Statement of Purpose

This document is focused on providing financial companies, and all others bound by Sarbanes-Oxley regulations, with an eye opening description of instant messaging use in the enterprise, and how to ensure its compliance with government regulation. Descriptions about how to effectively manage a corporate IM infrastructure are also covered, as well as ways in which the InterIM® product line can provide your company with an easy full featured solution that meets all government IM requirements, at a price that will not break your IT budget.
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1 An Overview of Instant Messaging

Instant Messaging (IM) provides the ability to interactively communicate via text messages. The concept dates back to the 1960s with the UNIX “talk” program but has only recently come into widespread use. It started with AOL, MSN, and Yahoo providing IM services to their subscribers. The advantage of IM is that it allows users to communicate informally over the internet in real time. An additional advantage is the concept of presence which allows users to see if the person that they need to communicate with is available, thus avoiding frustrating phone-tag scenarios.

1.1 The Advantages of IM

Daily management of a business is a symphony of small decisions. However, if these decisions do not flow freely, they can hold up critical business functions which may result in missed opportunities. Instant Messaging provides an affordable and rapid communications medium that fills the void between the telephone and email. Instant Messaging is the perfect medium for getting quick answers through direct communication, without the time consuming chore of setting up a meeting. Incorporating instant messaging capabilities into your business can actually result in less communications overhead, freeing up time for more productive meetings that focus on issues of greater strategic relevance.

1.2 Corporate IM Growth

Instant messaging is quickly becoming the medium of choice for rapid communications in businesses and its use is growing at an astounding rate. In a recent study, the Radicati group has projected that the number of business IM accounts will grow beyond 300 million by 2007. However, most companies remain vulnerable to prying eyes and government regulations because they rely on public IM networks.

http://www.eweek.com/article2/0,3959,1124698,00.asp – projected user base of 1.4 billion with a 3:1 ratio of personal and business users by 2007.

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The Sarbanes-Oxley Dilemma

The rules governing the use of instant messaging in the financial industry are often overlooked as firms work tirelessly to comply with the intricacies of the Sarbanes-Oxley act. Sarbanes-Oxley permeates many areas of a business, including instant messaging. In fact, even firms that specialize in compliance often overlook IM, yet the SEC has made clear that IM is bound by the same guidelines as email.

2.1 History and Requirements

In 1996 and 1997 the SEC issued regulations that were designed to guide the use of electronic media by financial firms and is laid out in the SEC Rule 17a-4(b)(4). These regulations have been updated in 2003 and now govern the use of instant messaging as well. Instant messaging is considered “Correspondence” just as email is, and thus records of instant messages must be stored for a period of not less than 3 years. The first two years of these logs must be maintained in an easily retrievable format. The rules do not specifically state that member firms are required to review or approve instant messaging content, however, regardless of the text, the message must be stored.

2.2 Compliance Options

Compliance can be achieved in one of two ways:

- Gateway solutions capture instant messaging traffic and log it to a database. These solutions do not provide an instant messaging server however, and thus, some type of server will be needed. If public services are used, they will not provide any security and information will be viewable by third parties.
- Server solutions provide an instant messaging infrastructure, but depending on the product, these systems may not be secure, log messages, or provide any type of auditing or management tools.

InterIM® is a combination of these approaches and provides everything a company requires to run an enterprise class system in a single easy to use appliance.

2.3 Sarbanes-Oxley Resources and Links

Additional information on the Sarbanes-Oxley Act and how it pertains to instant messaging can be found at the following web sites:

1. [http://www.zantaz.com/resources/regulatoryCompliance/SEC_17a4.pdf](http://www.zantaz.com/resources/regulatoryCompliance/SEC_17a4.pdf) This is the section of the Sarbanes Oxley act which requires the retention of communications records. See section b item 4.
2. [http://www.nasdr.com/pdf-text/0333ntm.pdf](http://www.nasdr.com/pdf-text/0333ntm.pdf) This is the official NASD notice to its members regarding IM.

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3 Enterprise Class Instant Messaging

The InterIM® product line, by Deviant Technologies, Inc., provides an internal instant messaging server, as well as compatibility with the major public IM networks. There are three critical areas of IM management that ensure Sarbanes-Oxley compliance and provide IM administrators with the necessary tools to successfully administer a corporate IM solution. These are:

- Security
- Message logging and auditing
- IM policy creation and management

3.1 Security

Security has been and shall remain a primary concern in all IT systems, regardless of the type or purpose. Instant messaging can be no exception. In fact, many employees believe that if they are sending an instant message to someone in the next office, that that message travels from their computer to the person’s computer in the adjacent office. This is not true, in fact, that message travels out of the company to the servers administered by the public IM network, then back to the person in the nearby office, the whole time as unencrypted text. Any proprietary or confidential information is available to be viewed by those with the skill to do so. This security hole has lead many IT managers to either disable IM for employee use, or take the risk of compromising private information. InterIM® provides a low cost solution for ensuring your company’s private data remains private.

InterIM® provides an internal instant messaging server boasting 512 bit default encryption on your internal instant messaging network that can be easily increased to as high as 2048 bit. Yet to provide maximum connectivity between coworkers and customers, InterIM® maintains compatibility with the popular public IM networks yet cannot provide encryption on these channels. Ensuring that confidential internal communications are channeled over the internal network, instead of on public networks can be achieved through effective IM policy management and is discussed in section 3.3 of this document.

3.2 Message Logging and Auditing

The ability to log and audit instant messaging traffic on your corporate network has become a necessity, not an option. Sarbanes-Oxley dictates that messages must be stored for three years, and should be easily retrievable. In order to effectively log all instant messaging traffic, a proxy of some kind must be set up. This proxy acts as an IM gateway. The corporate firewall is then configured to prohibit all IM traffic except that which originates from the gateway. In this way, all IM traffic passes through the gateway where it can be logged and stored for auditing purposes.

InterIM® logs all instant messages, whether internal or on the public IM networks, to a relational database where the messages are archived and can be searched and audited, meeting the requirements for message archiving as set by the SEC and mandated by the NASD in the Sarbanes-Oxley act. Additionally, InterIM® provides a variety of tools for parsing the data within the logs. Data can be audited through a number of customizable search and filtering tools allowing for common searches to be saved for reuse. Typical Enterprise IM solutions provide only one piece of the puzzle, often requiring an external database and tools to store and analyze instant messaging traffic. InterIM® provides all these features in an easy to use, plug and play appliance. Our patent pending, all-in-one solution delivers more features than our competitors and greater ease of use at a fraction of the cost, giving our customers a superior solution which
delivers a return on investment in weeks, not years, by reducing installation and management time for your IT staff.

3.3 Instant Messaging Policy Management

Security and Message logging are critical to managing your instant messaging infrastructure, yet, without a sound and manageable policy, there is still an opportunity for employees to circumnavigate or bypass the safeguards in place. Instant messaging policy management tools allow administrators to monitor IM usage and notify them when a policy has been violated so that they may take proper action.

There are three steps to successful policy management, policy creation, policy management through the use of tools, and policy enforcement. Policy creation and enforcement differ from company to company depending on the level of security required and the sensitivity of the data on the network. InterIM® provides administrators with an array of tools designed to manage and enforce their IM policies. InterIM®’s key word notification tool allows administrators to monitor all messages on the non-secure networks for sensitive terms or phrases such as social security numbers or confidential project names. InterIM®’s reporting tools enable administrators to monitor instant messaging usage, for example, how much time is employee X spending on the internal system vs. public systems. InterIM®’s patent pending per-user-transport administration allows administrators to grant access to public networks for power users, while public network access for others.
4 InterIM® is Your Solution

SEC compliance has become a thorn in the side of many financial firms over the past year. We at Deviant Technologies recognize and appreciate this, and as such have worked to design a product that will bring firms into compliance with the SEC’s guidelines for instant messaging in half an hour or less (see appendix A on InterIM® Installation).

InterIM® provides everything a firm needs to comply with Sarbanes-Oxley regulations in an easy to install and administer, plug-and-play hardware appliance. InterIM® can get your firm up and running on a compliant and secure instant messaging platform now, not in weeks. Our instant messaging solution provides a high level of encryption, logging and auditing capabilities, instant messaging policy creation and management tools, all on a hardware platform that has been optimized for speed and stability at a price far below our competitors. In fact, InterIM® can save customers between 50%-80% off of our competitors solutions.

4.1 Ease of Use

InterIM® is designed to be up and running in under 30 minutes. Setup requires a few simple steps and can be performed by someone with little or no IT experience. Simply start the server, give it a name and address, import users from your existing directory server via InterIM®’s easy to use Directory Import tools, and your company is ready for secure, archived, instant messaging that is compatible with all your favorite Public IM networks including AOL®, Yahoo!®, MSN®, ICQ® and Jabber® instant messaging services. Future support for Short Message Service or SMS messaging is planned so messages can be sent to and from cell phone users.

4.2 Why an Appliance?

Our goal is to provide our customer with the highest quality product at a price that will deliver a rapid return on investment. Integrating the software and hardware provides customers with piece of mind, knowing that there will be no hardware issues to attend to, no expensive operating system to install and configure no database integration headaches, and no security holes to patch. InterIM® comes with its own firewall which blocks any traffic that is not required to operate the unit, and since it runs on the Linux operating system, InterIM® is not susceptible to virus attacks. Overall, InterIM® provides industry leading features at affordable prices. Compliance itself is already a headache; don’t let your solution become one as well. Call a Deviant representative at 1-866-DEVIANT (338-4268) today to order or learn more about our InterIM® line of server appliances, or visit us online at http://www.devianttechnologies.com.

4.3 The Deviant Philosophy

Deviant Technologies believes that our customers should not be shackled by expensive solutions to their regulatory problems. Our aim is to provide enterprise class products to businesses of all sizes at prices they can afford. InterIM® is no exception. In short InterIM® is easier, less expensive and more secure than the majority of competitors.

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Appendix A

InterIM® Installation

Installation of your all InterIM® appliance is a breeze. Typically, customers with little IT experience are able to have it up and running in 30 minutes or less. Provided below is a typical installation sequence. Steps may differ, and some may be skipped altogether depending on your network.

Step 1: IP Address and DNS

In order to get your InterIM® Appliance on the network, it must be given a network address. By default one can be obtained automatically. Alternatively, one can be manually provided by simply entering the address via the keypad on the front of the appliance.

Step 2: Connect to the Web Administration Interface

To connect to the appliance for administration, open your web browser and enter the IP address shown on the appliance display. Once connected, enter the default admin user name and password. Once logged on, create a new administrative username and password.

Step 3: DNS

This step is for convenience. Once the IM address is installed, and you have access to administration pages, an alias should be set, and a record made in your DNS for the name/address you have given the appliance.

Step 4: Firewall Configuration

In order to have your InterIM® Appliance log all instant messages, those messages must pass through the appliance. To ensure this, administrators should block all IM traffic from all addresses except the InterIM® appliance address. Access to the public IM networks can thus only be reached through the InterIM® appliance, and only if access is granted by the administrator.

Step 5: Directory Import

InterIM® provides the ability to import your user base from your existing LDAP-compatible directory server. Simply point the InterIM® appliance at your directory server, and import. This can typically be done in 5 minutes or less. Templates are provided for certain directory schemas such as Microsoft's Active Directory.
Step 6: Security Configuration

By Default InterIM® appliances come with 512bit encryption; however, Deviant Technologies recommends that all administrators create a new encryption key with the level of encryption that their organization requires. Use of existing certified keys is supported. Please see our Security page for more information on this topic.

Step 7: IM Policy Creation

InterIM® provides a broad array of IM policy creation and management tools. These tools are designed to provide maximum flexibility to our customers. By default, access to external IM networks is off. However, access can be granted to users, groups, or your enterprise with a few clicks of the mouse. Logging and auditing policies are also easily configurable. For more information on IM Policy creation and management please see our IM Policy Management page.

Step 8: Rollout

Now that your corporate IM policy has been created, rollout of the IM solution can be performed. InterIM® makes this easy by providing a client download page on the appliance. Simply send an email to your users notifying them of the new system and with a hyperlink to download the client. Links can also be placed on internal web sites. Client installation is simple and nearly all operating systems are supported. See our InterIM® Client page for more information.

Installation of your InterIM® Appliance is now complete! For more information on our installation process or our appliance in general please email us at info@devianttechnologies.com or contact us at 1-866-DEVIANT.