ziperase | Certified Automated Data Erasure

Morgan Stanley Sold Old Computers Without Erasing Customer Data

Decommissioning failure exposed personal information of 15 million customers, triggering six years of penalties that are still mounting.

$196.5M Total Penalties & Settlements

Fines from OCC, SEC, class-action lawsuit & state attorneys general (2020 – 2026)

What Happened?

Morgan Stanley hired a moving company with zero data destruction experience to decommission thousands of hard drives and servers from two wealth management data centers.

That company sold the devices—with unencrypted personal information of 15 million customers still on them—to a third party. *Most were never recovered.* This wasn't a cyberattack. It was a vendor management and data erasure failure.

2020 — **$60M Fine**

OCC penalty for unsafe practices in data center decommissioning

2022 — **$60M Settlement**

Class-action lawsuit, 15 million customers' PII compromised

2022 — **$35M Fine**

SEC penalty; regulators called failures "astonishing"

2023 — **$6.5M Settlement**

Five state attorneys general (CT, NY, FL, IN, NJ, VT)

2026 — **$35M Fine**

Additional penalty for the same unresolved ITAD failures

Erase the Risk

- **Erase on-site, before ITAD.**
  Data is destroyed before devices leave your building. No transport risk. No third-party handling live data.
- **Automated erasure certificates.**
  Every device generates a tamper-proof certificate with full system details and erasure method.
- **Searchable audit trail, on demand.**
  Every certificate stored, searchable, and exportable in PDF, CSV, or JSON. Ready for regulators any time.
- **Integrates with your existing stack.**
  REST API connects erasure data directly to ServiceNow, ITSM, ITAM, and ERP platforms.