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## **State disciplines American General for dumping checks in trash**

*Company paid \$75,000, must heighten supervision of staff*

(Salem) — The Oregon Department of Consumer and Business Services (DCBS) has taken action against American General Finance for an incident that could have potentially exposed its customers to identity theft.

The department ordered the company to pay \$75,000 in penalties and other costs, and required heightened supervision of employees to ensure they properly safeguard customers' personal information. DCBS also "conditioned" the company's licenses for its Oregon branch offices for two years, which means the company is under increased scrutiny to protect personal information in its custody and faces significant consequences if it fails to safeguard customers' information.

The discipline resulted from an incident at the company's Salem branch office in April 2007. An American General Finance branch manager improperly discarded 773 checks made payable to the firm by Oregon residents. Rather than use the office's on-site shredder, the manager placed the items in the trash. The checks, intact and unaltered, display individuals' names, addresses, bank account numbers, and – in one instance – Social Security number. The checks were found in a dumpster close to the American General Finance office on a busy commercial thoroughfare by a property custodian rearranging the massive container to allow more bags to fit in the unlocked, unfenced receptacle. The custodian regularly encountered "dumpster divers" at this location in search of information of value.

The 2007 incident pre-dated enactment of the Oregon Consumer Identity Theft Protection Act. That law imposes a variety of sanctions for failure to safeguard consumer information, including civil penalties of up to \$500,000 per occurrence. However, in this case, the department was able to take action because of a breach of other standards applicable to consumer finance companies.

American General Finance has taken corrective action since the incident. The firm has also paid \$75,000 to the state of Oregon, including a \$25,000 contribution to the department's consumer education fund.

"Financial institutions are entrusted with Oregonians' most sensitive financial and personal information" said David Tatman, administrator of the DCBS Division of Finance and Corporate Securities. "Had a custodian not found hundreds of checks, significant harm could have resulted from this entirely preventable incident. Our department will not hesitate to enforce all laws designed to protect consumers' information."

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit [www.dfcs.oregon.gov](http://www.dfcs.oregon.gov) or call DFCS toll-free (866) 814-9710, (503) 378-4140 in Salem.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov). **Follow DCBS on Twitter:** <http://twitter.com/DCBSCory>. Receive consumer help and information on insurance, mortgages, investments, workplace safety, and more.