

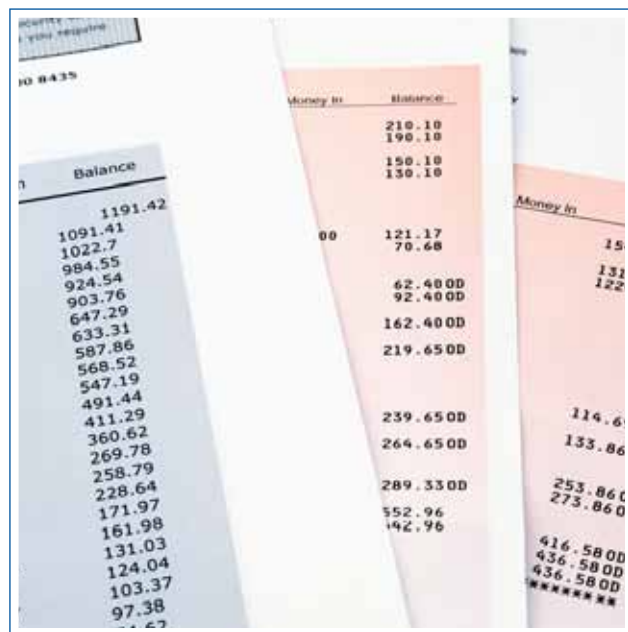
Mailing Compliance Best Practices in the Financial Sector: WHAT EVERY ORGANIZATION NEEDS TO KNOW

IS YOUR MAILING OPERATION COMPLIANT?

For many mailers in the financial sector, the answer is a hesitant...maybe. The reason for this is simple, staying compliant with the complex laws that surround mailing in publicly traded companies and regulated sectors is a big challenge. And the fact that these laws vary from industry to industry and from state to state further adds to the difficulty.

Unfortunately, the penalties for non-compliant mailing practices are significant, and most organizations are not even aware that they are at risk. To put it into perspective, printed data is subject to the same regulations as electronic data, and while almost every business now goes to great lengths to protect electronic communications, very few have the same safeguards when it comes to printed mail.

To assist businesses that want to bring their mailing operations into compliance, Pitney Bowes has created this resource to highlight the key regulations that may impact mailing operations, along with best practices that will help to reduce risks and make mass mailings more efficient.



REGULATIONS THAT IMPACT MAILERS

A number of privacy and security regulations can affect mailing operations. The Gramm–Leach–Bliley Act (GLBA) affects organizations in the financial sector and is designed to secure the privacy of consumer financial data.

Although financial institutions spend a lot of time and resources encrypting their electronic information, they often don't put the same effort into protecting their printed mail. Financial institutions outsourcing their mail handling can find it hard to ensure the accuracy and security of every consumer notice and statement. They may also lack an audit trail that traces each mail piece through the postal system. If consumer data in postal mail falls into the wrong hands, an organization can be held accountable for a GLBA violation.

CONSEQUENCES

Any business caught in violation of GLBA faces a penalty of \$10,000 per incident plus an automatic audit by the FTC for the next seven years. The same company will also need to perform public self-admonishment, such as taking out an ad in the paper acknowledging guilt of a violation.

IS YOUR ORGANIZATION COMPLIANT? THE TOP 3 QUESTIONS TO ASK

All mailers need to ensure that they are protecting customers' personal information and are in compliance with government regulations. Here are three questions that will help determine if your organization is in compliance:

- Does hard-copy mail have the same firewalls and level of security as electronic communications?
- Is there on-demand visibility into each mail piece?
- Does an audit trail exist for each mail piece for quality assurance (either in-house or as it's being sorted at the post office)?

If the answer is not "yes" to all of these questions, don't panic. Instead, take it as an opportunity to implement best practices for mailing compliance

BEST PRACTICES FOR MAILING COMPLIANCE

If an organization outsources mailing services there are a number of best practices that can help reduce the associated compliance risks. Make sure that an outsourcing service maintains the following industry standard certifications:

- **Statement on Auditing Standards (SAS) No. 70.** According to the SAS website, a SAS 70 Audit "shows that a service organization has been through an in-depth audit of their control objectives and control activities, which often include controls over information technology and related processes."
- **International Organization for Standardization (ISO).** The ISO is the world's largest developer and publisher of International Standards. Since ISO is a globally recognized standard, it is important that any outsourcing service provider maintains this certification.
- **Mail Preparation Total Quality Management (MPTQM).** According to USPS, this "program is designed to help businesses prepare mailings that meet or exceed Postal Service™ processing quality standards."

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Government and industry regulations can affect any business and create risk. However, using the right best practices, processes, technology and services can minimize these risks while creating more efficient mailing operations.

This resource is intended as a high-level look at mailing regulations in the financial sector and best practices on how to comply.

For more information contact your Pitney Bowes representative
or call **1 800 322-8000**