

# Compliance in the Corporate World

## How Fax Server Technology Minimizes Compliance Risks

Fax and Document Distribution Group  
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### **Abstract**

Maintaining regulatory compliance is a major business issue facing organizations around the world. The need to secure, track, and store information for compliance purposes is critical because the risks of noncompliance are very real.

For years, businesses have relied on fax communications in day-to-day operations. Now there is more pressure to closely manage fax communications and document processes. It's not surprising that organizations are turning to fax server software technology to address compliance requirements. This white paper addresses the area of fax communications and the steps you can take to make your organization compliant.

Solutions to support compliance that combine fax and document management capabilities into a single, complete offering are available. Open Text Fax and Document Distribution solutions enable organizations to improve security, increase efficiency, and support compliance.



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## Executive Summary

Constantly evolving government regulations and standards are impacting how businesses around the world manage their information. Information is ubiquitous—whether paper-based or electronic—and the requirements for effectively securing, maintaining, and auditing information for compliance can be complex.

Simply stated, compliance with regulatory standards requires conforming to a policy, specification, standard, or law that has been clearly defined. As each new regulatory standard is introduced, organizations such as yours have to consider the impact to your current document management processes and figure out the optimal means to meet compliance requirements.



## Compliance in the Corporate World

### Regulations are everywhere

Regulatory compliance is a business fact of life, with new government regulations and standards being introduced on an ongoing basis. The impact of regulatory change is felt globally as organizations are required to conform to new regulatory changes taking effect in every region.

Industries most affected include [financial services](#) (banks, non-bank mortgage lenders, loan brokers, financial or investment advisers, debt collectors, tax return preparers, insurance, and real estate settlement service providers), [healthcare](#), [legal](#), and [government](#) entities.

The landscape is one of constantly changing compliance requirements. Corporate ethics violations and scandals have resulted in tighter legislative regulations in the United States, such as [Sarbanes-Oxley](#). Privacy concerns are addressed by the [Gramm-Leach-Bliley](#) Act as well as the Health Insurance Portability and Accountability Act ([HIPAA](#)). European Union legislation has resulted in considerable regulation including the Data Protection Act 1998 and the Freedom of Information Act 2000 enacted in the UK. Regulations across the globe require that businesses rethink information management processes.

### Understanding the effects on business processes

In most organizations, paper documents, emails, faxes, and other office documents are typically stored in file cabinets, in employee desk drawers, on desktop PCs, in file servers, or archived in file boxes located in offsite warehouses. As businesses strive to go paperless, it is challenging to corral all of the existing information and maintain control. Whatever processes you have in place may need to be modified so that your organization is not exposed to compliance risks.



## Managing Compliance

With more pressure to closely manage fax communications, organizations have to assess what processes are in place versus what can be improved for compliance demands to secure and retain information.

To determine if your organization is on the right track for compliance, start by asking these questions:

- What are the benefits of solving the business challenge?
- Do you have control over how and where documents are being delivered—and to whom?
- Are there safeguards in place to prevent people from tampering with the information?
- Is information actually being received by the right people?
- Are you sure that confidential information is kept private?
- Do you have an audit trail for your corporate communications?
- Do you have secure storage for the documents?
- Do you know the rules regarding when document destruction is allowed?

Once you've answered these questions, you have a baseline with which to start building a compliance strategy.

## Risks of non-compliance

Built in to most regulations are requirements to protect and control the information flow in an organization. The risk of non-compliance is very real. In the US, there are laws and regulations that can have civil or criminal penalties attached. Some regulations hold not only the corporation but individuals within the corporation—such as the CEO or CFO—personally responsible for compliance violations.

Consequences range from fines levied to criminal prosecution and even jail time for executives, depending on the severity of compliance breach. For example, Sarbanes-Oxley noncompliance violations can result in a fine of up to \$1 million and a jail term of up to ten years for any corporate officer who doesn't follow the rules, even if inadvertently.

In turn, the fallout of compliance violations can affect the health of the business, especially if violations result in the loss of the company's good reputation, the tarnishing of the company's brand image, and potentially the loss of market leadership.



## Security and compliance challenges

To comply with regulations, you must be able to provide documented proof that your organization is in compliance with the standards that govern your business, which can be challenging to implement. To minimize risk, your organization must look at how to put these processes in place:

- Automating the document delivery processes
- Centralizing information delivery and receipt
- Safeguarding document confidentiality
- Protecting information from tampering/alteration
- Limiting information access
- Tracking and monitoring access—who and when
- Providing secure storage, historical data, and managing document destruction

Given these measures, it's no surprise that the number one driver for replacing fax machines with a network fax server is often regulatory compliance.



## Developing a Compliance Strategy

Developing a document strategy to support compliance initiatives is a logical first step, and it starts with engaging your IT team in establishing guidelines for the top five IT compliance issues.

Top five IT compliance issues facing organizations today:

1. **Process control:** Examine the controls you need to have in place to make sure the information in documents is verifiably received by the right people. Controlling who has access and where and when documents are delivered is part of a solid compliance plan.
2. **Information integrity:** Business documents that are uncontrolled are potential security threats and can put your business at risk. The following are a few examples:
  - Accounting documents such as purchase orders, purchase requisitions, proofs of delivery, order confirmations, and invoices
  - All contracts with customers, employees, and vendors
  - Employee documents including nondisclosure agreements, insurance claims receipts, health claims and health records, human resource paperwork, and expense accounts
  - Corporate documents such as stock trade confirmations, account statements, and bank statements

To protect your business from such risks, many documents (including the examples above and several more) must be unalterable. For this, you need safeguards in place to prevent information tampering.

3. **Privacy:** A cornerstone of many regulatory requirements is protecting the confidentiality of information, so it is vital that information is kept private. Controlling who has access and when they have it is a necessary piece of the compliance strategy. In the typical organization, paper faxes are sent and received via fax machines usually located in open areas, outside of the control of your computer system. Anyone can view or take faxes—or accidentally discard them—before the intended recipients receive them. Without some form of access control, there is no privacy or security.
4. **Tracking, reporting, and audit trail:** Regulations dictate that businesses physically protect information and provide a history of what has happened to the information and which personnel have had access to it. Paper-based documents present a daunting challenge to even the most organized management system.
5. **Document storage:** Storage is an issue most organizations face—not only for compliance but relating to the facilities and hardware expense to store documents. Providing secure and long-term document storage is a priority for any compliance strategy. The problem with storing paper-based files in folders and filing cabinets is the lack of control and privacy and the difficulties in tracking down information for audit trails.



## Using Fax Server Technology to Ensure Data Privacy

### Legal issues

In most cases, signatures on documents received by fax and scanner are legally binding. Many countries including the US, the EU, and Australia have determined that electronic signatures (when recognized under the law of each jurisdiction) have the same legal consequences as the more traditional forms of executing of documents. [Electronic Signatures in Global and National Commerce Act](#) and [E-Sign Act](#) are examples of US legislation governing electronic signatures. Because fax documents are legally binding, the need for safeguarding them becomes even greater.

### Security issues

Fax servers enhance security by eliminating existing non-secure stand-alone devices while providing a centralized document delivery and storage hub. Some fax server software offers an extra layer of protection with encrypted and certified email delivery options that require passwords to access information, as well as provide electronic verification of receipt for better authentication.

These features help diminish the risk of confidential information falling into the wrong hands. Documents are delivered to intended recipients in tamper-resistant formats, protected from corruption, and allow you to take advantage of your network's established security system.

### Solutions for supporting compliance security issues

**Centralized delivery:** Fax server software acts as a centralized document delivery hub. Each step of the document delivery process is managed electronically, with dialing and routing rules that control how and where faxes are sent and received. Information can be exchanged electronically, in real-time directly from your applications without manual intervention. This makes it easier for IT to manage, track, and control how information is disseminated within your organization and beyond your corporate walls.

**Integration:** For organizations that already use a document management system or database for long-term document storage, fax server software can integrate with other systems to meet electronic document retention requirements. Fax server solutions readily integrate with Customer Relationship Management (CRM), document management, email, Enterprise Resource Planning (ERP), workflow, and other software applications you use to operate your business.

**Tamper-resistant:** With fax server software, faxes are received directly to end-user mailboxes, so paper documents aren't sitting out in the open. When a fax arrives in your inbox via a fax server, the document is tamper resistant—it cannot



be edited without the event appearing in the audit trail. A fax server can deliver documents as unalterable PDF or TIF images over a secure Public Switched Telephone Network (PSTN).

**Security and management:** A document management solution creates a trusted digital archive where you can securely store any document type and then find it quickly. Fax server software digitizes your documents so that the associated metadata can be stored along with your documents in a secure repository.

**Audit trail:** A network fax server allows senders to fax confidential information directly from the privacy of their computers. With a variety of configurable, automatic tracking features to satisfy audit trail requirements, a network fax server guarantees that the details of every fax transaction will automatically be recorded, stored, organized, and available for auditing purposes at any time.

**Track history:** Among other functions, fax server software can track fax history, provide verification of fax delivery, assign access passwords, and route incoming faxes to individuals' fax or email inboxes and be the on-ramp to automated workflows. Such features provide a deeper audit trail for protected documents to help satisfy tracking and reporting requirements.

**Electronic fax repository:** A complete document management solution allows organizations to manage business critical documents from beginning to end. Finding solutions that control and manage information created from disparate sources and stored in many different forms is challenging. The challenge can be met by accepting and combining content, organizing it, distributing it via workflow, storing it, and providing secure access to it when and where users need it.

Businesses are also turning to document management software to replace the manual process of document handling and record keeping with tamper-proof repositories that act as a digital file cabinet. A document management solution creates a trusted digital archive where you can securely store any document type and then find it quickly.



## Integrated Fax Server Solutions for Supporting Compliance

Integrating fax directly into your network infrastructure not only accelerates business processes but also allows you to gain control of documents and support security and compliance efforts. The result is a long-lasting, reliable archive solution needed to support organizations' record keeping and compliance goals. Open Text Fax and Document Distribution solutions enable organizations to improve security, increase efficiency, and support compliance.

### Open Text Fax Server, RightFax Edition

Open Text Fax Server, RightFax Edition lets you send and receive faxes directly from the desktop. Fax Server automates the flow of fax, paper, and electronic documents, making it more secure and efficient to deliver information from virtually any application. By eliminating the steps common in manual processes, organizations can reduce their exposure to risk by securely delivering documents in compliance with key regulations such as HIPAA and SOX. Tens of thousands of organizations have replaced their traditional fax hardware and infrastructure with Open Text Fax Server.

### Open Text Fax Appliance, FaxPress Edition

Open Text Fax Appliance, FaxPress Edition is an all-in-one network fax server that offers desktop faxing, production faxing, fax, email integration, workflow application integration, and tools for developing custom fax applications. A complete network fax solution, Fax Appliance includes all the necessary hardware and software for sending and receiving faxes from the desktop, email, and back-end applications.

### Open Text Document Server, Alchemy Edition

Open Text Document Server, Alchemy Edition is an application that stores, retrieves, archives, and even destroys documents based on policies. Think of it as an electronic file cabinet for your organization where you can securely file and find every document, no matter its original source. Document Server is the document management software solution for thousands of small and mid-size businesses, providing document scanning, document imaging, document archiving, fax archiving, and electronic records management capabilities.



## About Open Text

Open Text is a leader in Enterprise Content Management (ECM). With two decades of experience helping organizations overcome the challenges associated with managing and gaining the true value of their business content, Open Text stands unmatched in the market.

Together with our customers and partners, we are truly The Content Experts,<sup>™</sup> supporting 46,000 organizations and millions of users in 114 countries around the globe. We know how organizations work. We have a keen understanding of how content flows throughout an enterprise and of the business challenges that organizations face today.

It is this knowledge that gives us our unique ability to develop the richest array of tailored content management applications and solutions in the industry. Our unique and collaborative approach helps us provide guidance so that our customers can effectively address business challenges and leverage content to drive growth, mitigate risk, increase brand equity, automate processes, manage compliance, and generate competitive advantage. Organizations can trust the management of their vital business content to Open Text, The Content Experts.

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