

E-communications: Drop in e-mail volume is sign of non-firm account

To help monitor your firm's communications, prohibit reps from conducting business on their personal e-mail accounts, and have them attest annually that they are abiding by the prohibition.

That's one of the suggestions that **Amy Lynch**, president of **FrontLine Compliance, LLC**, a regulatory compliance services firm based in Alexandria, Va., recently suggested for keeping tabs on e-mail communications.

She said there are some software systems that track personal accounts such as Yahoo! and gmail but that a firm's best defense is to ban the use of them and to get the attestation.

"Reps should have access to the firm's own e-mail exchange, even if they are independent. All client communication should be done through the firm's e-mail server so the firm has access to the rep's account for surveillance purposes," Lynch said.

Firms should perform periodic surveillance for the use of personal accounts to monitor for violations, she said. "Any significant changes to a rep's e-mail volume should be a red flag to the firm," Lynch said. For example, if a rep who was sending about 250 e-mails per month suddenly drops to sending 50 e-mails per month over a three-month period, that could indicate the rep is using an outside e-mail account to communicate with clients, she said.

Firms that have had problems with reps using their own Web-based e-mail in the past might want to consider blocking rep access to certain Web sites such as Yahoo! or AOL, Lynch suggested.

"Of course, it would not make sense to block all search engines since reps need access to at least one search engine for legitimate business purposes. However, it does lessen the surveillance burden for the firm if they know reps only have access to certain sites," Lynch said. ■

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