

INVESTIGATION REPORT
INVESTIGATION P94-002
INSURANCE CORPORATION OF BRITISH COLUMBIA
April 29, 1994

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INTRODUCTION

Background to the investigation

On April 8, 1994, the producer of the British Columbia Television (BCTV) "Weekend NewsHour" called the Insurance Corporation of British Columbia's (ICBC) Public Information section claiming to have received a number of ICBC claims files from an unidentified source. The source, described as a worker in the film industry, indicated that the files were being used as props for office scenes in a movie.

ICBC immediately started an investigation and learned that some of its insurance claims files that had been transferred in 1993 to Paperboard Industries Corporation (Paperboard) for destruction had been found on the site of a movie and television production company. BCTV obtained two ICBC files containing personal information about persons who had filed insurance compensation claims to ICBC.

The investigation revealed that ICBC files had been used as "paper filler" or "dressed files" in other productions. An unconfirmed report alleged that the BCTV producer was told that the crew on the films would, on occasion, sit around and read through the ICBC files. BCTV aired newscast items about the ICBC files starting on April 10, 1994. The two ICBC files received by BCTV were shredded on-camera by ICBC President, Mr. Bill McCourt, during the April 10 newscast. BCTV provided the claim numbers and names on the two files to ICBC; the files had been closed in 1988 and 1990 respectively. BCTV no longer has any ICBC files in its possession.

As a result of government-wide, ICBC, and public concern over this unauthorized disclosure of personal information, the Office of the Information and Privacy Commissioner commenced an investigation into this incident. ICBC and Paperboard had already commenced their own investigations.

Chronology of events: The ICBC-Paperboard paper recycling contract

ICBC entered into a contract with Paperboard on April 23, 1990 for the collection of ICBC's waste paper by Paperboard. The contract specified extensive requirements to ensure the security

of ICBC's waste paper from the time of collection at ICBC's premises until the processing of the paper at Paperboard's plant (see below). The contract was revised and renewed on February 26, 1991 and June 3, 1992, extending its coverage to March 31, 1993. ICBC has advised the Office of the Information and Privacy Commissioner that the contract was further extended to March 31, 1994, with a subsequent final 61-day extension, expiring on May 31, 1994. The contract set out what ICBC believed was a secure process of transporting, baling, and repulping the files.

In May 1992 the ICBC Manager, Security and Safety and the Manager, Waste Management and Warehouse Distribution Services reviewed the security of ICBC files in the recycling process with Paperboard, pursuant to clause 6(f) of the contract (see below). ICBC's investigation of the process confirmed that "all concerns have been addressed to the satisfaction of the Corp. as relates to security of information." This followed earlier concerns expressed by ICBC that certain security gaps existed in Paperboard's procedures (i.e., the transport truck was not completely closed; delay in baling of paper files). Paperboard supplied a May 6, 1992 "comfort letter" in which it stated:

With respect for your concern for the secure handling of material removed from your offices and distribution centres, I would like to assure you of Paperboard Industries' policy to handle all paper processed at our plant in a secure, efficient and discreet manner.

As a result of ICBC's investigation of Paperboard's security procedures for ICBC files, the ICBC Manager of Security and Safety wrote in a May 26, 1992 memorandum:

I have reviewed the contract amendment for the above and as discussed this meets all our requirements from a security point of view. This can serve as my conformation [sic] that all concerns have been addressed to the satisfaction of the Corp. as relates to security of information.

Based on such assurances, ICBC agreed to amend and extend the recycling contract with Paperboard in June 1992 for the period from April 1, 1992 to March 31, 1993.

The following security provisions from the June 1992 contract were in effect at the time of the March 1993 unauthorized release of the files to the movie production studio:

The Contractor will comply with the following processing conditions during the Term:

- a) All of the Corporation's loose wastepaper will be processed and/or stored by the Contractor in an internal (indoor) plant until baled.
- b) The above-noted plant must have a security system which is acceptable to the Corporation and which is in place and operational, inclusive of after hours monitoring, prior to the commencement of the Term.
- c) All of the Corporation's loose wastepaper will be fully baled by the Contractor on the day it is collected.

- d) All of the Contractor's collection and baling personnel who have access to the loose wastepaper of the Corporation must be bonded.
- e) During transport, the Contractor must enclose all of the Corporation's wastepaper in a closed truck or container. Wastepaper picked up at the Corporation's location at 6100 Kingsland Drive, Burnaby, B.C. [the file storage warehouse] must be delivered directly to the Contractor's baling plants for immediate processing.
- f) The Contractor agrees that the Representative of the Corporation may make scheduled and unscheduled site inspections of the Contractor's operations to ensure compliance with the terms of this Agreement.
- g) The Contractor shall not, under any conditions, permit the Corporation's wastepaper to be removed for processing (including baling and repulping) to a mill site outside of the G.V.R.D. Materials moved from the baling plant to the mill site will be used on a timely basis in conjunction with scheduled mill production. Deviation of the above will require the Contractor to notify the Corporation's Manager of Security and Safety. Any changes in the location of the baling plant site contemplated by the Contractor must be approved in advance by the Corporation's Manager of Security and Safety.

The unauthorized release of ICBC files

On March 12, 1993, a props coordinator from North Shore Studios approached Paperboard to obtain old files for use as props in the movie *Intersection*. The Paperboard plant foreman provided the props coordinator with 36 boxes of files (36 boxes equals one skid or palette) for temporary use, along with other unrelated office props. The files were provided on a "short-term loan," and were to be returned at the end of filming the movie in the Vancouver area. ICBC is not certain how many of its files were moved from Paperboard to the movie production studio for use as props. Paperboard conducted its own investigation of how the unauthorized release of ICBC files took place.

Some of these files were later used as props in the filming of the television series *X Files*. None of the boxes or files were returned to Paperboard, and some of the 36 boxes and files may have been discarded by the movie or television producers between March 1993 and April 1994. This raises the possibility that some of the ICBC files will never be recovered or accounted for.

Retention and disposal of ICBC files: policies and procedures

According to ICBC, all information in a claims file is confidential. Once a claim is closed, the file is kept in Records Retention for a specified time, and then is sent for destruction. Documents with archival value are retained, but the remainder are baled and recycled for pulp. In the past, ICBC files were shredded and then discarded. About six years ago, ICBC switched to a recycling program for its paper waste.

The ICBC retention and disposal schedule requires files to be kept for the following periods before destruction:

comprehensive claims: 3 years collision, property damage, service files: 4 years bodily injury, accident benefits, death benefits: 5 years

ICBC's internal investigation

In an April 11, 1994 press release, the Honourable Jackie Pement, Minister of Transportation and Highways and Minister responsible for ICBC, outlined the steps taken to close the security breach in the handling of ICBC files. The Minister described the investigation:

- a comprehensive investigation by ICBC's Special Investigation Unit (SIU) began April 8, 1994, headed by a former police officer.
- all ICBC material still at Paperboard was recovered and returned to ICBC's warehouse in Burnaby.
- other Crown corporations and ministries have been instructed to stop all shipments to Paperboard until further notice. Even before this instruction, ICBC decided that no further material will be sent to Paperboard until ICBC is convinced that Paperboard can guarantee secure handling of sensitive materials.
- the Deputy Minister to the Premier is investigating the document disposal procedures of all Crown corporations in conjunction with their chief executive officers.
- the Office of the Information and Privacy Commissioner has been briefed and updated on measures taken to secure the files.
- ICBC President McCourt visited the studio with an ICBC Special Investigation Unit Officer and placed 24-hour security on files still there, pending return of the files to ICBC. The studio vice-president has been contacted and has promised complete cooperation and the return of all ICBC documents. The movie production company did not permit the SIU Officer to remove the ICBC files over the weekend, but he was able to arrange a 24-hour security guard to protect the ICBC files.

On April 12 and 14, 1994 ICBC employees visited the North Shore Studios site in North Vancouver and searched a trailer. The employees recovered part of one ICBC file from the trailer and searches of the studio premises resulted in the recovery of 19 boxes of ICBC files. In its independent investigation, Paperboard recovered ten boxes of ICBC files on April 14, 1994 from an alternate location and returned these files to ICBC. Some of these boxes appeared to include materials from the Ministries of Social Services and Health, and private sector companies. If this proves to be true, ICBC will contact those ministries and companies to inform them that their materials have been recovered. Paperboard subsequently advised my office that it does not provide paper recycling services for the Ministries of Social Services and Health.

ICBC advised my office that it is reviewing all recycling processes within ICBC, including file destruction and retention issues. The review is being conducted by the Manager, Information Access and Ombudsman Enquiries. ICBC describes the review as a "specific privacy issues audit," resulting in immediate recommendations within two weeks, followed by longer-term recommendations later. One recommendation is already known: ICBC has decided to implement an on-site shredding system for all of its waste paper. My office will follow-up the results of the ICBC review.

ICBC told my office of a file destruction problem that is already apparent. ICBC reports that its procedures permit the Corporation to know when a particular box of files has been destroyed. However, ICBC does not have complete certainty that a particular file that should have been in that box was actually in the box at the time of destruction. ICBC told my office that it is reviewing new file tracking software and procedures that will permit greater certainty about the location and status of individual files.

According to the ICBC Manager, Information Access and Ombudsman Enquiries, when originating offices ask the ICBC file storage warehouse to pull closed files from the boxes, "10 to 12 percent" of the requested files are not found in their proper boxes. This results, in part, from occasions when an ICBC employee withdraws a file scheduled for destruction from its box for further work, or where another ICBC office has already requested the file. If the file is not returned to the box before destruction, ICBC will not know if the file actually was destroyed. This leads to the possibility that the two files temporarily held by BCTV did not come from Paperboard via the movie studio.

ICBC's comprehensive investigation, mentioned above in the Minister's press release, revealed the following:

- Paperboard loaned 36 boxes of ICBC files to the movie production crew on March 12, 1993. The invoice indicates that the files were never returned to Paperboard. All of the ICBC files recovered from North Shore Studios had been released by ICBC to Paperboard during the first three or four months of 1993, meaning that the destruction date for the files was in the first quarter of 1993.
- ICBC recovered 29 boxes of the files, but it is possible that the files in those boxes may account for 30 or 31 boxes from the original loan. It is quite likely that some of the files may have been disposed of in regular garbage throughout the year.
- The two files obtained by BCTV had March 1994 destruction dates. The ICBC investigation was not able to establish who gave these files to BCTV, and no other files with a March 1994 destruction date were recovered.
- ICBC has identified four possible explanations of why the two files obtained by BCTV were approximately one year "newer" than the files in the 29 recovered boxes, and how BCTV obtained the files :
 1. ICBC's small margin of error in filing files may have resulted in the two BCTV files being placed in boxes of files marked for destruction in March 1993 instead of March 1994.
 2. A Paperboard employee may have taken the two files from a box at the Paperboard plant and turned them over directly to BCTV.
 3. Paperboard may have made another file loan with a production company for which there is no record.
 4. An ICBC employee may have removed the two files from the box and given them to BCTV for unknown reasons.

ICBC told my office that the possibility of determining who gave the files to BCTV is very slim and may not serve any purpose. ICBC emphasized that these are possibilities only, and it does not have evidence to support one over the other.

Recommendation 1:

ICBC should review the feasibility of implementing procedures that track individual files containing personal information, and not just individual boxes of files, at all stages in the retention and disposal process. ICBC should consider tracking the status of individual files from their creation, to transition to inactive status, to their transfer to waste paper recyclers such as Paperboard. This new tracking procedure would be consistent with ICBC's obligations under [section 30](#) of the Act.

Notification of other public bodies and the private sector

Several other public bodies have used Paperboard for the collection and recycling of their paper waste, including BC Hydro and Power Authority. ICBC employees who visited the movie production studio to recover ICBC files reported seeing what appeared to be other "government files" in the movie props material. During my visit to the ICBC file storage warehouse on April 14, I personally saw files with Ministries of Social Services and Health labels in some of the boxes of files retrieved from the movie production studio. As well, ICBC employees reported seeing files and documents from several private sector companies. Some of the files, according to ICBC staff, appeared to be "dummy files" and what seemed to be "government files." The ICBC staff performing the search did not inspect the contents of these files. Some of the non-ICBC files may have originated from other paper recycling companies that provide props to the movie industry.

Recommendation 2:

ICBC should notify other public bodies and private sector companies if any of their files and documents are found in the boxes of ICBC files and materials retrieved from the movie production studio. ICBC should confirm to my office that these notifications have been made.

The shredding process

ICBC staff advised my office that ICBC has decided to implement an on-site shredding system at its file storage warehouse for its files and waste paper. This means that dormant files that have reached the end of their retention period at the ICBC Burnaby file storage warehouse will be shredded at the warehouse. The "shreddies" will then be picked up by paper recycling firms for further processing. The result is that any sensitive files and paper leaving ICBC's custody will have been shredded before passing into the custody of paper recycling firms. For smaller ICBC offices, ICBC will either shred on-site or arrange for secure off-site destruction of documents through contracted file destruction companies.

ICBC is in the process of establishing the shredding program. In advance of this, ICBC now collects all its waste paper from across the Lower Mainland and transports it to the Burnaby warehouse for on-site shredding. For all locations outside the Lower Mainland, ICBC offices have been instructed to retain all waste paper on-site for future destruction. ICBC advises that its annual waste paper load is approximately 300 metric tonnes.

Recommendation 3:

All public bodies should consider implementing on-site shredding of sensitive files and records at major record centres, including records that contain sensitive personal information. In the alternative, public bodies should consider using contracted off-site shredding services with adequate security measures. The difficulty of preventing future unauthorized disclosures of sensitive files requires public bodies to retain custody of files and records until the paper has been reduced to unreadable form, or arrange for other secure disposal methods.

Paperboard Industries Corporation's investigation

ICBC staff advised my office that Paperboard conducted its own investigation of how the ICBC files were diverted from the recycling process. Paperboard informed ICBC that the Paperboard plant foreman, by "an honest mistake," gave the ICBC files to the movie props coordinator. The Regional Manager of Paperboard personally spoke with all his staff and told them that no material is to leave the Paperboard plant in the way the ICBC files did.

ICBC is not aware of what other measures Paperboard has taken to ensure that this diversion of files does not happen again, nor is ICBC aware of disciplinary measures, if any, that Paperboard has taken against its plant foreman or other employees. This may be a moot issue for ICBC since it has decided to implement an on-site shredding system.

Even though ICBC no longer deals with Paperboard for recycling of intact records, I decided to contact Paperboard directly. Although the *Freedom of Information and Protection of Privacy Act* does not cover private sector companies, the Act deems Paperboard to be an "employee" of ICBC due to its contract to provide paper recycling services to ICBC. As well, the Act gives me the power to talk with any person from whom I require information to complete my investigation. I therefore directed my office to contact the Regional Manager of Paperboard to discuss this case.

All Paperboard employees who deal with recycled paper from ICBC are bonded (see the contract, clause 6(d)). The Regional Manager of Paperboard told my office that the staff turnover rate at the recycling plant is very low, with the current crew having been together for about 18 months. There are 22 employees at the recycling plant, including managers, who deal with recycled paper.

The Regional Manager said that the Paperboard plant foreman has been spoken to about his breach of security for the ICBC files. According to Paperboard, the foreman directed a Paperboard employee to provide the files to the movie props coordinator, but Paperboard cannot

reconstruct the exact details of how the ICBC boxes of files were released in March 1993. It is not necessary to describe the disciplinary action taken by Paperboard against the foreman, other than to state that all Paperboard employees are now aware of the need for security and confidentiality of files destined for recycling. On April 14, 1994, Paperboard issued a memorandum that resulted in its employees being personally given notice of the following policy:

Please ensure that all employees of our Recovery Divisions and Papermill Material Handling Department understand that it is not our policy or practice, and employees are strictly prohibited from: giving, lending, selling or otherwise dealing with our waste paper - confidential material or not - in any way other than as recycling material. Anyone doing so will be subject to immediate termination.

On April 15, 1994, Paperboard sent a letter to approximately 235 offices that provide "bond or printing shop waste" to Paperboard for recycling. Paperboard wrote:

We wish to advise you of a most regrettable recent event involving the release of a number of boxes containing obsolete files to a BC film production company. These files were scheduled for recycling - not confidential shredding, as we are not in that business. This incident has caused much embarrassment and concern to both the supplier and CPL Paperboard Ltd.

We wish to assure all of our suppliers that this incident was an isolated event and has not been, nor will be an acceptable trade practice.

Paperboard acknowledges its error in releasing the ICBC files to the movie props coordinator. However, Paperboard stated that it has not been the only paper recycling firm that has supplied the movie industry with paper props. Paperboard also emphasized that its paper recycling contract with ICBC was never intended to be a confidential paper destruction service. Despite the security measures established by the Paperboard-ICBC contract, Paperboard describes the ICBC account as a "waste paper account." Paperboard stated that neither Paperboard nor its employees were instructed by ICBC that the ICBC files contained confidential information, and Paperboard handled the ICBC files and material according to the "regular waste handling protocol."

ICBC had specific conditions in its contract that these files would be taken directly from the file storage warehouse to Paperboard's plant for immediate processing into pulp. Although the contract did not so specify, the materials picked up at the file storage warehouse consisted of boxes of closed files rather than loose waste paper. The boxes were shrink-wrapped on a palette before being picked up and were not to be mixed with material from any other source.

ICBC staff stated that even if a full confidential destruction protocol had been in place for its warehoused files, it still could have been possible for files to have gone astray through human error or mischief. This is true, although somewhat less likely, since employees at a confidential paper shredding and recycling plant would be more aware of the need to maintain security of waste materials.

Paperboard employees receive general training in handling waste paper, but were not given special instructions in respect of ICBC files and material. The Regional Manager stated that Paperboard acted as a waste paper recycler but not a confidential paper destruction agent for ICBC. Paperboard indicated that it advised other clients that any confidential material must be sent to a confidential destruction service for shredding, prior to entering the regular recycling stream.

ICBC maintains that it received several assurances from Paperboard that its files and waste papers were being treated in a secure manner. I have discussed some of this on page 2 of this report. In a letter to ICBC dated April 8, 1994 which was sent after the BCTV news report, the Regional Manager of Paperboard wrote:

We have since the beginning of our relationship been distinctly aware of the need to use care and diligence in the handling of waste paper put out for recycling by I.C.B.C. We at all times work towards maintaining the protocol laid out in our agreements and all management and supervisory staff are aware of them.

A representative of The Confidential Paper Destruction Co. (1981) attended preliminary meetings between Paperboard and ICBC during the contract negotiations. The Confidential Paper Destruction Co. provides full security services for document disposal. Paperboard proposed that if any confidential destruction was required, it should be subcontracted to The Confidential Paper Destruction Co. According to Paperboard, ICBC declined to accept this. ICBC does not have records concerning this exchange, and the ICBC Manager, Waste Management and Warehouse Distribution Services does not recall this. ICBC did not choose The Confidential Paper Destruction Co. because it felt the security measures provided by the contract with Paperboard were sufficient to ensure the confidentiality of the files being destroyed.

The Regional Manager of Paperboard told my office that on March 14 and 15, 1990, he spent two days at the ICBC Head Office meeting "hundreds" of ICBC employees to explain how the waste paper recycling process works. The Regional Manager explained which types of paper can or cannot be recycled. He stated that "Paperboard did not represent itself as being a confidential files destruction service." He was uncertain whether his training sessions, which lasted 15 to 20 minutes per employee group, dealt specifically with the security of papers and materials in the recycling process. However, he confirmed that he responded to many questions about dealing with confidential materials. These meetings did not expressly deal with the destruction of closed files.

The Regional Manager of Paperboard advised my staff that after the commencement of the ICBC-Paperboard contract, Paperboard had regularly removed bags of shredded paper from the ICBC Head Office but not from the ICBC file storage warehouse. Prior to the ICBC-Paperboard contract, ICBC shredded its files from the file storage warehouse by using a secure off-site shredding and recycling process. A contract security guard observed the transfer and destruction process at The Confidential Paper Destruction Co. until 1991.

ICBC maintains that its closed files containing personal information have always been confidential. ICBC believed that the arrangements in the ICBC-Paperboard contract were

sufficient to ensure secure destruction. However, Paperboard did not consider these to be files requiring "confidential destruction" as that term is understood in the paper recycling and disposal industry.

At the time of entering the contract with Paperboard, ICBC did not retain its confidential shredding system for its files from the ICBC Head Office, the Claims Centres, and the ICBC file storage warehouse. This lack of special handling for files containing personal information may have arisen from the pre-FOI legislation understanding of the degree of security required to ensure confidential destruction of material containing personal information.

ICBC has routinely shredded waste paper and files from selected office areas at its Head Office, due to the "sensitive and confidential" nature of the file material. These areas include the Executive Offices, Payroll, Corporate Accounting, and Human Resources. This special treatment of what was traditionally considered to be sensitive and confidential files and papers now should expand to include other files that contain sensitive personal information.

In my opinion, Paperboard has taken reasonable measures to ensure the continuing security of its waste paper and recycling processes. Paperboard has made it abundantly clear to its employees and paper suppliers how seriously it takes its security obligations. As a result of this incident, Paperboard understands its on-going obligation to protect the confidentiality of personal information in its waste paper materials up to the point where the materials are reduced to unreadable form, regardless of the legal ownership rights to the waste paper.

Recommendation 4:

ICBC should establish a shredding system that reduces confidential waste paper and files containing personal information about insurance claimants or ICBC employees to an unreadable form before placing them in the regular paper recycling process.

Recommendation 5:

ICBC should make every reasonable effort to ensure that all ICBC employees understand that files containing personal information about insurance claimants and ICBC employees are "confidential."

**INVESTIGATION BY THE OFFICE OF THE INFORMATION AND PRIVACY
COMMISSIONER**

Visit to ICBC Head Office

Staff members of my office visited the Head Office of ICBC in North Vancouver on April 12 and 26, 1994. These staff members conducted a site inspection relating to the unauthorized disclosure of ICBC personal information files from Paperboard to a movie and television production studio. The Manager, Information Access and Ombudsman Enquiries at ICBC, reviewed documents with the staff members and introduced several ICBC managers who provided information about the files and ICBC policies and procedures.

Visit to the ICBC file storage warehouse

I personally visited the ICBC file storage warehouse in Burnaby on April 14, 1994. My visit to the warehouse confirmed that ICBC has adequate physical security measures to protect the files and documents stored there. As noted above, ICBC retains files under its retention and disposal schedule for three, four, and five years, depending on the category of file. ICBC also retains some files and documents for archival purposes, such as corporate minutes, historical documents, and other records of enduring value. However, ICBC states that archived records contain very little personal information and generally they do not concern claims made by insurance claimants.

ICBC policies and procedures

I have reviewed the paper recycling contract between ICBC and Paperboard and all relevant correspondence between those two parties. In my opinion, ICBC took all reasonable and necessary precautions to ensure the security of *ordinary waste paper* during transit from ICBC premises to the Paperboard plant. However, even though ICBC made specific security arrangements as to how the files were to be destroyed, the fact that Paperboard did not provide a confidential paper shredding service means that ICBC did not take sufficient precautions to ensure the security of *confidential waste paper* such as insurance claims files from the ICBC file storage warehouse during the recycling process.

The diversion of the claims files from the recycling process appears to have taken place beyond the control of ICBC, despite ICBC's best efforts to audit and ensure security of its files during the recycling process. ICBC believed it had made adequate security arrangements for the destruction of claims files; in hindsight, those arrangements should have been better. ICBC's intention to commence on-site shredding of confidential papers shows that ICBC took reasonable and necessary precautions, *after* the unauthorized release of files, to ensure that the movie props incident does not happen again.

ICBC use of personal information: the apologies

ICBC President Bill McCourt personally contacted one of the two persons whose files were held by BCTV and apologized for the improper disclosure of their personal information. Mr. McCourt has repeatedly attempted to contact the second person, but without success. ICBC advised my office that it obtained the addresses and telephone numbers of these two persons from its databases and not from another public body or outside source. I am satisfied that ICBC did not improperly obtain personal information from other databases or public bodies to contact the two people.

I would be concerned if ICBC, in its attempt to deliver an apology to persons whose personal information had been improperly disclosed, had obtained personal information from other databases or other public bodies to permit Mr. McCourt to deliver the apologies. Public bodies must use personal information only for the purposes for which it was collected, or for purposes that are consistent with the original reason for collection, or for the purposes listed in section 33 of the Act. In my opinion, a public body acts improperly where it uses personal information

collected for a specific purpose to permit the delivery of an apology for the improper disclosure of related personal information. The apology would not be a "consistent use" of that personal information.

It would not be possible for the President of ICBC to personally contact all persons whose files were found at the studio sites. The number of files (over 1,000) makes personal contact an unreasonable requirement for ICBC. In addition, each file may contain personal information about third parties, thus greatly multiplying the number of persons who are affected by these files.

Recommendation 6:

ICBC President McCourt should consider issuing a public statement to reassure the residents of British Columbia that ICBC has taken all reasonable precautions to protect personal information in its custody from unauthorized disclosure. The public statement could mention the extensive precautions that ICBC has taken to ensure security during the retention and destruction of files processes, and describe its records retention and destruction plans for the future.

CONCLUSION

This investigative report reflects the best available information from sources up to and including April 29, 1994. I am pleased to report that the staffs of ICBC and Paperboard provided their fullest cooperation during my investigation. My office will conduct follow-up interviews and site inspections within three months to ensure that ICBC's new policies and procedures continue to provide sufficient protection for sensitive personal information in its files.

This investigation demonstrated the significance of the directors and managers of information and privacy throughout public bodies, and ICBC in particular. The directors and managers of information and privacy in each public body play an important role in guiding government through the change of culture that the *Freedom of Information and Protection of Privacy Act* has brought to British Columbia. With the completion of this report, the directors and managers of information and privacy now must work to increase the awareness of all British Columbians of the need to maintain the confidentiality of personal information.

SUMMARY OF RECOMMENDATIONS

1. ICBC should review the feasibility of implementing procedures that track individual files containing personal information, and not just individual boxes of files, at all stages in the retention and disposal process. ICBC should consider tracking the status of individual files from their creation, to transition to inactive status, to their transfer to waste paper recyclers such as Paperboard. This new tracking procedure would be consistent with ICBC's obligations under section 30 of the Act. 2. ICBC should notify other public bodies and private sector companies if any of their files and documents are found in the boxes of ICBC files and materials retrieved from the movie production studio. ICBC should confirm to my office that these notifications have been made.

3. All public bodies should consider implementing on-site shredding of sensitive files and records at major record centres, including records that contain sensitive personal information. In the alternative, public bodies should consider using contracted off-site shredding services with adequate security measures. The difficulty of preventing future unauthorized disclosures of sensitive files requires public bodies to retain custody of files and records until the paper has been reduced to unreadable form, or arrange for other secure disposal methods.

4. ICBC should establish a shredding system that reduces confidential waste paper and files containing personal information about insurance claimants or ICBC employees to an unreadable form before placing them in the regular paper recycling process.

5. ICBC should make every reasonable effort to ensure that all ICBC employees understand that files containing personal information about insurance claimants and ICBC employees are "confidential."

6. ICBC President McCourt should consider issuing a public statement to reassure the residents of British Columbia that ICBC has taken all reasonable precautions to protect personal information in its custody from unauthorized disclosure. The public statement could mention the extensive precautions that ICBC has taken to ensure security during the retention and destruction of files processes, and describe its records retention and destruction plans for the future.

David H. Flaherty Commissioner

Investigation conducted by Kyle Friesen, Mary Carlson and Celia Francis Report drafted by Kyle Friesen