

CLIENT ALERT:

RISK MANAGEMENT ISSUES

The Litigation Department of Murtha Cullina is pleased to provide clients and friends with information about topics of interest.

If you have questions about the issues addressed in this newsletter, please feel free to contact the following attorneys:

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NEW STATE LAW REQUIRES PROTECTION OF SOCIAL SECURITY NUMBERS AND OTHER PERSONAL INFORMATION



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On October 1, 2008, a new Connecticut law will take effect requiring companies that maintain Social Security numbers or other personal information to safeguard that information. See [P.A. No. 08-167](#) (the "SSN Law").

Summary of the SSN Law

The SSN Law applies to all people and businesses (other than agencies or political subdivisions of the State) in possession of the "personal information" of another. "Personal information" is broadly defined as information capable of being associated with a particular individual through one or more identifiers, such as a Social Security number, a driver's license number, a state identification card number, an account number, a credit or debit card number, a passport number, an alien registration number, or a health insurance identification number. It does not include publicly available information.

The SSN Law requires a person in possession of such personal information to do two things: (1) safeguard the personal information from misuse by third parties; and (2) properly destroy the information prior to disposal.

In addition, a person who collects Social Security numbers (as distinguished from other forms of personal information) in the course of business is required to create a "privacy protection policy" that: (1) protects the confidentiality of such Social Security numbers; (2) prohibits unlawful disclosure of such Social Security numbers; and (3) limits access to such Social Security numbers. This policy must be published or publicly displayed by, for example, posting it on an Internet web page.

Each violation of the SSN Law is punishable by a civil penalty of \$500 per violation (not to exceed \$500,000 for any single event). It shall not be a violation of this provision if the violation was unintentional. In addition to the potential civil penalties, it is possible that violations of this law could be used to support statutory or common law causes of action.

Compliance with the SSN Law

Because every business with employees “collects Social Security numbers in the course of business,” every employer must now create a privacy protection policy that, at the very least, addresses employee data. The privacy protection policy must also address Social Security numbers collected for other purposes, including those obtained from customers, clients, patients, independent contractors, and vendors.

As for the broader “personal information” your business maintains, evaluate whether you can better protect that information. For example, make sure that access to personal information is limited to employees who need it to fulfill their job functions. Consider whether to encrypt such information. If you collect Social Security numbers from customers or clients, think about whether it is necessary to continue doing so.

Finally, make sure that any personal information your business maintains is destroyed before disposal. It can be destroyed by shredding or erasing, or any other means that makes it unreadable.

Please note that the SSN Law applies to businesses operating in the usual course of business. If your business experiences a security breach of personal information – *i.e.*, unauthorized access to or acquisition of electronic files or computerized data containing personal information – you may be required to take further action under the state security breach law enacted last year. See [Conn. Gen. Stat. § 36a-701b](#).

Please also note that if your business is subject to other laws or regulations concerning privacy, the SSN Law may have some overlapping or conflicting features that need to be addressed.

If you have any questions or concerns about the issues raised above, please feel free to contact Jennifer Morgan DelMonico at 203-772-7735 / jdelmonico@murthalaw.com, Rachel Snow Kindseth at 203-772-7774 / rkindseth@murthalaw.com, or your regular counsel at Murtha Cullina for further information.

This newsletter is one of a series of publications by Murtha Cullina LLP and should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only, and you are urged to consult your own lawyer concerning your own situation and any specific legal questions you may have.

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