

Announcement-FDIC Issues Alert Regarding Sensitive Data On Fax Machines

If you are like my organization, SyTech Solutions (www.sytechsolutions.com), you have clear policies on how to destroy your PC and server hard drives after they have run their useful lives. But have you thought about the ramifications of sensitive data stored on your fax machines, photocopiers and printers?

On Sept. 15, 2010, the FDIC (Federal Deposit Insurance Corporation) issued guidance on mitigating risks posed by information stored on fax machines, photocopiers and printers. Financial institutions regularly use these machines to process financial transactions, loan documents and other sensitive business information. These documents often contain confidential client information.

The FDIC is concerned that when these devices are disposed of, there is a risk that confidential data may be compromised if the hard drives and flash memories of the devices are not destroyed, encrypted or erased. They recommend that financial institutions implement appropriate processes and procedures to mitigate the data loss at the time of disposal of these machines.

One way financial institutions can eliminate this risk is to replace their fax machines with a fax server. Fax servers can do far more than just replace fax

By using a fax server, the need for fax machines and their associated security risks are eliminated. Of course, with a fax server one still needs to have an appropriate server hard drive data retention and destruction policy but one reduces the risk from many fax machines to a single server.

Additionally, replacing a company's fax machines with a fax server has been proven to reduce costs and eliminate paper waste. According to Gartner, a world leading information technology research and advisory company, businesses can reduce faxing costs by as much as 50% by using a fax server rather than stand-alone fax machines.

In several recent publications by Gartner, they have made it clear that an outsourced fax service option may not be appropriate for organizations if their fax traffic contains sensitive or confidential data such as medical records, financial information or personal details.

Healthcare organizations and other businesses that process sensitive customer data on fax machines can also benefit from the FDIC guidance. You can read the full FDIC guidance on mitigating risks posed by information stored on fax machines, photocopiers and printers at: <http://www.fdic.gov/news/news/financial/2010/fil10056.pdf>.

