

Entrepreneur leaves retirement to reach a new goal

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After selling one company to enjoy the good life, a Valley entrepreneur quickly tired of retirement. All six months of it.

And with that, Jurgen Achterfeldt started a new business aimed at document management, retention and destruction.

Eight years ago, Achterfeldt said he didn't even know such companies existed. Today his firm, Record Center Innovations, finds itself at the heart of a growing problem faced by consumers and businesses of all sizes — identity theft and the protection and storage of private data.

"In 2003, 2004 and 2005, Arizona has been the No. 1 state for identity theft in the nation. Period," said Chris Pierson, a lawyer with Lewis and Roca. Pierson founded the Phoenix law firm's cyber-security and cyber-liability group.

Many factors contribute to Arizona's illustrious standing, including the use of methamphetamines and illegal immigration, both areas where identity theft is prevalent.

The Valley also has a large number of retirees, often targeted by criminals for this type of fraud, Pierson said.

"On average, consumers spend about 40 hours cleaning up credit reports and taking other action as a result of identity theft at a cost of about \$6,400," Pierson said.

But it's not just individuals who need to guard against data theft. Businesses also need to protect their information and their documents from potential abuse and resulting liability.

Because identity theft is so widespread, the Maricopa County Attorney's Office has a special Web site devoted to the protection of information. It includes tips for both consumers and private industry.

Legislators also have devised laws aimed at business, setting rules for the retention and destruction of company and client data as a result of the growth of identity theft.

Laws including the USA Patriot Act, the Fair and Accurate Credit and Transaction Act and provisions of the Sarbanes-Oxley Act require businesses to keep certain documents for certain periods of time. Violations



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Founder and Chief Executive Jurgen Achterfeldt stands among the rows of files his company, Record Center Innovations, stores for others. With closed-circuit cameras, security, fire protection and an electronic data-management system, Achterfeldt says his company stores more than 9 million records for clients that include hospitals, law firms and small-business owners.

can result in court cases, fines or require public disclosure of security breaches, Pierson said.

"Both electronically and physically, records need to be maintained for legal purposes. It's not the physical possession of the documents, but control over the documents. The word 'control' is key here," Pierson said.

At Achterfeldt's 90,000-square-foot facility on West Washington Avenue, even the garbage man gets buzzed in.

"It looks like Fort Knox here. We take our business very seriously," Achterfeldt said.

The firm stores, retrieves and delivers files and documents to companies, delivering them physically within an hour or minutes via encrypted e-mail. Closed-circuit television, security systems and fire-protection services are among the features at the facil-

ity, which houses millions of documents for clients ranging from law firms to hospitals.

"We are information managers more than a storage company. Storage is a byproduct of what we do. We manage information for consumers who have a need for accuracy and high activity," Achterfeldt said.

Born in Germany, Achterfeldt grew up in the United States. He spent much of his career in the semiconductor industry and then started his own company, Aspect Systems, in Chandler that supplied re-manufactured production tools to the semiconductor industry. He sold the company in 1997, got bored after six months of retirement and looked into starting a document company at the suggestion of a friend.

Doing research for his business plan, Achterfeldt found that customers of exist-

ing document storage services only could retrieve their files about 60 percent of the time. That was all he needed to know to forge ahead with the company.

"That means that 40 percent of the time, their file could not be found. I couldn't believe that customers were given such poor and inaccurate service. Coming from the high-tech industry, if you weren't on 100 percent of the time, you weren't a vendor anymore," Achterfeldt said.

After starting in a rented building with three employees, the company now is located in its own high-tech building and employs 20 full- and part-time workers.

While the firm has grown, Achterfeldt said he's still the little guy. He and his sales staff love taking clients from larger companies, most notably Iron Mountain, one of the industry's largest document management firms in the Valley.

"We take care of documents from cradle to grave. Eighty to 90 percent of our customers come from our competitors, who are not as satisfied as they could be," Achterfeldt said, tongue in cheek.

He said some businesses think they can manage their own documents or handle their own archive systems. But it's often easier and cheaper to let somebody else do it.

"If you're a lawyer, you don't want to spend your time managing business records. And storing records in closets may seem rather harmless, but if you look at the per-square-foot cost of that in terms of what you're paying for office space, it becomes more effective to go elsewhere," Achterfeldt said.

While it's not unheard of for small companies or independent entrepreneurs to rent a storage locker for inactive files, Achterfeldt urges against that.

"You're just a bolt-cutter away from being broken into," Achterfeldt said.

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Record Center Innovations:
www.recordcenterinnovations.com
Lewis and Roca, LLP: www.lrlaw.com
**Maricopa County Attorney's
End Identity Theft program:**
www.endidtheft.com