CI Information Management

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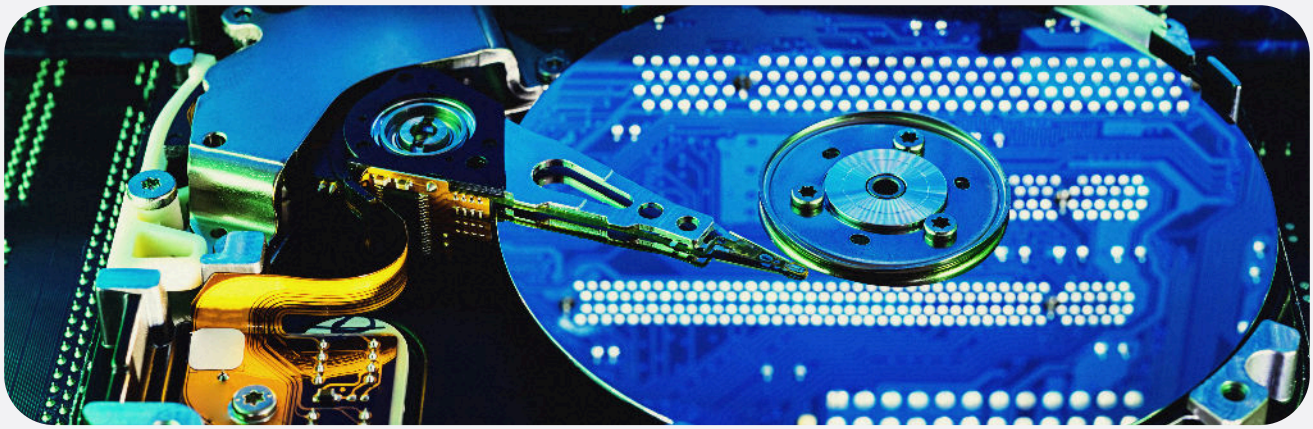
Beyond Deletion:
The Critical Guide to Secure Hard Drive Destruction for Compliance-Driven Organizations

Presented By
CI Information Management

$4.9 million. That was the global average cost of a data breach in 2024, a 10% increase from last year and the highest total ever reported. In a world where deleted files can be easily recovered, businesses must rethink what it really means to “dispose” of data.



Why Hard Drive Destruction Matters

We live in a digital world... and almost EVERYTHING we do these days leaves behind a digital fingerprint. Businesses, in particular, collect and retain records of a significant amount of sensitive data, including personal details (name, phone number, address), financial information (credit and debit card details), employee information, and more. This data is often stored on an organization's internal hard drives and other devices to be used throughout the customer journey and for strategic analysis after the lifecycle of the transaction.

While the collection of this data is with good intentions, it carries long-term risk. Take a moment to think about all the devices used within a business that store sensitive data. Depending on the organization, it could be a couple of dozen to hundreds of pieces of assets.

When that equipment reaches the end of its lifespan, it becomes ICT waste, also known as e-waste. Data leakage happens when information is exposed without proper safeguards. There have been numerous cases where highly sensitive data has been unintentionally released and misused when organizations improperly dispose of their devices.

Deleting or wiping files is not enough, many software tools and hackers can still retrieve that data. That, in turn, can lead to a host of negative consequences.

The Consequences of Data Theft for Businesses

The increasing integration of sensitive data collected, stored, and utilized by businesses carries severe consequences if not actively protected. In the event of data theft, it will likely result in both direct and indirect losses for the company.

In terms of **direct losses**, businesses incur tangible losses that are easy to quantify. These can include, but are not limited to:

- Customer compensation fees or settlements
- Regulation violation fines
- Litigation costs
- Sale number decreases
- Remedial fines
- Investigation costs

Indirect costs, although not as easy to quantify, are just as impactful to a business. Common indirect losses for companies who experience a data breach include:

- Negative publicity
- Damage to reputation
- Customer abandonment
- Stock devaluation
- Exposure of critical company assets to competitors
- Loss of employee trust

While many believe that this only applies to vast organizations, these risks apply *regardless of company size*, with small businesses being just as, **if not even more, vulnerable.** Fortunately, as the risks of data breaches become more widely recognized, businesses are increasingly aware of the need for data protection.

A 2023 data protection report shared that 92% of the small business leaders surveyed believe data protection has never been as important as it is now, with 93% stating it is a top priority for their company. Additionally, 94% agreed that physical data protection is just as important as digital data protection.

Recognizing these risks, we at CI Information Management provide a secure and compliant solution for hard drive destruction. As a **NAID AAA Certified provider**, we adhere to the industry's highest standards, ensuring that your end-of-life devices are rendered completely unrecoverable through physical destruction. Whether you're navigating regulatory requirements or trying to avoid the hidden risks of improper disposal, we help safeguard organizations every step of the way, and that starts with education.

First, we must address a common misconception: that deletion is enough.

The Myth of Data Deletion

When working on a computational device, sending data to the “trash” feels like it should be the end. Unfortunately, deleting an item doesn’t remove it from the system; it only removes it from your active view, providing users with a false sense of security. That data can easily be recovered later on to be misused by malicious individuals.

For example, a study led by British Telecommunications and other partners, revealed that from 52% of the total disks collected for the study, they could recover information from which the organization that had previously owned the disks could be identified and from 51% of the disks, they could recover information from which an individual could be identified. In other words, over half of these supposedly “clean” devices still contained retrievable, sensitive information.

This study highlighted the widespread misconception that data deletion was enough. In reality, when a file is deleted, only its location in the file system is erased, ***not the data itself.***

Even more concerning is how frequently this myth causes real-world data exposure. According to a blind study conducted by the International Secure Information Governance & Management Association (i-SIGMA), more than 40% of second-hand electronic devices sold online still contained accessible personal information. This means that the general public is often left unaware of the dangers of improper data deletion, which could extend to the employees within a company, especially should those employees receive no data protection training.

Today, one in three breaches involves “shadow data”, unmonitored, unmanaged, or forgotten data that falls outside a business’s official systems. This statistic includes improperly destroyed data devices. When equipment leaves an organization’s environment without being verified as destroyed, the data it contains is no longer visible or protected, yet still vulnerable to malicious individuals. These oversights are more than just technical, IT, or HR errors, they’re business risks with severe consequences.

That’s why industry best practices and regulatory bodies are now recommending or requiring the proper destruction of data. In the next section, we’ll explore the compliance landscape, including HIPAA, GLBA, FACTA, and PCI-DSS, and demonstrate how secure hard drive destruction isn’t only a best practice but also a legal requirement.

Compliance and Legal Requirements

For businesses, secure data disposal isn't just a moral obligation; in some industries, it is a legal requirement. If your business falls under regulations like HIPAA, FACTA, and PCI-DSS, your organization is required to safeguard sensitive customer, employee, and financial data. Part of that responsibility includes securely destroying data when it's no longer needed to prevent unauthorized access or identity theft.

To provide a brief overview of the regulations imposed by these entities, the International Secure Information Governance & Management Association (i-Sigma) has summarized the key points below.

- Under HIPAA, covered entities may be subject to civil penalties for the misconduct of its business associates that lead to a security breach.
- FACTA Final Disposal Rule requires the destruction of all consumer information before it is discarded.
- PCI compliance requires the following:
  - Verify that hard copy materials are crosscut shredded, incinerated or pulped such that there is reasonable assurance the hard copy materials cannot be reconstructed.
  - Examine storage containers used for information to be destroyed to verify the containers are secured.
  - Verify that cardholder data on electronic media is rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion or otherwise physically destroying the media (e.g., degaussing).

As you can see, proper data destruction isn't just a recommendation; for many businesses, it is a law. Failing to follow appropriate destruction protocols can result in hefty fines, legal action, and reputational damage.

Next, we will delve into the three types of hard drive destruction methods and which types are recommended based on organizational needs.

Secure Hard Drive Destruction Methods

Hard drive destruction is available in two categories: *destructive and non-destructive.* A destructive technique involves physically destroying the hardware's storage, rendering the equipment inoperable for further use. Non-destructive techniques preserve the equipment, solely targeting the internal data. Let's take a quick look at the three most common types of data destruction methods.

#1: Wiping
Wiping a hard drive is a non-destructive process of deleting information from the device. This goes beyond simply moving data to the "trash," which removes it from common access areas but can still be recovered later. Wiping involves using software to permanently erase data from the hard drive. However, this software type can have flaws; those that replace the data with nonsense characters can still be recovered by expert hackers.

Typically, wiping a hard drive as a destruction method is only recommended when security concerns are low-risk and the equipment needs to be reused within the business, like when a new employee is given a previously used computer.

#2: Degaussing
Degaussing is a destructive process that uses magnets to destroy magnetic fields. Storage units, such as hard drives, use magnetic domains to store data, so destroying these domains can destroy the data. This is completed either by using AC or DC currents to manipulate the magnetic fields or by using a high-strength magnet. However, it is important to note that degaussing is not an option for optical or solid-state storage devices. Additionally, it requires expensive equipment to verify that the data has been fully destroyed.

Degaussing, as a form of hard drive destruction, is recommended when security is still low risk, but the equipment is leaving the facility, and there is no further use. While the equipment is intact, it should be inoperable, but there is a slight opportunity for recovery.

Comparison of Data Destruction Methods

Method	Media Type Supported	Pros	Cons	Ideal Use Cases
Wiping	HDDs, some SSDs	- Cost-effective for internal reuse - Retains hardware usability	- Time-consuming - Still potentially recoverable - Not compliant with all regulations	- Reuse within trusted internal environment - Low-risk data
Degaussing	HDDs, magnetic tapes	- Renders drive inoperable - Quick for bulk media	- Not effective on SSDs or optical media - Cannot verify erasure - Expensive equipment	- High-risk data disposal - External transfer or disposal - Compliance-driven
Shredding	HDDs, SSDs, optical media, USB drives, phones, tablets	- Irreversible destruction - Meets all regulatory requirements - Universally accepted	- Equipment required - No reuse of hardware - Typically outsourced	- High-risk data disposal - External transfer or disposal - Compliance-driven

How to Choose a Trusted Hard Drive Destruction Partner

Should your business need to dispose of hard drives, especially if you must meet the regulatory requirements of a governing body, like HIPAA, here are the questions you need to ask:

Key Questions to Ask Your Potential Hard Drive Destruction Partner:

1. Are they NAID AAA Certified?
Any reputable company claiming to perform hard drive destruction should be NAID AAA certified. NAID AAA Certification is the most recognized and acknowledged verification of data destruction qualifications in the world. A NAID AAA Certification verifies the qualifications of certified information destruction providers through a comprehensive, scheduled, and unannounced audit program. Essentially, having this certification verifies the provider as compliant with all data protection regulations, fulfilling the client's legal responsibility to do so.

2. Do they offer on-site vs. off-site services?
Shredding companies can offer on-site services, off-site services, or both. On-site shredding services mean they come to your preferred location and complete the shred in person, often bringing a shred truck or similar portable machinery. Off-site shredding refers to the process where shredding occurs at the company's designated shredding facility. Some shred companies offer both or may provide secure transportation to their primary facility if they cannot shred on-site.

On-site services are often more convenient for the business owner, as they do not have to transport any materials away from their location. Rather, they come to you. This can save time and hassle, but may incur an additional service cost.

3. What kinds of media/devices do they destroy?
Not all media destruction shredding companies accept every type of electronics. Before confirming a partner, you will want to verify that they can shred and recycle the specific types of devices you need to dispose of, whether that includes hard drives, CDs, DVDs, Floppy disks, phones, tablets, thumb drives, etc.

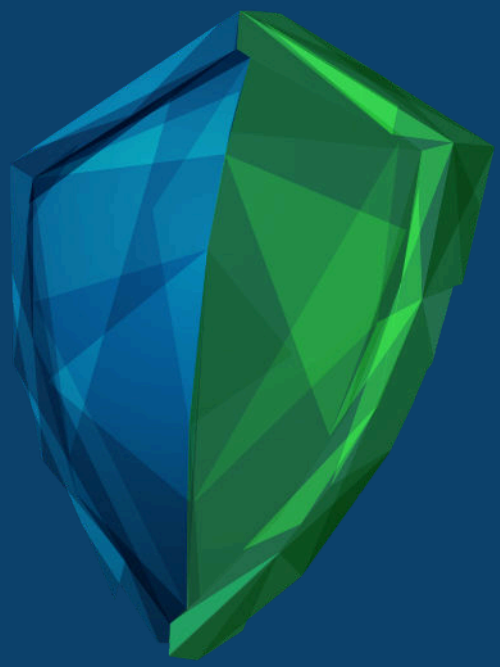
4. How does the chain of custody work?
Each time sensitive data changes hands, there is an increased risk of a potential data breach. A secure chain of custody ensures that your sensitive data is protected at every stage—from collection and transport to final destruction. Reputable shredding companies should be able to clearly explain how they track and handle your devices, who has access to them, and what safeguards are in place to prevent unauthorized exposure. You should look for companies that document each step, use locked containers and secure vehicles, and provide a Certificate of Destruction to verify the process is complete and compliant.

5. Do they issue Certificates of Destruction?
Speaking of a Certificate of Destruction, it is an essential component that you must have before partnering with a media destruction company. A Certificate of Destruction guarantees that your destruction operation was completed in compliance with state and federal privacy laws, such as HIPAA, FACTA, and others. This certificate, in turn, demonstrates that you, as a business, have performed your due diligence in data protection.

About CI Information Management

At CI Information Management, we help businesses in Eastern Washington and Northeastern Oregon navigate the growing risks of data breaches and regulatory compliance with confidence.

With over 20 years of experience, we have grown into a trusted partner for organizations across industries, including healthcare, finance, insurance, legal, and education. You can rest assured that your organization can confidently meet vendor due diligence requirements under laws such as HIPAA and FACTA by partnering with us. As a NAID AAA Certified shredding provider, we ensure the highest standards of confidentiality and security in all our services, including hard drive and media destruction.



Let's Get Shredding

If your business is ready to ease the burden of data protection and guarantee a safe, secure method of hard drive destruction, we're here to help. To get started, we suggest you:

1. **Download our Hard Drive Destruction Checklist** to evaluate your current procedures and spot areas of vulnerability.

2. **Book a Free Compliance Consult** to speak with a CI Information Management expert about your specific needs.

3. **Request a Quote** through our online service system to book your first shredding event.

At the end of the day, your data and your business deserve more than deletion, they deserve full protection. Let CI Information Management be your partner in helping you get there.