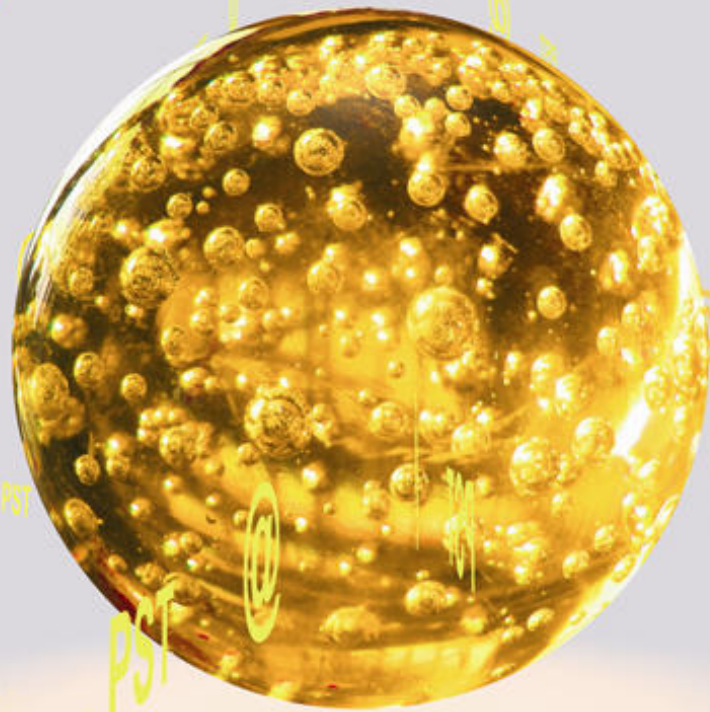


PAM for EXCHANGE email archiving at its best

Whitepaper

The **PAM for EXCHANGE** compliance solution



CONTENT

The importance of email archiving in enterprises today has grown exponentially. What began as a solution focused on saving thousands of dollars in mail server administration has in a short time become a solution that saves millions of dollars in court fines. Since the Sarbanes-Oxley Act passed in 2002, email archiving as a legal necessity in financial institutions has received enormous focus.

Author: Adam Surch

All Rights Reserved, including all rights concerning reproduction, copying or any other use or transmission of this document and its contents or parts of it. No part of this publication may, no matter in what form, be reproduced without written permission by H&S Software AG, passed on to third parties, edited by electronic retrieval systems, copied, distributed or used for public presentations. H&S Software AG reserves the right to change and update the content at any time. All data shown on screenshots is solely for demonstration purposes of the software. H&S is not responsible for this content.

PAM-STORAGE® is a trade mark of H&S AG. Microsoft®, Microsoft Windows® and the names of other Microsoft Products are registered trademarks of Microsoft Corporation. All Rights Reserved. Other product names are being used for identification purposes of products and can be registered trademarks of the according manufacturers. Doc.No. exp-wp-0609-001

H&S Heilig und Schubert Software AG
A-1150 Vienna, Staettermayergasse 30

Tel. ++43.1.21555
Fax. ++43.1.21555-200
email: issteam@hs-soft.com | support@hs-soft.com

URL: www.hs-soft.com
URL: www.hs-soft.com/email-archiving



The challenge

The importance of email archiving in enterprises today has grown exponentially. What began as a solution focused on saving thousands of dollars in mail server administration has in a short time become a solution that saves millions of dollars in court fines. Since the Sarbanes-Oxley Act passed in 2002, email archiving as a legal necessity in financial institutions has received enormous focus. However, regulations have always existed designed on focusing enterprises on taking responsibility for records management. While these regulations have been in existence a long time, such as the Securities Exchange Act of 1934, their importance in the electronic age was made relevant by recent court decisions in which parties whose electronic record keeping were not in order ended up costing millions in penalties. This sudden shift reflects a sea change from reliance on paper documentation to electronic formats, such as email.

Email has become the most common means of communication throughout the business world due to its convenience. However, the inconvenience of growing storage costs for every email that needs to be retained as an official business record is a problem in every organization affected by the new regulations. These compliance regulations currently a wide range of sectors such as financial, health care, and legal. Virtually every enterprise related to these industries are at risk if their records management does not provide a transparent and thorough discovery process in a court case, a risk that can be minimized with an archiving solution with the appropriate feature-set. Relevant to this feature-set are the following:

- The ability to set the appropriate retention policy
- A searchable index of stored data
- Compatibility with compliant storage media types
- The ability to store data on offsite media
- Viewable format of archived data for audit purposes

Auditing organizations are looking to see if these steps have been put in place to ensure the integrity of electronic data. Risks to this integrity can be costly ones which can be easily avoided with the implementation of the right solution.

New regulations are being passed that continue to push more businesses on archiving electronic records for compliance. The new amendments to the Federal Rules of Civil Procedure Relating to E-Discovery in effect on Dec 1st, 2006 calls for the burden of proof to be the responsibility of corporate litigants and thereby enforcing IT departments to ensure the correct steps are taken to meet this regulation. These amendments require companies to take preliminary steps in assuring that the necessary attention on processes of e-discovery and the accessibility of electronic information for litigation purposes is planned even before a need to produce the information in a court exists.

The risks of compliance failure

Some court cases where large fines were imposed due to the absence of such a solution include the well-known ruling against Morgan-Stanley, in which a jury ordered Morgan Stanley to pay \$1.45 billion to Ronald Perelman. Perelman maintained that he was a victim of fraud based on Morgan Stanley's accused withholding of information that allegedly caused Perelman to lose millions. The ruling in Perelman's favour had little to do with whether Morgan Stanley actually committed fraud or not, but instead was based on poor document management that resulted in an obstruction of the judicial process and left doubt to the claims of innocence by Morgan. Even after Morgan Stanley insisted all email surrounding the matter had been found and handed over (a process which took over almost 2 years after the suit was filed), even more email related to the case was repeatedly found after each confirmation by Morgan that all documentation had been submitted.

Morgan Stanley could have avoided this major loss but they were not prepared to provide intact, complete and accurate electronic records. The data that was found was discovered haphazardly catalogued on backup tapes with no data protection imposed upon them whatsoever.

Practical considerations

While compliance may be the key reason for implementing an archiving solution, efficient availability of archived data must also be a concern. While compliance ensures that data is stored securely with the required retention policy in the event of an audit, the information must be readily usable by employees without compromising daily business performance. This means that the data must still be accessible from the normal client without any obstacle to usability of the data.

The PAM for EXCHANGE compliance solution

As mentioned, an archiving solution must not only be compliant, it must also enhance the efficiency of the daily use of electronic records in order to ensure that the process of capturing data does not slow business practice. If an archival system can seamlessly integrate within the company's Exchange environment and archived message can still be accessible transparently from the users' familiar front-end, then all the better.

PAM for EXCHANGE provides transparent Outlook and OWA support so there is no change as far as the end-user sees, apart from a smaller mailbox in terms of message sizes after archiving. The bottom line is that users go about their daily business without the need to learn any new behaviour from the familiar email front-end.

For handling compliance issues, **PAM for EXCHANGE** provides a flexible policy interface for enterprises where more than one retention policy may apply to different groups. This flexible retention policy can be set to retain emails for financial divisions in the organization for the required amount of time, while data in other divisions is retained under a different policy. Furthermore, multiple storage media can be used, either by providing real-time backing up from primary storage or by providing storage media specific to a given retention policy. For example, if one retention policy requires storage on WORM media, but another does not, **PAM for EXCHANGE** can specify that the email is sent to the appropriate compliant storage media for the required retention time.

Some special compliance rules can be administered easily with **PAM for EXCHANGE**. For example, if there is a need to ensure that something is archived to specific media based on keywords existing in the message and attachments, **PAM for EXCHANGE** has a flexible feature for fine-tuning archiving policy, even based on content in messages.

Conclusion

Archiving for compliance is an important step in securing your company's future. New regulations are aimed at enforcing companies to take the responsibility before the need to produce electronic documents as evidence exists. Archiving policies must be carefully planned to ensure that business practice continues unfettered without compromising compliance. Taking the steps now to implement an email archiving solution is not only cost-saving based on minimizing the burden of your Exchange server, but also in avoiding costly legal penalties.