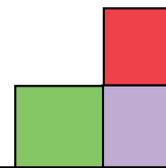


# Security & Shredding & Storage News



*Bimonthly Journal on Document & Product Shredding, Records Storage and Information Security.*

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## The Art of Turning Waste Material Into a Valuable Commodity

*An Inside Look at the Gemark Corporation*

*By Karen Fuller*

**I**nvestments. Recycling. Energy. Pollution reduction. Regulation compliance. These are several driving forces for precious metal recovery. As lavish as the benefits sound, many organizations know little about the metal recovery and refining process. Or, for that matter, the types of material we use daily that may have precious metal content. Dick Donovan, Gemark Corporation's COO says, "many companies do not consider refining because they are unaware that their material may have silver content or gold content, so they just send it out to a landfill," He adds, "the key thing is that refining has two benefits to businesses—full destruction and a return." Meaning that companies that use recovery services should be compensated for the metal based on the content recovered.

What does your company use during the day-to-day operations that have a precious metal content? If you send your material to a precious metal refiner, how much do you know about how material is handled? What happens to material that contains sensitive information? What philosophy and values drive a precious metal refining company? This insight will determine not only how we look at this industry, but the world around us, the products we use daily and how security is maintained. Here is an intimate look inside one of the most important industries in our era. Our focus is the Gemark Corporation.

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## IT'S A JUNGLE OUT THERE

### A Look at Trends in Media Storage

By Hugh Smith

Each passing day takes us deeper into the "Digital Jungle". New software solutions jump out at us at every turn. The path behind us is strewn with yesterday's technology stars that lie exhausted on the jungle floor.

New guides appear to lead us on to even faster systems and suggest we store our vital data on ridiculously high density media.

The Witchdoctor screams out "Beware of the dangers of new legislation!" and wanders off mumbling about the pitfalls of Sarbanes Oxley and HIPPA.

But software and hardware are not the only failures capturing headlines. The mammoth offsite storage companies have been in the headlines repeatedly for losing clients tapes, identity theft exposures and multiple fires with catastrophic information loss. These incidents have affected the entire corporate world and will undoubtedly lead to evermore restrictive legislation.

Each fire loss, such as the destruction of 1.8 million boxes of business records in London, force management to take another look at whether these records stored offsite should be viewed as useless records or whether these records are an extension of their active records collection. The shredding industry has long treated records in preparation for shredding as highly confidential and provided high security right up to the point of shredding. Should this level of protection also be afforded records that are still in active use?

This is a key distinction. Are the records active? Are these records still likely to be recalled for client reference? In truth, the industry knows that records are stored offsite to lower real estate costs but these records are still in active use. Each and every contract has a fee schedule attached, which sets the fees for recalling boxes. Some contracts even set minimum monthly fees based on calculated deliveries and returns to and from storage.

There are truly only a few situations where management can remain calm in the face of unscheduled destruction of their offsite records collection: 1) If the records are past retention schedule and a shredding date is set, 2) If the records are stored in multiple formats and those redundant sets are not stored in the same environment.

Concentration of hard copy documents, IT media collections and evaulting with one vendor is often a mistake. Pressure from the insurance industry, risk management and nervous executive managers are causing the entire industry to take a hard look at the procedures that have been previously accepted to see if they make sense in our current world at risk.

Clients have long thought they have been paying for protection in their offsite storage model. But



the storage industry often responds to catastrophic loss by claiming they were merely storing useless records since they deem these records as inactive and the client bears the responsibility for recovering the records. Recent court verdicts have shown that the storage company does bear a burden of protecting records in their care but executive management must also respond to the industries claim of no responsibility for lost or destroyed documents.

This new outlook by management has spurred the development of a whole new business model with high security facilities for the protection of computer media and server co-location. Media is no longer stored in warehouses in dusty boxes but in ultra-secure vaults with card access control, video surveillance and high tech Class 125 Data Rated Vault Chambers. These chambers not only provide protection from fire but also provide precise environmental control for increasing the longevity of the media as well as magnetic shielding to assure media is in the pristine condition that existed at the time the client delivered the media into the Media Vaulting Center's control.

The expanding number of media cartridges and the tremendous risk associated with lost tapes has also developed improvements within the logistics technology. Tapes and cartridges are secured in containers with shock watches that record dropped tapes and some even measure changes in temperature and humidity. The containers are also locked as required by certain legislation, and magnetically shielded in metal containers during transit. The delivery vans are air conditioned with systems that maintain the environment even while the van is parked. The locking technology of these vans has increased to fortress like levels with some tape movements being out-sourced to armored car companies. Due to the density of these tapes, the value of the tapes can run into the millions or billions and new levels of security are warranted in many cases. GPS tracking of vans is now commonplace with some vendors even offering GPS tracking by container.

Special tracking software has been developed that is unique to media management. Individual cartridges must be tracked to infinite precision with the exact location known at all times. The future will show RFID linked to this software for instantaneous inventory management. Media is always on the move and tracking its location is vital to security.

Environmental control is critical to media longevity and some vendors have added the feature of providing their client constant monitoring of the temperature, humidity and dust filtration of the vault. AVTECH monitors provide the owner of the media the ability to constantly survey the conditions within the vault and the owner of the Vault Center is alerted by cell phone and email at any moment where the temperature and humidity climb outside the prescribed safety zones. These same units allow video links as well. In a natural disaster such as an earthquake or flood, the client has the ability to immediately know the status of their offsite media.

Since the 90's the movement has been towards big box storage companies but the recent risk exposures have shown that the "Walmart approach" to lowering costs for records storage is not always prudent. This is especially true with media since large amounts of information can be stolen with a small cartridge. This makes the person transporting that cartridge and the facility it resides in, critical to data integrity.

Many new entrants to the industry come from the shredding industry as they have always treated the clients' records as valuable commodities. The armored car industry is now exploring entering this field and has been present at recent trade shows and conferences on records protection.

The desire by upper management for a more secure model for data storage has encouraged new entrants in the market. Large regional and national media storage accounts are no longer assured of storing at Iron Mountain or Recall. The value of a well run, Owner Managed media storage center is attractive to clients who demand instantaneous response and accountability. The added value of distributing their media separate from the box storage vendor is also attractive to some. In some cases the local Media Vaulting Center serves as a domicile for disk-to-disk backup and a short-term hot site. In other cases, the offsite media storage vendor is the War Room for planning the recovery operation. The local Owner Manager is willing to customize their facility to meet the client's needs.

As an example, Records Management and Archiving in Easton, PA offers all of the features described above and also has Server Vaulting to mirror the client's server room. Evaulting can be done locally or through remote vendors. Allstate in Paterson, NJ offers clients a host of different vault chambers in multiple facilities. Meyer

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## IT'S A JUNGLE OUT THERE

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Records Management in Connecticut, New York and Massachusetts have specialized vaults to insure their client's media integrity. Docusafe, in Princeton, offers multiple and specialized vaults for unique clients and unique processing capability. Each of these Owner Managed facilities responded to their client's demands for unique and specific security requirements. Some of these changes were triggered by the effects of 9/11, others by losses due to failures by their previous vendors or the insurance regulators encouragement to improve the business continuity plan.

Sarbanes Oxley places enormous risk on the CEO, CFO and by transference, the IT Manager. Loss, destruction and even spoliation of media can lead to harsh penalties. Management is no longer willing to accept voice mail response to their emergency requirements. An onsite manager who is willing to provide 24/7 response to their needs and who is willing to treat their records as valuable assets is now in fashion. The CIO who asks the blunt question of "Are you protecting my information assets, or are you merely storing them?" is often shocked at the response. The follow up questions often lead to this new vendor type where enhanced

security is the primary selling feature coupled with a responsible Owner Manager who is willing to link his future with that of the survival of the client's vital computer media and servers.

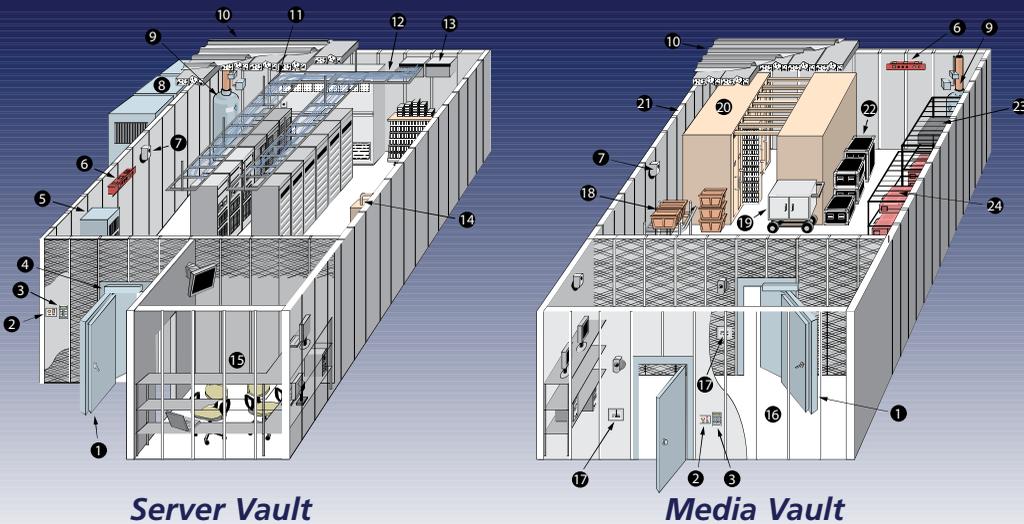
Movement into the Media Vaulting industry often comes from shredding vendors, records management companies and imaging companies that see the opportunities to expand their current relationship with their clients. The cost to expand into media vaulting is far less expensive than the real estate costs of large box storage, yet this industry is 20 to 40 times more profitable on the cubic foot comparison for storage. In addition, many of the technology improvements can be leased, therefore entry into this market can be quickly financed by existing clients.

Offsite media vaulting is an industry built and maintained on trust and error free performance. The big box companies have shown through recent failures that a window of opportunity exists for the Owner Manager who is willing to develop a fail-safe infrastructure. The National Records Center consortium has shown success with large media accounts based on their management team, and their improvements in vaulting technology and their breadth of geographic coverage. The FIRELOCK Affinity Network joins Owner Managers providing 60 centers across the world, each providing the exact same vaulting technology to benchmark a precise level of security at each locale. Standardizing security and minimizing risk exposure is attractive to security minded CFOs and IT Managers.

So while it is still a jungle out there, some safe havens exist. Regional players like Vanguard Vaults in California continue the high security trend on the West Coast that was initiated in the area surrounding New York City. Veritrust in Houston, Docudata of Dallas and SafeGuard in Fort Worth reflect that the trend to higher security is spreading across the country. The security conscious IT Manager has many choices and therefore the responsibility for lost data falls squarely on their shoulders for making bad choices in how they choose to protect it. But Sarbanes Oxley assures that the CEO will now share in that pain of failed security. After all, it is still a jungle out there.

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| 3 Annunciator Alarm Status Panel                 | 11 Uni-mount Ceiling Grid for Modularity | 19 Full Recovery Set - Transfer Cart   |
| 4 Smoke and Heat Activated Hydraulic Door Closer | 12 Wire Management Rails                 | 20 High Density Slotted Media Storage  |
| 5 Spot Cooler Backup                             | 13 Fire Rated Electrical Cable Trays     | 21 Vapor Barrier/Magnetic Shielding  |
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For a complete listing of our nationwide network of secure off-site media vault providers, enter the following link:  
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Hugh Smith is Vice President of Marketing for FIRELOCK, a leading manufacturer of Modular Fireproof Media Storage Vaults. Hugh has designed and installed vital records vaults for many corporations throughout the U.S. Hugh helped establish the first nationwide network of media vault storage vendors (FAN Club) specializing in the protection and security of computer media. This network in 60 major cities provides cutting edge security for offsite media that serves as back-up to the Fortune 1000 companies. Hugh serves on the National Fire Protection Association Technical Committee for the Protection of Records. (NFPA 232) For more information please visit his website at [www.firelock.com](http://www.firelock.com).