



Talkument™ and Voice Documentation: Gramm-Leach-Bliley Act and Financial Services



A White Paper from OAISYS®



The Financial Services industry is one of the largest and most closely regulated components of the United States' economy. In 2004, financial services comprised more than 20 percent of the Standard & Poor's Index's market capitalization. [1]

Financial institutions in this industry handle almost all of America's, and much of the world's, wealth. As such, they are tightly regulated and monitored to ensure fairness and accuracy in their transactions.

One component of this regulation is the Gramm-Leach-Bliley Financial Services Modernization Act, also known as the Gramm-Leach-Bliley Act or GLBA. Passed in 1999 to repeal restrictions on financial institutions and permit them to offer multiple types of services to consumers, the act has become a critical concern in how financial institutions do business today.

The GLBA defines financial institutions as companies that offer financial products or services to individuals. These can be loans, investment advice, insurance or other types of services.

In addition to permitting financial institutions to offer a wider range of services and consolidate their organizations, the GLBA also instituted new consumer protections, such as an obligation to protect consumer privacy.

This white paper will examine the GLBA's obligation to protect consumer data, the burdens and operational requirements for financial institutions and how the Talkument voice documentation solution can address those requirements as part of an institution's total compliance plans.

The Gramm-Leach-Bliley Act Safeguards Rule

To protect consumers from fraud, the GLBA Safeguards Rule places significant restrictions on how financial institutions collect, store and share consumers' personal and financial information.

Under the rule, financial institutions must create and follow a written information security plan that details how the company will protect current and former consumers' non-public information, such as account and identification numbers, as well as account information.

The plan in each company must include the following:

- Identifying one or more employees to manage the program
- Developing processes for how each department handles non-public information Developing and testing a program to ensure information security
- Making ongoing changes and updates as needed regarding how information is obtained and stored

Failure to comply with the GLBA's provisions can result in civil penalties of up to \$100,000 to the institution and up to \$10,000 to the officers and directors for each violation.

Given how thoroughly documented every process and transaction is in most financial services institutions, ensuring adherence to the provisions through the development and refinement of processes has proven to be relatively undemanding.

A key reason the financial services industry has been effective with document management as a whole is the implementation of electronic records management systems. This technology has enabled processes that save time, improve accuracy and heighten security for consumer documentation. When documents are created and stored digitally, a number of benefits are presented, including less physical material to store and transport, role-based permission assignments for security, and minimized data archival costs.

Voice Documentation

One aspect that may often be overlooked, however, is telephone conversations with consumers. Of course, the actions taken as a result of such calls are well-documented, but what about the calls themselves? Calls to large call centers are normally recorded for training and record keeping purposes, but what about calls to brokers, agents or branches?

Usually, when a consumer calls his or her bank branch to discuss a loan, for example, the loan officer would take written or computerized notes. But, the actual content of the call goes undocumented after the call has ended. To fully protect both the institution and the consumer, it is best to document the entire call. Talkument, the voice documentation solution from OAISYS, does exactly that.

Talkument is a physical appliance that employs hardware and software to work in concert with business telephone systems to capture calls and store them as searchable, playable electronic voice documents. Now, rather than merely inserting notes into a file, the call is documented and stored in its entirety. Talkument's patent-pending Portable Voice Document (PVD) technology enables the voice document to be organized into electronic folders, retrieved by any combination of search criteria, annotated and shared with others within and outside the organization via a secure link. Talkument enables financial institutions to bridge the last gap in their information gathering and sharing process.

Consider the following example. Mr. Jones calls his bank to request a loan. In his initial conversation with the loan officer, he provides his Social Security and account numbers, as well as his contact information. The loan officer enters Mr. Jones' information into the system to begin the loan origination process.

Later, the loan officer's manager has a question about Mr. Jones' request. Rather than trying to recollect what was said, referring to handwritten notes that may or may not be accurate or calling Mr. Jones back to get the information again, the loan officer simply searches for the voice document of Mr. Jones' call, plays it back, highlights the relevant portion, enters a text note addressing the question and shares the voice document with his manager via a secure link.

Now, let's assume the bank is forced to deny Mr. Jones' request because his credit score is slightly lower than their minimum requirement. It may, however, meet the minimum requirements for the bank's affiliated financial services division. The loan officer calls Mr. Jones, tells him the request was denied but that it could be submitted to the alternate financial services division if Mr. Jones approves.

After obtaining the verbal approval, the loan officer then submits all the electronic records, including the Talkument links of their two conversations to the financial services division.

Let's examine the various ways Talkument helped this bank in just this one example:

- Accurate information collection and transfer
- Liability protection – If there is a problem later, there is no doubt as to what was said and by whom

- Increased customer satisfaction through the delivery of more efficient customer service

Talkument and GLBA Safeguards Compliance

The benefits of documenting telephone communications are readily apparent, however, the additional implications of the GLBA must also be considered. Talkument, by design, is a secure electronic document system that will meet these standards.

As secure electronic records, Talkument voice documents can easily be added into institutions' existing processes using the same guidelines established for other documents.

Voice documents fit into an overall electronic records deployment and security process. Similar to replacing paper documents with electronic records, storing telephone conversations as voice documents facilitates easy collaboration, makes them rapidly transmittable to other authorized users, reduces time for lookup and retrieval, and produces records that are securely stored on a centralized device. Voice documents are inherently accurate, providing information exactly as it was delivered.

Talkument voice documents can only be accessed by authorized users. For example, a loan officer may have access only to the calls he or she handled, while a manager may have access to all officers' calls. When a need to collaborate arises, it is easy to identify an authorized user and provide that person with a link to the needed voice document. Permanent system users will receive the link in their voice document inbox containing a useful visual representation depicting all related data such as the parties of the call, annotations, etc.

Temporary guest users, such as authorized agents outside the institution itself, will receive an e-mail with a link into the voice documentation system. When they click on the link the portable voice document viewer plug-in downloads to their machine and allows them access only the target voice document. This is useful even if they are outside the organization, facilitating improved communications between all interested parties, such as insurance companies, affiliated institutions or outside auditors. All that is required is an internet-connected computer running either Windows™ XP or Vista operating system with Microsoft .NET framework 2.0 installed.

It should be noted that the recipient on the other end never receives a copy of the voice document, only an access link, which can be set to expire after a given interval. Recording playback is performed using encrypted file streaming rather than download. The voice document and its content never leave the central repository, providing security within the safeguards framework.

"The voice document and its content never leave the central repository..."

Since Talkument works in a self-contained environment using .NET technology, there are no extraneous integration costs. Rather than worrying about integrating voice documentation into a separate electronic records management solution, it runs in parallel. All an institution needs is a business phone system, an IP data network and Windows at the desktop. There is no implementation lag or concern about interoperability.

Another key argument in favor of Talkument is its low cost of implementation and its ease of installation. With an MSRP of less than \$10,000, Talkument begins to deliver return on investment almost immediately. Most Talkument installations are completed in less than four hours when handled by a trained technician.

Conclusion

Voice documentation has many advantages to offer financial services companies. From basic record keeping to accurate information transfer to dispute resolution, this technology can be used to improve operational efficiency and reduce costs.

With Talkument, these benefits do not come without the thoughtful consideration of privacy and security issues. Using its PVD technology, Talkument creates secure, safely shareable voice documents from telephone calls, storing them on a central appliance that can be easily introduced into existing GLBA safeguards-compliance processes.

Following are just some of the ways Talkument promotes GLBA compliance:

- Centralized storage for simple security administration
- Roles-based permissions architecture limiting access based on job requirements
- Total document control where all transmission and access is handled using encrypted file streaming, not file transfer
- Voice document access logging for complete audit trail

Simply put, Talkument lets financial services institutions improve operations and better document transactions without security and process control degradation.

Notes:

[1] Wikipedia.org: Financial Services: http://en.wikipedia.org/wiki/Financial_services



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