Where digital secrets go to die

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In a 20,000-square-foot warehouse, where visitors are required to trade in a driver's license for a visitor's badge, some of the nation's secrets are torn apart, reduced to sand or demagnetized until they are forever silent.

"We make things go away," said Arleen Chafitz, owner and CEO of e-End Secure Data Sanitization and Electronics Recycling. Her husband, Steve Chafitz, is the company's president.

The company's clients include the Department of Defense and other federal agencies. Its work: destroying hard drives, computers, monitors, phones and other sensitive equipment that governments and corporations don't want in the wrong hands.

In a state that's become a center for federal intelligence organizations and private contractors gathering top-secret information, e-End has carved out a niche by destroying the hardware on which such organizations gathered classified material.

Robert Johnson, CEO of the National Association for Information Destruction, said thousands of firms across the country destroy devices that retain data.

With high-profile information leaks from the National Security Agency and other organizations, and the steady stream of new laws and regulations to safeguard personal information, the number of companies is expected to increase.

"It is definitely a growing sector," Johnson said.

The Chafitzes said e-End has annual revenues in excess of $1 million. The 8-year-old company employs 16 people, all of whom Steve Chafitz said have undergone thorough background checks that go back at least seven years.

Need to destroy a rugged Toughbook laptop that might have been used in war? E-End will use a high-powered magnetic process known as degaussing to erase its hard drive of any memory. A computer monitor that might have some top-secret images left on it? Crushed and ground into recyclable glass. Laser sights for weapons? Torn into tiny shards of metal.

E-End adheres to the government's highest demilitarization standards and NSA guidelines, Steve Chafitz said, and documents every step the data "sanitation" with photographs and paperwork.

"They've done work for us several times, and we'll definitely use them again," said Charles Garvin of the Defense Acquisition University, a Pentagon training agency.

Leaks of classified information - most notably revelations by former CIA employee and NSA contractor Edward Snowden about NSA surveillance of cellphone and Internet data - underscore the government's interest in keeping its secrets protected.

Steve Chafitz described piles of obsolete desktop computers, floppy disks, data CDs and cellphones that may sit around the back rooms and hallways of federal agencies and contractors as "loaded guns."

"Our job is basically to keep our nation safe," he said. "Our goal is to get them to get all this equipment out before they have another Snowden

event."

The company has had contracts with the D.C. National Guard and said it works with the Secret Service, L-3 Communications and other corporations, the French Embassy in Washington, and the Frederick County government.

"We have been pleased with the thoroughness of the work done by e-End," said Scott Pearce, chief information security officer for Frederick County government. "They actually shred the drives while you watch and provide a certification sheet after the process."

E-End's clients also include health care insurers and providers, who worry about losing patient information - and drawing investigations and fines.

Frederick Memorial Hospital uses e-End about once every two or three months on average, said spokeswoman Amanda Changuris. Officials said e-End's "zero landfill policy" fits with the hospital's goal to seek as many "green options and opportunities" when disposing of equipment. But security is just as important.

"Our last delivery to e-End was 1,884 pounds of miscellaneous electronics, mostly computers, hard drives, DVDs and CDs," she said. "We particularly like the fact that e-End provides certificates guaranteeing data sanitization and recycling."

Last year, BlueCross BlueShield of Tennessee paid a $1.5 million penalty to federal authorities after it lost 57 hard drives that contained information on 1 million patients, including Social Security numbers and home addresses. The organization said the breach cost it nearly $17 million in investigations, notifications and new protection protocols.

In recent weeks, authorities have arrested an Iraq War veteran accused of stealing information on about 400 members of his former Army unit so he could make fake IDs for a militia, and a state employee in Tennessee resigned after investigators said he downloaded data on thousands of teachers.

Even as reports of data mismanagement or theft proliferate, agencies and corporations may not realize the danger of not disposing of their equipment properly, said Molli Wingert, CEO of Secure Data Sanitization, a 4-year-old business in Boise, Idaho.

"I think we're still doing a lot of educating," she said. "It's tough because even my state groups think it's not going to happen to us. Well, that's a risk I'm not sure you want to take."

Wingert and Steve Chafitz say the information technology departments at typical companies might not have the proper tools or training to adequately dispose of data. IT departments focus on fixing and restoring data, they say, while data-wiping companies focus on just the opposite.

The road that led to the Chafitzes' work destroying medical records, X-ray images, defense equipment and used BlackBerrys and iPhones started at the other end of the spectrum. In the 1970s, the couple marketed and distributed early calculators, computerized backgammon games and other consumer electronics that companies such as Sharp and Casio were just starting to roll out.

The husband-and-wife team used eye-catching mottoes such as "Space Age Fantasies" or "The Adult Toy Store" for their retail businesses as they secured exclusive distribution deals to sell the latest gizmos, whether pens embedded with digital clocks or early personal computers.

They marketed an electronic chess game that attracted the attention of

reclusive grandmaster Bobby Fischer, who offered to endorse it, but the price was too steep, Steve Chafitz said.

Other marketing successes allowed the Chafitzes to cash in on their 14-year-old business in 1983 and move on to other ventures.

In 2006, the pair noticed that people were replacing their computers and cellphones more quickly, without taking care to safeguard data on the devices they were leaving behind.

"If you delete a file in a [hard drive](link), it's still there," Steve Chafitz said.

They also saw the plastic and aluminum in the discarded machines filling up landfills. That's why they decided to open e-End with the zero-landfill policy - they say they recycle everything.

In addition to "sanitizing" devices, e-End also fixes and refurbishes discarded computers that don't need to be destroyed and sells them on eBay or donates them to nonprofits, Steve Chafitz said.

"We've come full circle," Arleen Chafitz said. "We felt we had to give back to the environment."

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