



STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of

Case No. 13-0570

SAMARITAN HEALTH SERVICES,  
INC.;

FINAL ORDER TO CEASE AND  
DESIST, FINAL ORDER ASSESSING  
CIVIL PENALTIES AND CONSENT  
TO ENTRY OF ORDER

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (“the Director”) has conducted an investigation of certain activities conducted by Respondent Samaritan Health Services, Inc. (“SHS”) and the Director has determined that SHS violated provisions of the Oregon Consumer Identity Theft Protection Act, ORS 646A.600 to 646A.628 (“Identity Theft law”); and

Respondent SHS and the Director wish to resolve and settle this matter;

Now therefore, as evidenced by the authorized signatures subscribed on this Consent Order, Respondent SHS hereby CONSENTS to entry of this Order to Cease and Desist and other sanctions upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

I. FINDINGS OF FACT

The Director finds that:

1. Samaritan Health Services, Inc. is an Oregon domestic non-profit corporation with a principal place of business at 3600 NW Samaritan Drive, Corvallis, Oregon 97330. SHS operates a non-profit network of hospitals, physician clinics, health plans, and senior care facilities in Albany, Corvallis, Lebanon, Lincoln City, Newport, and Sweet Home, Oregon. According to the business registry records of the Oregon Secretary of State, the



1 president of SHS is Larry Mullins.

2 2. As part of its business, SHS collects personal information from patients. That  
3 information includes patient names and Social Security numbers in addition to other  
4 information of a confidential nature.

5 3. On or about July 15, 2013, approximately 1,222 paper patient files owned,  
6 maintained or otherwise possessed by SHS were discarded into an unlocked recycling  
7 container outside the SHS Family Medicine Clinic ("Clinic") in Corvallis, Oregon. The  
8 files were discovered the following day by a patient at the Clinic.

9 4. Of the 1,222 discarded files, approximately 20 files contained patient names  
10 and unredacted Social Security numbers.

11 5. SHS discarded, caused to be discarded or failed to safeguard approximately 20  
12 patient files bearing personal information including patient names and unredacted Social  
13 Security numbers.

## 14 15 II. CONCLUSIONS OF LAW

16 The Director concludes that:

17 6. SHS discarded, caused to be discarded or failed to safeguard, approximately  
18 20 patient files that contained or bore "personal information" as defined in ORS  
19 646A.602 (11) in that the documents contained consumer names associated with  
20 unredacted Social Security numbers.

21 7. SHS violated ORS 646A.620 (1)(c) by publicly posting, displaying or  
22 otherwise making available to the public the unredacted Social Security numbers of  
23 consumers when the 20 patient files were discarded.

24 8. Pursuant to ORS 646A.624 (4)(a), a person who violates or who procures,  
25 aids or abets in the violation of the Identity Theft law may be subject to a civil penalty of  
26 not more than \$1,000 for every violation.



### III. ORDERS

Based on the foregoing, the Director issues the following ORDERS:

#### *Final Order to Cease and Desist*

9. As authorized by ORS 646A.624 (3), the Director hereby ORDERS SHS to CEASE AND DESIST from violating the requirements of the Identity Theft law.

#### *Final Order Assessing Civil Penalty*

10. As authorized by ORS 646A.624 (4), the Director proposes to assess Respondent SHS a CIVIL PENALTY of \$5,000 (five thousand dollars) for publicly posting, displaying or otherwise making available to the public, files bearing consumer names and unredacted Social Security numbers in violation of ORS 646A.620 (1)(c).

#### *Suspension of Civil Penalty*

11. The Director agrees to SUSPEND the collection of \$4,000 (four thousand dollars) of the CIVIL PENALTY assessed herein, provided Respondent SHS complies with all terms and conditions set out in this Consent Order and commits no new violations of the Identity Theft law, ORS chapter 646A, or Oregon Administrative Rules chapter 441, division 646.

12. Within 30 days of the effective date of this Consent Order, Respondent SHS will pay the remaining \$1,000 (one thousand dollars) CIVIL PENALTY to the Department of Consumer and Business Services ("Department") for the violations described herein.

13. If the Respondent SHS complies with all of the terms and conditions set out in this Consent Order and commits no violations of the Oregon Identity Theft law during the five-year period from the effective date of this Order, the Director agrees to WAIVE the collection of the suspended portion of the CIVIL PENALTY assessed herein.

14. The Director reserves the right to immediately impose and collect the



suspended portion of the CIVIL PENALTY upon a determination that the Respondent has violated any term of this Consent Order within the five-year period from the effective date of this Order.

15. Entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Consent Order, for violations of this Consent Order, for conduct or actions of the Respondent that are not covered by this Consent Order, or against any party not covered by this Consent Order.

IT IS SO ORDERED.

Dated this 25th day of October, 2013.

PATRICK M. ALLEN, Director  
Department of Consumer and Business Services

/s/ David Tatman  
David C. Tatman, Administrator  
Division of Finance and Corporate Securities

Approved as to form:

/s/ Tyler Jacobsen Dated: 10-16, 2013.  
Signature of Attorney

Tyler Jacobsen  
Print Name  
Attorney for Samaritan Health Services, Inc.

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1 CONSENT TO ENTRY OF ORDER BY SAMARITAN HEALTH SERVICES, INC.

2 I, Larry Mullins, state that I am the president of Samaritan Health Services, Inc.  
3 ("SHS") and that I am authorized to act on its behalf; that I have read this Consent Order  
4 and that I know and fully understand the contents hereof; that SHS has been advised of  
5 the right to a hearing; that SHS voluntarily and without any force or duress consents to  
6 the entry of this Consent Order, expressly waiving any right to a hearing in this matter;  
7 and that SHS will fully comply with the terms and conditions of this Consent Order.

8 SHS understands that this Consent Order is a public document.

9 SAMARITAN HEALTH SERVICES, INC.

10  
11 By: /s/ Larry A. Mullins  
Larry Mullins, President

12  
13 State of OREGON

14 County of Benton

15  
16 Signed or attested before me on this 14 day of October,  
17 2013 by Larry Mullins.

18  
19 /s/ Larissa Balzer  
Notary Public – State of Oregon