

Guilty, Until Proven Innocent

Enterprise Content Management Aids in Regulatory Compliance

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We are living in a time when our nation and the world have been shaken by numerous businesses being probed for corporate improprieties such as wrongful accounting methods and records management fraud. It has become an almost current event to pick up the daily newspaper and read of another organization that has been accused of intentionally disposing critical business documents.

As a result, government agencies are developing new regulations for how organizations must manage their business content. These new regulations are compounding existing regulations defined by governing agencies such as the Food and Drug Administration (FDA), the Security and Exchange Commission (SEC) and the Department of Health and Human Safety (DHHS).

Customers, vendors, resellers, partners, and industry consultants in the technology, financial, banking and healthcare industries are coalescing in an effort to wrap their arms around the challenges for creating a 'best practices' approach to meeting regulatory compliance.

Many regulations are still in their infancy and we are seeing shifts in these regulations on almost a daily basis. However, the need to demonstrate regulatory compliance has escalated the need for essential IT solutions to high priority for many information technology professionals and corporations. This includes enterprise storage at the back end and Enterprise Content Management (ECM) on the front end, including the critical digital imaging and scanning components of an ECM solution.

What regulations? Who is affected?²

The need to become regulatory compliant is impacting virtually every market. Recent regulations enacted impacting the banking industry and financial service organizations include Sarbanes-Oxley, Gramm-Leach-Bliley and the Patriot Act.

The Gramm-Leach-Bliley act addresses safeguarding an individual's information. Specifically, they state that an organization must identify reasonable foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems. Sarbanes-Oxley impacts financial information capture, use and reporting. Additionally, Sarbanes-Oxley amended Title 18 of the U.S. code making the records-based obstruction of justice and tampering provisions applicable to all businesses public and private. The Patriot Act targeted at deterring terrorists defines that banking institutions must verify the identity of their customers and that they must maintain records of the information used to verify the customers identity.

Former President Clinton signed the Government Paperwork Elimination and Reduction Act on October 21, 1998. This act provides organizations dealing with the government the right to submit information or to transact electronically, encouraging the use of the internet and electronic signatures. Compliance is due October 21, 2003 and government agencies are racing the clock to meet the requirement.

Impacting every facet of the medical industry including insurance, healthcare entities, hospitals, doctors, pharmacies and patients is the Health Insurance Portability and Accountability Act (HIPAA).

The first area for HIPAA compliance was due on October 16, 2002 and called for all claims to be processed electronically. The government has since granted a one-year extension to this act which deadline is rapidly approaching. The remaining segments of compliance including the use of unique identifiers, security and health information privacy became effective April, 2003. This date has come and gone and, although many health organizations believed they would be given another one-year extension, extra compliance time was not granted. Perhaps the most significant aspect of HIPAA that heightens a need of ECM is the privacy portion giving a patient the right to know who has had access to their health records and for what purpose.

The Business Problem

Callout -- With regulatory compliance an organization is not innocent until proven guilty. These regulations are creating the need to physically protect information to be able to manage it more efficiently and to maintain a literal audit trail of who has had access to the information.

With regulatory compliance an organization must be able to produce documented proof they adhere to the regulatory statutes that govern their business activities. Many industries are subjected to unexpected inspections. Some of these regulations hold not only the corporation, but individuals like the CEO and CFO, personally responsible for compliance, who in turn are turning to their IT professionals mandating more efficient and faster access to data.

What can you do?

One way to meet these objectives and directives is found in Enterprise Content Management solutions such as digital imaging and scanning. ECM can not make an organization 'regulatory compliant', but it can be a valuable tool to assist in managing the information that can demonstrate they are in compliance.

The Association of Information and Image Management (AIIM) defines ECM as both product and strategy. From a product perspective, it is "the tools and technology to capture, manage, store, preserve and deliver content throughout an enterprise." From a strategy perspective, it is "being able to formulate a plan to manage all information whether structured or unstructured."

Considering so much information is still paper-based, an organization wanting to demonstrate a 'best practice' approach to regulatory compliance will need to convert the paper to an electronic format. The first step in that process is to scan the documents. The selected software will be used to either retain the documents as an image, or by utilizing a combination of data recognition engines, the data will be extracted from the documents. Once in an electronic format, software features such as check in, check out, full text search and retrieval, audit trail and version control make managing the information more efficient and faster.

Callout -- One of the most critical components to the ECM solution is the scanning component as it is the entry-point for digitizing all essential information. Customers should give careful consideration to the scanners selected and should require their Value Added Resellers (VAR) to demonstrate proof of handling of their documents.

Consideration should also be given to whether the documents will be kept as an image or if the data will be extracted, and the quality, volume, and type of documents. Answers to these questions will lead to the model of scanners selected based on the anticipated volume. It will also define if duplex scanning, document feeders, color and image enhancement features are required to improve image handling and quality.

Other critical decisions include how you will deploy the scanners. One method of deployment would be to have all of your information sent to a central location where the documents are scanned using production capture software. The alternative to this approach is to deploy low to mid-range scanners to your field, remote or home offices and have the information captured at the point of origin. The documents can then be delivered using the internet for processing and, in some cases, to enter automated business processes. Many organizations are finding this type of deployment beneficial as all the documents are not in a central location where they can be vulnerable. Other organizations have been able to cost justify the entire ECM implementation by simply eliminating courier services.

Making it work for you

One such customer driving ROI with its use of ECM technology is a local California municipal government which has implemented scanning solutions in its numerous departments throughout the city. One division benefiting from the implementation is the Metropolitan Wastewater Department whose mission is to take wastewater, purify it, and discharge it back into the ocean. As you can imagine, this is a heavily regulated process.

The Metropolitan Wastewater Department must keep detailed documentation regarding their adherence to both state and federal guidelines. They are subject to unexpected inspections and on any given day may have an inspector appear requesting to see selected documents proving they are in regulatory compliance. Previous manual methods to find this information in either filing cabinets or on someone's desk was labor intensive, time consuming and often unsuccessful.

The department decided to implement a capture solution including a number of Fujitsu's mid-volume production scanners. The volume of documents they capture is estimated to be some eighty-eight thousand pages per month and encompass a variety of different colors, sizes and paper types.

As a result of this implementation, the Metropolitan Wastewater Department has immediate and easily accessible access to all of its documents when they are subjected to regulatory compliant inspections. In addition, they have cut costs associated with document management and have substantially reduced their storage requirements.

Enterprise Content Management is one tool aiding in regulatory compliance. As an industry we continue to work together to address the scenarios driving a need for this technology including regulatory compliance, business continuity, and the need to accelerate business processes. Enterprise Content Management and its critical digital imaging component continues to gain momentum due its preservation, protection and retrieval capabilities.

Footnotes

¹The opinions expressed in this paper are Ms. Doyle's and not necessarily those of Fujitsu.

²Pamela Doyle is not a lawyer and this lecture should not be taken as "legal advice", but merely as a general overview of certain compliance requirements from a business person's perspective. You should discuss your company's compliance requirements with your own attorney based on your company's unique circumstances.

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