

AccuRoute®: A User's Perspective on Compliance

Global Investment Bank

Deploying a distributed, secure, document routing solution with fax communications for SEC 17a compliance

The Challenge

- SEC 17a compliance
- Secure fax communications
- Electronic and paper document origination
- Integration with enterprise and archiving solutions
- Easy and simultaneous document routing
- Readily accessible transaction records
- Distributed availability throughout the organization



The Solution

AccuRoute provided:

- Distributed, secure fax at desktop and networked scan devices
- IT consolidation
- Manageable, worldwide solution
- Simple, one-button access
- Integration with Symantec Enterprise Vault for compliance monitoring and archiving
- HP 4345 distributed MFPs

The Challenge

Faced with daunting compliance requirements and the necessity to properly handle broker communications, this large financial institution sought a solution to address its compliance needs, specifically those required by the Security and Exchange Act of 1934 (especially the record keeping requirements of Section 17a - aka "SEC 17a"). A global bank (The Client) ranking in the top 10 of broker/dealers and providing customers with investment banking, private banking and asset management services worldwide was faced with this challenge.

The Client's IT Risk and Compliance Department determined that the transmission of documents to and from fax machines and other applications did not comply with their SEC 17a monitoring and record-keeping obligations. SEC 17a requires that customers capture and store records regarding all securities transactions and all communications between broker/dealers and their customers. The Client had already invested in technology and processes to address these requirements for communication via e-mail, instant messenger (IM), and telephone, but had yet to address these requirements for documents communicated via fax.

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SEC 17a

SEC 17a clearly states that ALL such communications need to be captured and archived for a period of time and be made immediately accessible when required, no matter what means are used for the communication.

By using standard hallway fax machines that were distributed and freely available throughout the organization, anyone could send or receive any document to anyone with virtually no record of that communication, ability to monitor that activity, or readily access those documents in the future.

Clearly, this problem needed to be addressed immediately to conform to the SEC 17a requirements. Failure to do so could lead to significant fines imposed, as other financial institutions have already experienced, as well as damage to the reputation of The Client - potentially impacting future business.

Conforming to Compliance Requirements of SEC 17a

Like most organizations today, The Client had a mixed deployment of shared fax machines located throughout the organization plugged into phone lines where employees were busily sending and receiving paper faxes. The Client also had a digital faxing infrastructure in place that had a broad user base. This fax technology was licensed from Omtool and was the company's legacy Fax Sr. fax server solution, allowing users to send electronic documents from the desktop to fax destinations and receive incoming faxes as TIF image files attached to e-mail messages. Certain trading systems and other back office applications were also using Fax Sr. to send faxes digitally through the fax server.

Additionally, The Client employed a variety of outsourced fax service bureaus to send faxes. However, none of the fax traffic through any of these systems was being tracked or monitored, let alone digitally archived. Naturally, when The Client sought to improve its fax-based communications, they turned to Omtool as their incumbent and trusted vendor.

The Client's infrastructure requirements included the following functionality:

- consolidate fax traffic to and from all sources through a single IT-controlled infrastructure
- enable all users and systems to use the new infrastructure in as easy-to-use, easy-to-integrate a solution as possible.
- archive copies of all external faxes, inbound and outbound, into their existing enterprise e-mail archiving system from Symantec (Enterprise Vault) and integrate into compliance monitoring activities.

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Enterprise-Wide Compliance

With the adoption of AccuRoute, users can now send secure faxes in the following ways:

- For a document that exists in electronic format (such as a .pdf or Word document), the user can simply create an e-mail message and address it to a fax number instead of an e-mail address.
- For a document that exists in paper format, the user will use the AccuRoute desktop application to create a routing sheet that specifies to whom the document will be sent as well as their fax numbers and/or e-mail addresses.

The brokers simply walk to one of the newly instituted distributed network scanning stations - an HP 4345 MFP - load their document into the document feeder, and press a single button.

- Incoming faxes will all be received on the AccuRoute server, and then forwarded by e-mail to an appropriate e-mail box on the corporate Microsoft Exchange server. Each individual user in the firm has been issued an incoming fax phone number and when a fax is received on that number, it is forwarded to that user's e-mail address. Faxes are received as e-mail messages with the faxed document included as a TIF file attachment.



In order to achieve a comprehensive solution, there were additional products required to integrate with and/or adopt. The network scan devices that are used to replace the traditional fax machines are one important element of this solution. In this case, The Client selected the HP 4345 MFPs. The rationale behind selecting the HP devices over other options was the ability to integrate very tightly with the AccuRoute system, while providing the user with the most streamlined user experience possible - one-button, one-touch scanning on the device's main control panel user interface when scanning a fax.

Tell your documents where to go...

...and what to do when they get there.

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100% Compliance

"[The Client] now has the claim of being the only 100% fax compliant firm in accordance with SEC 17a. When we presented to the SEC just over 2 weeks ago, our Legal and Compliance folks received a round of applause for our work and ingenuity."

*— Core Engineer
for Digital Fax Solutions*

The Result

Through the innovative technology approach of companies like Omtool, HP and Symantec, The Client has implemented a complete end-to-end communication system that conforms to the compliance requirements of SEC 17a and the related governing bodies. According to The Client's Core Engineer for Digital Faxing Solutions, "[The Client] now has the claim of being the only 100% fax compliant firm in accordance with SEC 17a. When we presented to the SEC just over 2 weeks ago, our Legal and Compliance folks received a round of applause for our work and ingenuity."

The new approach increased productivity for the end users in the organization through the standardization of processes for a common, consistent, enterprise-wide system, with a common user experience. Training and usage became simple and universal. Receiving a fax in e-mail is more secure, efficient and convenient than receiving a fax on paper.

Sending a paper fax from a network scan device with one-button simplicity is more efficient than creating fax cover sheets manually, printing them and faxing them manually from a traditional fax machine. The solution from Omtool also increased productivity for compliance and record keeping, making it possible to have the infrastructure itself keep the records, rather than putting that responsibility on the individual end user and their business units.

In summary, The Client now realizes the benefits of:

- 1. 100% compliance with SEC 17a for fax communications — avoiding potential yet significant fines, reputation damage and potential disbarment of brokers**
- 2. Consolidated IT infrastructure and elimination of traditional fax machines delivering a tangible return on investment**
- 3. A document routing solution that can be extended to many document workflows requiring multiple distributions, archiving and security**
- 4. Increased productivity through highly available and distributed document scanning devices (primarily used for fax)**
- 5. Significant cost savings through the reduction of traditional fax machines, mail, overnight express, courier, etc. for the secure distribution of paper documents**
- 6. Reduction of costs associated with filing, maintaining and accessing paper documents that are readily accessible in their electronic format**

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