

HOW SECURE IS YOUR CUSTOMER DATA?

Laura Gilbert and Jay Cline tell some pretty scary stories.

Gilbert and Cline are privacy experts who co-presented “How Secure is Your Customer Data? A Privacy & Security Checklist For Credit Managers,” the seminar preceding this year’s Forius Fall Gala.

They cautioned the 70+ people in attendance that, while business-process outsourcing, wireless, and other converging technologies are revolutionizing international commerce, they also are creating significant risks to data – the same data that credit professionals collect and use every day. “It’s a new era that poses heightened risks to personal information ... from people who want

Education Learning Corporation in 2006. The claimant said a Brazos employee had taken home a laptop containing unencrypted personal data and filed suit,

saying Brazos was negligent according to the safeguards rule under the Gramm-Leach-Bliley Act. However, continued on page 2



Despite the serious topic, presenters Jay Cline and Laura couldn’t help but smile at a humorous question from the audience. Cline is president of Minnesota Privacy Consultants; Gilbert is an attorney with Redgrave Daley Ragan & Wagner.



Left to right: Joyce Hoffman, Brin Northwestern Glass, and Lisa Ghinter, Herc-U-Lift, pay close attention. Ghinter called the seminar extremely informative and said she left with “... several resources that I already have been able to utilize, both professionally and personally.”

to track it, sell it, steal it, and destroy it,” they said.

To prove their point, they did a live Internet search in full view of the audience. In minutes, they easily had enough personal information on Gilbert to try assuming her identity or start fabricating an entirely new one.

Gilbert and Cline advised that every company needs a solid strategy, structure and plan for protecting sensitive information. To illustrate, they told the story of a class action lawsuit brought against Brazos Higher

Tips For Securing Data Privacy — compiled by Laura Gilbert & Jay Cline

What **must** your company do?

1. Notify customers if you have a security breach
2. Use reasonable safeguards — physical, administrative and technical — against both internal and external threats
3. Establish privacy policies for both customer and employee data
4. Identify a privacy point person for the company

What else **can** your company do?

1. Inventory your sensitive data
2. Eliminate card verification value (CVV) data
3. Don’t store sensitive files on your laptop or thumb drives
4. Secure your laptop when it’s unattended
5. Secure sensitive documents when they’re unattended
6. Annually purge old files
7. Securely discard sensitive documents
8. Don’t e-mail sensitive files outside the company network
9. Securely deliver documents or equipment containing sensitive data

Other smart data security practices:

1. Lock your computer screen when you step away
2. Immediately report privacy and security incidents
3. Conduct a formal risk assessment of your credit department data practices



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THE BUZZ

What are credit professionals talking about? "The Buzz" is a regular feature highlighting noteworthy and stimulating discussions posted in the Forius online communities. The following excerpts are from a recent conversation within the Member Center online community forum.

"Our sales staff (attorneys) are selling to end clients via law firms. When requesting credit applications, they are getting push back from the law firms."

"The response is usually, 'We can vouch for them,' or 'They're a huge company; you've heard of XYZ,' or 'Your competitors don't request this.' It has gotten to be a real issue. I am looking for additional language to provide our sales staff that would be a professional response, or an initial request for credit that would eliminate the push back."

Tammy Dunlap
Kroll - Ontrack

"We have the same issues. The reasoning I have found most effective is to tell them some uses for the application — e.g., to determine where the account would like their bills sent, how they would like to be billed, do they require POs. Often, the person who completes the credit application uses the information on the application to set up your company as a vendor — e.g., terms and remit-to address."

Steve Varner, CCE
Medtronic USA

"We state that a signed credit application is a company requirement. Without a credit application, no orders will be processed."

"What I find interesting is how many people object to this. If they went to their bank to take out even a \$1,500 loan, they would still have to provide basic credit info to the bank."

Marcia Kaczmarek, CCE
Malt-O-Meal

"Even though having a credit application is not a law itself to extend credit, I believe that ethically you must treat everyone equally in extending credit. Which means if you require one person or corporation to fill out an application to extend credit, you must get a credit application from everyone else. Also, if it states that you need an application to extend credit in your corporate policy, then enforce it!"

Randy Soderling
Road Machinery & Supplies Co

NOMINATIONS SOUGHT

Forius is accepting nominations for the 2007 Credit Executive of the Year.

The Credit Executive of the Year is awarded each year to the person who has made outstanding contributions to the credit profession and community.

The award was established in 1986 to honor those who bring leadership, pride and credibility to the credit profession through their determined commitment to volunteerism, training, and profitability of their companies.

Nominations will be accepted until the end of 2007. Submit your nomination via the Forius website at www.forius.com/nominate

The winner will be honored at the 2008 Big Thinkers Breakfast.

HOW SECURE IS YOUR CUSTOMER DATA?

continued from page 1

the judge ruled in favor of Brazos, saying the negligence claim was unsustainable because there was no evidence of injury – and because Brazos proved it had a reasonable data security program.

Gilbert and Cline identified a wide variety of federal and state statutes, regulations and standards that companies must follow when using and/or storing personal information on customers and employees, with more on the way. They offered the following two websites* as a starting point to learn more:

<http://imknowledgecenter.com/lawgen> – hosted by Iron Mountain (www.ironmountain.com), a document management company

www.ncsl.org/programs/lis/privacy/financeprivacy.htm – hosted by The National Conference of State Legislatures

* Note: For these and other helpful sites, go to www.foriuscommunities.com & click "Credit Links" on the main page

In closing, they urged people to review the security of their data both at work AND at home, and gave several tips to ensure cutting-edge protection (see page 1).

FORIUS NAMES AND FACES



On The Move

Scott Woitas, CBF, formerly of Anchor Block Corporation, has joined Xata Corporation as credit manager. Scott currently serves on the Forius Board of Directors as 2nd Vice Chair.

Robin Kirnyczuk, CBF honored with 2007 James A. McIntyre Mentoring Award

At the annual Forius Fall Gala, **Robin Kirnyczuk**, CBF of Berger Transfer & Storage became the 6th recipient of the James A. McIntyre Mentoring Award.

The award is named in honor of Jim McIntyre, CCE, whose dedication and enthusiasm for sharing knowledge and helping others has enriched many lives and has set the gold standard for mentoring — not only within Forius, but throughout the NACM organization.



Jim McIntyre, CCE and Robin Kirnyczuk, CBF

SCENES FROM THE 2007 FORIUS FALL GALA



Barb Condit, CCE accepts the gavel to begin her term as the 2007-08 Chairperson of the Forius Board of Directors from outgoing Chairperson Chris Tangen ...



... and then receives the Forius Tie, a tradition started by 2005-06 Chairperson Jerry Drake, CCE.



Recognized in person for their achievements were (left to right) Barb Zyskowski, CBF; Jason Skradski, CCE, CICP; Robin Kirnyczuk, CBF; Kim Rau, CBF; Tammy Bladow, CBA; and Bruce Foss, CBF.

WELCOME!

Forius welcomes its newest clients

Laura Liddell
Benedict Refrigeration Service Inc.

Norm Wartnick
Don Stevens Inc

Maxine Uhlir
Forum Communications Company

Cristina Rodriguez
March Aviation Inc.

Doug Anderson
Nucom Ltd.

Jan Haugland
Perform Air International, Inc.

Hannah Mickey
Piedmont Hawthorne Aviation LLC

Tom Mertz
Tradenet Publishing Co.

Brian Pratt
Twin City Staffing

ALSO HONORED ...

... at the afternoon seminar preceding this year's Fall Gala were the following individuals for their outstanding participation in the online

Forius Communities:

Joann Malz, CCE, CICP
Pentair

Robin Kirnyczuk, CBF
Berger Transfer & Storage

Arlene Pipkin, CCE
Deli Express

Submit your business or individual news for the *Focus* Names and Faces section via e-mail to focus@forius.com. We welcome accompanying photos.



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For more information, go to www.forius.com or send an email to info@forius.com

Industry Groups

	Nov	Dec
Building Materials Suppliers	14	12
Construction & Equipment Suppliers	28	-
Floorcovering	27	-
Plumbing, Heating, A/C & Refrigeration	20	18
Twin City Media	15	20
Truck Service & Equipment	8	13
Wholesale Lumber	21	19

Interested in a Forius industry group? Contact us at (612) 341-9600 or send an email to info@forius.com.

Business Credit Resource Group

Dec
14

For more information on the Business Credit Resource Group, send an email to foriuscommunities@forius.com, or contact Cindy Vekas, CCE, Director of Knowledge Networks, at (612) 341-9623.

Development Opportunities

	Nov	Dec
Forius* CAP and ACAP Exams	5	-
CFDD - Collection Agencies: Get What You Pay For Call Carolyn VanKrevelen CBF 612-392-3326 for reservations	13	-
Advanced Collections and Negotiations with Barry J. Elms	14	-
Forius* CAP class - Basic Accounting 13 Monday sessions from 4-8pm	19	-
Forius* ACAP - Credit Law 12 Tuesday sessions from 4-8pm	20	-
CFDD - Resumes and Interviewing Call Carolyn VanKrevelen CBF 612-392-3326 for reservations	-	11

*Register for all Forius development events at www.forius.com.

FORIUS OFFICES CLOSED FOR THE HOLIDAYS

Thanksgiving	Thursday & Friday, November 22-23
Christmas	Monday & Tuesday, December 24-25