



The Use of Pearl Echo to Assist in Compliance with The Financial Services Modernization Act a.k.a. Gramm-Leach-Bliley or GLB

Gramm-Leach-Bliley (GLB) was passed into law in 1999. The purpose of GLB is to enhance competition in the financial services industry as it relates to banks, securities firms, insurance companies, and other financial service providers. In addition to increasing competition, GLB also references the protection of consumer financial and personal information.

Title V of GLB, Privacy, addresses fraudulent access to financial information and disclosure of nonpublic personal information. Non-compliance with GLB can result in a variety of fines and up to 5 years imprisonment for each violation. Most firms have broadcast privacy policies for their customers, but are lacking in the implementation of technologies for securing and protecting the access to and disclosure of nonpublic personal information customer data.

Access

Pearl Echo's control profiles provide firms with the ability to define rules determining which users have access to specific areas of the firm's intranet. By creating access profiles within Pearl Echo, firms will not only be able to control which employees have access to customer data through the firm's intranet, but will be able to audit who, internally, is attempting to fallaciously access customer data.

Disclosure

Disclosure of personal data can take on many forms including the electronic transmission of nonpublic personal information through e-mail, chat rooms, instant messaging and public news group postings. Pearl Echo's keyword blocking capability can be employed to prevent the dissemination of personal information through any of these protocols. Pearl Echo can also be used to monitor employee communications in order to identify the intent to access and distribute nonpublic personal information before it occurs.

Pearl Echo's archival capability can be utilized by firms to easily and cost effectively provide proof of internal controls that prohibit general access to customer related information and to disprove allegations of improper disclosure through electronic communications.



REFERENCE:

Law: Gramm-Leach-Bliley Act
Bill Number: S.900
Year: 1999

Subtitle A--Disclosure of Nonpublic Personal Information

SEC. 501. PROTECTION OF NONPUBLIC PERSONAL INFORMATION.

(a) PRIVACY OBLIGATION POLICY- It is the policy of the Congress that each financial institution has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information.

(b) FINANCIAL INSTITUTIONS SAFEGUARDS- In furtherance of the policy in subsection (a), each agency or authority described in section 505(a) shall establish appropriate standards for the financial institutions subject to their jurisdiction relating to administrative, technical, and physical safeguards--

(1) to insure the security and confidentiality of customer records and information;

(2) to protect against any anticipated threats or hazards to the security or integrity of such records; and

(3) to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

SEC. 502. OBLIGATIONS WITH RESPECT TO DISCLOSURES OF PERSONAL INFORMATION.

(a) NOTICE REQUIREMENTS- Except as otherwise provided in this subtitle, a financial institution may not, directly or through any affiliate, disclose to a nonaffiliated third party any nonpublic personal information, unless such financial institution provides or has provided to the consumer a notice that complies with section 503.

(b) OPT OUT-

(1) IN GENERAL- A financial institution may not disclose nonpublic personal information to a nonaffiliated third party unless--

(A) such financial institution clearly and conspicuously discloses to the consumer, in writing or in electronic form or other form permitted by the regulations prescribed under section 504, that such information may be disclosed to such third party;

(B) the consumer is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third party; and

(C) the consumer is given an explanation of how the consumer can exercise that nondisclosure option.