disposition authorization, either a *SA-1 form*, or the *General Records Schedules No. 1 – 11, 2002*. The *ARM 7 form, The Records Disposal Report*, should be used to document disposals of records.

Though agencies do not have to document the disposal of non-records, such as reference copies of documents and personal notes, these non-records should also be properly disposed to prevent the disclosure of confidential information.

Legal and Policy Requirements

Act 136, Session Laws of Hawaii (SLH), Regular Session of 2006, (SB 2292, SD2,HD1,CD1), “Relating to Destruction of Personal Information Records.” The law’s purpose “is to protect the people of Hawaii from identity theft by requiring businesses and government, when disposing of records containing personal information, to take reasonable measures to protect against unauthorized access to that information.”

The law defines “disposal” as “the discarding or abandonment of records containing personal information or the sale, donation, discarding, or transfer of any medium, including computer equipment or computer media, containing records of personal information, or other nonpaper media upon which records of personal information are stored, or other equipment for nonpaper storage of information.”

“Personal information” is defined as “an individual’s first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

- (1) Social security number;
- (2) Driver’s license number or Hawaii identification card number; or
- (3) Account number, credit or debit card number, access code, or password that would permit access to an individual’s financial account.”

“Personal information” does not “include publicly available information that is lawfully made available to the general public from federal, state, or local government records.”

The law identifies reasonable measures to protect against unauthorized access to information in connection with or after its disposal including “implementing and monitoring compliance with policies and procedures that require the burning, pulverizing, recycling, or shredding of papers containing personal information so that information cannot be practicably read or reconstructed;”

The law also lists implementing and monitoring compliance procedures; means to satisfy the law’s obligation by using due diligence by hiring a qualified records disposal party to destroy records in a manner consistent with the law; exceptions to the law; penalties; and civil actions.

The law requires a government agency to submit a written report to the legislature within twenty days after the discovery of a material occurrence of unauthorized access to personal information records in connection with or after its disposal by or on behalf of the government agency.

Act 136, SLH 2006, takes effect on January 1, 2007.

Act 135, Session Laws of Hawaii (SLH), Regular Session of 2006, (SB 2290, SD2,HD1,CD1), “Relating to Protection from Security Breaches.” The law’s purpose “is to alleviate the growing plague of identity theft by requiring businesses and government agencies that maintain records containing resident individual’s personal information to notify an individual whenever the individual’s personal information has been compromised by unauthorized disclosure.”

Similar to Act 136, SLH 2006, Act 135, subsection 4, requires a government agency to submit a written report to the legislature within twenty days after discovery of a security breach at the government agency.

Act 135, SLH 2006, takes effect on January 1, 2007.

Act 137, Session Laws of Hawaii (SLH), Regular Session of 2006, (SB 2293, SD2,HD1,CD1), “Relating to Social Security Number Protection.” The law’s purpose “is to minimize the abuses associated with the fraudulent use of a social security number by restricting its use as an identifier.”

The law requires a government agency to submit a written report to the legislature within twenty days after the discovery of a material occurrence of a social security number disclosure by the government agency that is prohibited.

Act 137, SLH 2006, takes effect on July 1, 2007.

Comptroller’s Memorandum No. 2004-23, issued August 25, 2004, on “Printing of Social Security Numbers on Pay Statements.” Effective September 15, 2004, the first five characters of the Social Security Number on employees’ pay statements are replaced with pound signs to prevent identity theft.

Comptroller’s Memorandum No. 2005-26, issued and effective on October 25, 2005, on “Social Security Numbers on Accounting Forms and Documents.” Only the last 4 digits of an employee’s social security number are to be entered on named accounting forms and documents, including the *Personal Automobile Mileage Voucher* and the *Individual Time Sheet*.

Comptroller’s Memorandum No. 2006-08, issued on April 7, 2006, on “Shredding Documents Containing Confidential Information.” This memorandum says:

“To prevent identity theft, Comptroller Memorandum 2005-26, Social Security Numbers on Accounting Forms and Documents, was issued informing departments that only the last four digits of an employee’s Social Security Number (SSN) should be entered on certain accounting forms and documents.

While the abbreviated SSN is being entered, departmental files generally contain the complete SSN and other personal employee information, i.e., residential address, salary, etc. If the employee information is no longer needed and disposal is required, departments should either internally shred such documents or acquire professional services of companies in the business of shredding confidential information.”

Comptroller’s Circular No. 2005-01, issued on June 30, 2005, on “Disposal Requirements for Consumer Information.” This circular summarizes a Federal Trade Commission Rule, 16 CFR Part 682, “Disposal of Consumer Report Information and Records.” The rule requires persons who maintain or possess consumer information to properly dispose of such information by taking

reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal.

All records custodians should also investigate if there are any additional laws, rules, or procedures that concern the proper maintenance and disposal of their records. No records that are needed for on-going or pending legal actions and /or audits should be destroyed until the legal actions and / or audits are completed, even if they exceed the retention requirements listed in an approved retention schedule.

Record Disposal Methods

Paper Records

1. **In-house shredding.** This process uses machines that cut paper records into tiny pieces that obliterate the data. The records are then bagged or baled for recycling, incineration, or burial at a landfill. When deciding on what type of shredder to purchase, you should consider:

- **the level of security required.** Strip-cut shredders cut paper into strips of widths from 3/8” to 1/16.” Cross-cut shredders cut paper into much smaller pieces and are suited for the disposal of confidential papers. Cross-cut shredders are generally slower and more expensive than strip-cut shredders. Manufacturers may rate their shredders by security levels. *Security level 1* shredders are for general internal documents. *Security level 2* is for shredding of sensitive internal documents (size of pieces: cross-cut 1/8-inch; strip-cut 1/4-inch). *Security level 3* is for shredding of confidential documents (size of pieces: cross-cut 1/8-inch x 1 1/8-inch; strip-cut 1/16-inch). *Security level 4* is for shredding of secret documents (size of pieces: cross-cut 1/16-inch x 5/8-inch). *Security level 5* is for top-secret shredding (size of pieces: cross-cut 1/32-inch x 1/2-inch) and *Security level 6* is the highest security (size of pieces: cross-cut 1mm x 5mm).
- **the amount of paper to be shredded daily.** Shredders vary in speed and shredding capacity. *Personal shredders*, which are manufactured as either strip-cut or cross-cut shredders, are the slowest and cheapest shredders with the smallest shredding capacity. *Office shredders* are faster (e.g., speed: 24 – 30 ft. / minute) and have larger sheet capacities (e.g., range up to approximately 27 sheets) and may be able to cut staples and paper clips. *Department shredders / heavy duty shredders* can shred up to 60 sheets of paper at a time and between 2,000 and 12,000 sheets per day. As an example, MBM Corporation’s *Destroyit*

4004 strip-cut shredder, with a list price of \$5,699, cuts sheets to ¼” pieces with a shredding capacity of 50-55 sheets and a shredding speed of 30 – 60 feet / minute. The *Destroyit 4004* cross-cut shredder, with a list price of \$6,699, cuts sheets to pieces of 3/16” x 2 3/8” with a shredding capacity of 35 – 40 sheets and a shredding speed of 24 – 48 feet / minute. *High capacity / industrial shredders* are high-volume shredders that may be capable of shredding paper, credit cards, CD’s, videotapes, 3-ring binders and hardbound files.

- **the size and types of papers to be shredded.** Personal shredders are generally designed for letter-sized and legal-sized papers while more heavy duty shredders may be able to shred larger and thicker documents (e.g., newspapers, phone books, CDs).
- **the space available for the shredder.** Shredders can be large and heavy and may be noisy.
- **and other shredding costs.** Other costs include labor for the shredding and removal of shredded materials, plastic bags used to contain shredded materials, machine maintenance expenses (e.g., lubricating oil, repair expense), and the cost of office space used for the shredding operation.



Taifun Boss Industrial Paper Shredder

Advantages: The agency controls who destroys the records, where the records are destroyed, and when the records are destroyed. Agency personnel can document disposals.

Disadvantages: In-house shredding is expensive because most personal and office shredders are small and are only capable of destroying a few sheets of paper at one time. The disposal preparations may involve removing staples, clips, and binders. Using office staff to operate the shredder may remove them from other duties for long periods. Shredders and disintegrators can be noisy and may interrupt normal activities. The shredded materials must be removed for incineration, recycling or burial at a landfill. There is no outside verification of destruction. In-house destruction allows for the possibility that criminal / unethical employees or insiders who know the value of the information may compromise the disposal process (e.g., theft of information) and cause damage to the organization.

2. Commercial shredding / disintegration - A private company is hired to shred / disintegrate records. The commercial shredding company takes the paper to an off-site location for shredding / disintegration or performs the shredding at or near to the customer's worksite. The shredded material is usually baled for recycling. This service is most appropriate when there is a large volume of confidential records to be destroyed or if the agency's confidential records must be regularly destroyed, such as weekly or monthly.

Advantages: No staff time is used to shred / disintegrate the paper records. The confidentiality of the information is protected. Vendors may provide security containers. Regular removal dates can be scheduled. The shredding company normally issues a "Certificate of Destruction" stating when and how the records were destroyed. Reputable companies are bonded and are willing to have employees from contracting activity witness the shredding / disintegration. Vendors may provide fixed prices for easy budgeting or quoted prices for known costs in advance.

Disadvantages: Only a few companies perform commercial shredding / disintegration. The normal charge includes removal, confidential shredding including issuance of a "Certificate of Destruction," baling, and shipping of the materials to an out-of-state paper mill. The cost of shredding may be lessened if the shredded paper is sold as recycled paper.

3. **Incineration** - Burning destroys the data. On Oahu, the H-Power garbage-to-energy Plant in the Campbell Industrial Park incinerates paper records. Once the materials are dumped at the H-Power Plant, the normal turn-around time for the incineration of materials is 24 hours. This method is appropriate for the disposal of large volumes of records, especially records with a total weight of one ton or more. Incineration is economical when large quantities of records become eligible for disposal at the same time, such as at the end of a fiscal year or a calendar year. More information about Oahu's H-Power plant is posted on the H-Power website

(<http://www.honoluluhpower.com/>) and the City & County of Honolulu's recycling web page "How the City manages Waste"

([http://envhonolulu.org/solid_waste/archive/How_our_City_manages_our_waste.html - hpower](http://envhonolulu.org/solid_waste/archive/How_our_City_manages_our_waste.html-hpower)).

Advantages: No staff time is used to shred / disintegrate the paper records. Once records are dumped at the H-Power Plant, the public has no further access to the records. The H-Power Plant can accept truckloads of records at one time. The per-pound disposal charge at the H-Power plant may be lower than a commercial shredder's charge.

Disadvantages: The H-Power plant does not issue a "Certificate of Destruction" and does not allow non-employees to view the actual disposal. Unless the volume of records is large, disposal at the H-Power plant may be uneconomical. The costs include: a vehicle and labor to securely transport the records to the H-Power plant, a per-ton tipping fee, and a disposal surcharge. Only companies with established commercial accounts with the C&C of Honolulu's Department of Public Works, Division of Refuse Collection and Disposal are allowed to destroy materials at the H-Power Plant. The H-Power Plant closes for weeks at-a-time for maintenance and at random times for emergency repairs. In the past, when the H-Power Plant closed, waste materials to be incinerated were diverted for burial at the landfill. An agency that hires a trucking firm to dispose of its records at H-Power should specify in its written procurement specifications that the records must be destroyed at H-Power and not diverted to the landfill. The trucking company should be required to provide written documentation that the records were taken to the H-Power Plant.

H-Power Charges as of January 2005

- Per-ton disposal charge is \$81.00
- Minimum disposal charge is \$25.25
- There is a 12% recycling surcharge added to all disposal charges (approx. \$9.72 / ton).
- State surcharge of \$0.35 per ton

4. **Burial at Landfill** - Paper is buried at a sanitary landfill such as the City and County of Honolulu's Waimanalo Gulch Landfill in Kapolei. This disposal method is only appropriate for non-confidential records.

Advantages: No staff time is needed to shred / disintegrate the records. Landfills are open throughout the State. On Oahu, the disposal costs are comparable to incineration.

Disadvantages: The process is not as secure as other methods. It is possible for unauthorized individuals to uncover paper records at the landfill. Burial at landfills is as expensive as incineration. Landfill operators do not issue "Certificates of Destruction."

5. **Recycling without prior shredding** - Paper records are taken to a commercial recycler for disposal. Paper is sorted by color and then baled for shipment to an out-of-state paper mill. This method should be limited to non-confidential information.

Advantages: No staff time is needed to shred / disintegrate the paper records. Recycling helps society by conserving natural resources. Paper recyclers may pay for the recycled paper.

Disadvantages: Since the paper is not shredded, the confidentiality of the information is not protected. Most recyclers request that all paper be sorted by color prior to pick-up. There may be a pick-up charge.

Microforms (microfilm reels, microfiche, aperture cards, etc.)

1. **Disintegration** - The disintegrator cuts microfilm and paper into minute pieces. The pieces are then bagged and incinerated.



Whitaker Model 96 Disintegrator

Advantages: The record's confidentiality is protected. The film is effectively destroyed.

Disadvantages: Since disintegrators contain fast-spinning blades to cut the film, personnel must be trained to safely operate this equipment. Disintegrators are noisy. Protective eye wear and earplugs should be used when operating a disintegrator. It may be difficult to locate commercial vendors who disintegrate microfilm. Paper shredders cannot be used to destroy microfilm.

2. **Incineration** - This method involves taking microfilm directly to an incinerator such as the H-Power Plant for destruction.

Advantages: Incineration efficiently destroys microfilm. The record's confidentiality is protected.

Disadvantages: H-Power normally does not permit non-employees to witness the actual incineration of records. All H-Power fees and customer requirements that apply to the disposal of paper records will also apply to the disposal of microforms.

Electronic media

1. **Demagnetization** - Information can be effectively erased from magnetic media and magneto-optical media, such as magnetic tape and computer diskettes, through demagnetization.

Advantages: It is an effective method to erase data from magnetic media.

Disadvantages: The process eliminates all data from the magnetic media. If a diskette contains a mix of data eligible and ineligible for disposal, the information to be retained must be copied to another diskette or tape. Special equipment, called a degausser, is needed to demagnetize the media.

2. **Shredding / Cutting / breaking the medium** - Intentionally burning, cutting, breaking, and smashing the magnetic or optical medium and then burning or burying it is another method of disposal.

Advantage: Since electronic records are hardware and software dependent, destroying the recording medium makes it very difficult for anyone to recover data. There are machines that shred compact disks (cDs) and punch tapes (key tapes). Private paper shredding companies may also be capable of destroying magnetic media (including hard drives) and optical media.

Disadvantage: All records not eligible for disposal must be copied to another medium.

Other processes that attempt to destroy electronic records may make it difficult to recover information, but do not totally prevent the recovery of electronic records. Deleted files can be recovered. Sometimes information from disks that were "re-formatted" can be recovered. Also, replacing data in a file may not prevent the recovery of the old information.

For more information about record disposal methods, call the Records Management Branch at 831-6770.

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