

June 15, 2010

**Are your
digital
copiers,
scanners and
fax
machines
leaking
confidential
information?**

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MANAGING THE RISK OF FRAUD

LEVI & SINCLAIR, SENCRL
LLP

A member firm of Integra International with offices worldwide

1303 Greene Avenue, Suite 400
Westmount, Quebec H3Z 2A7
Tel: (514) 931-7600 Fax(514) 931-3600
alert@levifca.com

Are Your Confidential Documents Really Confidential?

Are you conducting your business with the false sense of security that documents in locked filing cabinets, secure storage facilities or only on your password protected and encrypted computers are secure?

The existence of copied, scanned and faxed documents using digital copiers, scanners and fax machines on their hard disks has been known to the fraudster for a long time. Only due to a recent CBS News story earlier this year has the general public become aware and concerned.

The Risk

We all know that computers have hard disks inside.

What many do not know is that everything that is opened on your computer, all pages surfed on the web, all documents sent to the printer and all emails, chats in Skype, Windows Messenger and other social networking programs are also stored in temporary files on your computer hard disk. Until they are forensically removed, they are recoverable.

Similarly, hard drive installations have become routine for digital copiers, especially those built since 2005. All images scanned, copied or faxed on these machines are stored on the hard drive, even after they have been copied, faxed or the scan copy appears on your computer disk.

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The Solution

Like your computer system, local area network and email/internet access, your digital copiers need a risk analysis and security policy.

The first step is to identify those machines in your office that might contain confidential information and establish a security procedure for routinely wiping the disk clean using special forensic software designed for that purpose.

Simply deleting the files on a hard disk do not delete the files — this only makes them invisible to the normal user. A sophisticated user, like the fraudster, knows how to retrieve deleted files.

Your copier manufacturer or service supplier will be able to tell you exactly which models have internal hard disks

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- If you are a doctor, personal data such as medical history, prescriptions, referral correspondence and more.
- If you are a lawyer, privileged and confidential information about your clients, correspondence and planning memos, opinions and more.
- If you are an accountant, personal data such as social insurance numbers, tax return information, bank information and more.
- If you are a banker, confidential information concerning your clients' bank accounts, balances, signatures and more.

The hard drive in the digital copier will keep images of these documents until one of two events occur:

- Either the disk becomes full and the next document begins over-writing the disk, thus destroying the first image of the document, from the beginning of the disk; or
- The disk is intentionally wiped clean using special software designed for this purpose.

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and in most cases, they will also offer an easy to use application which will perform what is referred to as a DoD (Department of Defense) disk wipe. This will over-write the disk with a series of 1's and 0's three times resulting in the permanent deletion of all data that existed on the disk.

Depending on the size of the disk, this may take some time, but proper scheduling can result in this occurring overnight when the machine is not being used heavily.

Your company's security policy should be no different for digital copiers than for computers — when they are discarded **remove the hard disk**.

The best way to insure that the confidential information that resides on the disk is not recovered and used by unauthorized individuals is to physically destroy the disk, or at a minimum, retain custody.

With the cost of a new hard disk at less than \$100 today, if the machine is to be donated to a charity, traded in for an upgrade or sold, make sure it leaves your offices with a new, empty disk.

THE BEST WEAPON AGAINST FRAUD IS KNOWLEDGE

MANAGING THE RISK OF FRAUD has been prepared for the general information of our clients, staff and other interested parties. The enclosed comments are of a general nature and are not intended to cover all aspects of the subject matter. Prior to implementing any planning based upon information in this publication, the specific facts pertaining to any particular situation should be carefully considered. We will be pleased to assist in this regard and to provide further details pertaining to the matters discussed herein.

If you know of someone who should be added to our mailing list or if you require additional copies,
please contact us at (514) 931-7600

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CONTACT INFORMATION

LEVI & SINCLAIR SENCRL
LLP

1303 Greene Avenue, Suite 400

Montreal, Quebec H3Z 2A7

Tel: (514) 931-7600

Fax: (514) 931-3600

Philip C. Levi, CFE, FCA, CPA/CFF, CA•IFA

plevi@levifca.com

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