

# Managing Risk and Dodd-Frank Compliance

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A Whitepaper Published by NetFortris, Inc.

## *Mobile Call Recording and Analytics Mitigates Risk by Recording All Calls, From Any Phone*

No financial services firm can afford to ignore mobile phones in their overall communication strategy—yet mobile conversations introduce a host of new compliance risks. In the wake of the 2008 financial crisis, which devastated the international financial markets, the U.S. government focused on new regulations to protect consumers and the American taxpayers. This protection came in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank).

Dodd-Frank is concerned with regulating all facets of financial transactions, but one particular section stipulates: "...the recording of all trade-related communications, by traders active in market trading with, or in, the U.S." The regulation is being implemented in several stages. The first deadline was March 2012, and affects those financial firms concerned with recording. It states that any investment advisor with more than 15 U.S. citizens as customers were required to register with the Securities and Exchange Commission (SEC). By December 2013, companies had to comply with all the call recording legislation for both fixed line and mobile phone transactions.

Another requirement is looming. In the near future, the Commodity Futures Trading Commission (CFTC) will require that electronic records that relate to a specific transaction, regardless of the medium, must comply to new regulations. To comply, firms must "store and retrieve" all communications, across all transactions. Secondly, they must be able to retrieve them in a way that allows the "reconstruction of the communication, both pre- and post-trade". This record must be kept for a minimum of one year.

## *Big Challenge: Storing and Retrieving Voice Data From Any Phone*

In the U.S., mobile call recording has not been the norm—and even hard-lined phones are not recorded consistently because most applications allow the user to toggle recording functionality on and off. Further, most traditional PBX systems do not extend to mobile devices. Most recording systems have not been

designed with enough storage and compute capacity to manage the massive increase in data volume that tracking all calls requires.

In addition to the storing of all conversations, regulators will also require the ability to search for keywords and phrases for all stored conversations. Under Dodd-Frank, regulators require that firms have the ability to search for keywords in voice recordings and integrate them within the life-cycle of a specific trade.

Although the industry is unclear about when the CFTC will exercise its power to enforce the mobile call recording and analytics clause under Dodd-Frank, consensus is that global regulators are soon to demand compliance. Financial services firms must implement systems now so that they can avoid expensive fines for non-compliance in the future.

### *Solution: Mobile Call Recording and Analytics in the Cloud*

To meet regulatory requirements, IT professionals in financial institutions should consider the following factors:

- The solution must be searchable for all voice interactions, regardless of whether the call is originated from a fixed-line phone or a mobile phone.
- The solution must not be able to be turned off and on by end users
- Searchable records must meet methodologies for the entire transaction life-cycle, as required by Dodd-Frank and other regulations.
- The solution must be customizable with analytics functionality that allows rapid recovery of voice data associated with key words or phrases.
- It must provide real-time or near-real time speech indexing for a complete searchable record.
- The solution must be scalable, able to store voice data at massive scale.
- It must be completely secure, ensuring financial transaction confidentiality

One such solution is the NetFortris Call Recording & Analytics product. A leading, full-featured cloud-based solution, it gives financial institutions the ability capture all voice data, from any device, in real time. Data is indexed and stored in a secure cloud environment and is searchable and recoverable within a few clicks. Administrators are able to customize alerts based on specific key words or phrases, with results delivered securely, real time.

The NetFortris Call Recording and Analytics solution is a complete solution covering the fixed desktop phones, call center phone banks as well as mobile phones. The intuitive solution supports multiple languages that are pre-indexed with common keyword and phrases that are of interest to regulators.

Call analytics data is delivered via a secure web interface with 256 bit SSL encryption. Administrators have the ability to define and granularly control the types of calls that are recorded based on business rules. All administrators and end users can be identified by a defined audit trail, which tracks their use of the system.

### *Mobility:*

NetFortris has partnered with Sprint to give NetFortris the ability to record and archive each mobile call. Through the NetFortris Mobility Solution calls are recorded and archived without any applications being installed on the mobile devices.

Speech analytics capabilities in advanced call recording and analytics solutions allow administrators and compliance officers to uncover vital customer information that is often buried in the recordings of voice communications. The phrase search capability gives makes it easy to find relevant information from millions of recordings. There are countless scenarios, where financial services firms can benefit from this functionality. They include:

#### **Agent Evaluations**

- Proper greetings – monitor greetings habits for customers
- Compliance message – verify that agents are following legal compliance rules
- Inappropriate phrases – spot rude, inappropriate language
- Agent insecurities – certain phrases point to situations where the agent needs help. Analytics can help supervisors catch and correct problem areas.

#### **Voice of Customer**

- Customer and product satisfaction – search phrases that indicate customer satisfaction.
- Campaign responses – find references to ongoing campaigns
- Competitors' names – listen to mentions of your competitors
- Lower churn – focus on calls where customers ask for reimbursements and show dissatisfaction

#### **Sales Performance and Regulatory Compliance**

- Monitor conversation flows to ensure compliance regulations are met.
- Maximize opportunities for upselling and cross-selling by searching for customer needs
- Spot Emerging trends – build customer service and sales procedures around popular customers topics

- Identify buying signals – search for buying signals and train agents to capitalize on them
- Sales delivery – evaluate how sales teams offer products and listen to responses

### *Why NetFortris Analytics?*

NetFortris provides an easy-to-use web interface, built on the top of the NetFortris Call Recording System. Using the NetFortris Call Recording system with Analytics allows voice data to be converted into measurable business intelligence. Financial services firms can improve the quality and performance of their agents and the contact center based on actionable insights.

#### Powerful search analytics

Ad-hoc searches can be executed at speeds of 100,000x real-time. The solution is recommending most used search phrases for quick analysis. Rules can be defined where results should include all, any or none of the given phrases. Multiple supervisors and compliance experts can work together to define search criteria and flag terms or phrases in real time.

#### High performance

The NetFortris solution utilizes multi-core support, focusing all the processing power in the NetFortris Cloud to achieve fast response times. Using multiple NetFortris Speech Analytics servers in the cloud, the system can search vast amounts of voice data simultaneously while the system will intelligently share the processing load. An intelligent caching technology ensures extremely fast results for most common phrases.

#### Compliant Security

Administrators have complete control over the speech analytics functionality. You can configure policies with selective indexing, which defines which subset of calls are available in search. Access control policies can be defined and the right to search is authorized on a per-user basis. Large environments with different organizations can have their own selective indexing, authorization, access control policies, auto-search phrases and auto-suggestions independently of each other.

#### Cost effective

Leaving all the capital expenditure to NetFortris the TOC for this solution is very attractive. NetFortris maintains all hardware, software and all storage for you. NetFortris is just phone call or email away with questions, issues or training.



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## Active Listening

With NetFortris Speech Analytics, administrators and compliance officers can listen to the voice of agents and customers, uncover customer intentions, and analyze customer sentiments while saving time and resources.

## *Who Is Ultimately on The Hook for Dodd-Frank? The Regulated.*

The Dodd-Frank Act indicates a marked shift of responsibility from the regulator to the financial institutions that are regulated. The Dodd-Frank Act, and its interpretation by both SEC and CFTC regulators, makes compliance a major concern for any firm in the financial services industry. Firms should expect to see requests to produce communication records relating to specific transactions. In the future, the industry should expect to see requests that target specific conversations as they relate to specific transactions.

Only advanced, flexible yet Dodd-Frank compliant call infrastructure will be able to answer Dodd-Frank regulatory requirements. Cloud-based PBX systems that span both fixed-line and mobile phones are required. Analytics that can pinpoint specific conversations within the life-cycle of a transaction, or which can track phrases or key words across many conversations, will be critical as regulators bear down on financial institutions and demand compliance. And, the system must be managed at the PBX, not by a user or an application on either the fixed-line or the mobile phone to ensure that all voice data is correctly captured and available for analysis.

Ultimately, financial institutions that fall out of compliance will be fined and may even risk their ability to continue operations.

For more information on Dodd-Frank compliant call recording and analytics, please visit <http://netfortris.com/solutions/financial-services/>.

### **About NetFortris, Inc.**

NetFortris provides secure cloud-based voice and data communications solutions, hosted productivity and specialized applications, and business devices to multi-location enterprises. The NetFortris Platform serves as a central core for all NetFortris services, and delivers enterprise-class security, analytics, and integrated management for simple, scalable and highly secure operations. NetFortris is based in San Francisco, California, and offers cloud-based communications, networking and application experience. For more information, please visit [www.netfortris.com](http://www.netfortris.com) or call 888-469-5100.