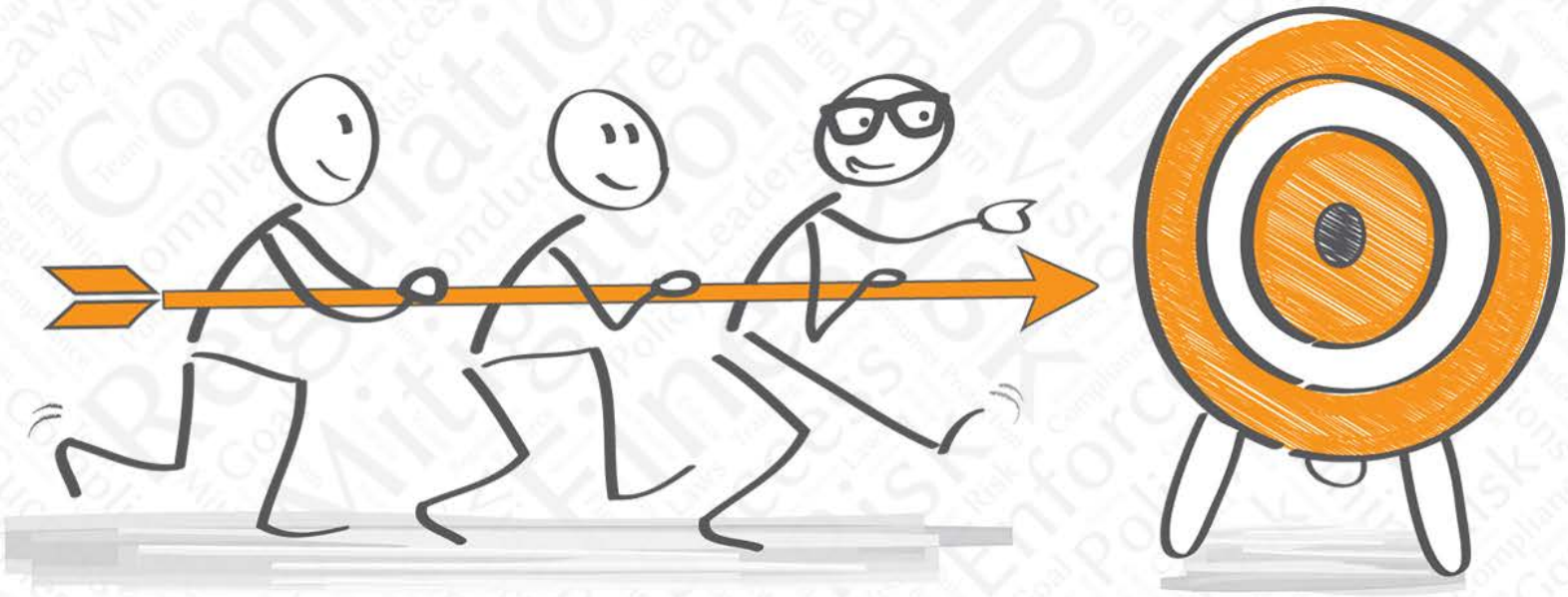
Speech Analytics

Targeting Compliance Challenges



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December 2017

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ABSTRACT

Compliance is a major area of concern for any business. Whether engaging in outbound sales, inbound customer service, or collections environments, call centers have a unique advantage over other business models in meeting compliance standards. Thanks to advances in speech recognition technology and the growing accessibility of Speech Analytics software, call centers are offered a secret weapon. This paper will outline compliance concerns and detail how the use of these technologies can be applied to address them.

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The Compounding Cost of Compliance

2017 has seen a record number of court awards for compliance violations related to call centers. According to a recent article in *Forbes* magazine, compliance and regulatory expenses increase with the size of your business. In one estimate, costs increased four times per employee for larger companies (1). That means, the more growth and success a call center sees, the greater risk compliance violations pose. When you consider this in relation to the average cost of regulatory citation fines for *small businesses* over the last five years, which was a whopping $30,651, then the potential for compliance violations are more than just a little disconcerting (2).

Call centers are governed by a set of regulations unique to the nature of their business model. While there are thousands of different state and federal regulations, call centers need to be especially cautious given that the majority of compliance costs are associated with consumer protections. In sum, call centers are not only subjected to a seemingly endless threat of compliance fines but are also vulnerable to legal actions by the customer. Employing a **quality speech analytics product** can go a long way in ensuring that a business stays compliant.

Compliance Challenges, Analytics Solutions

PCI-DSS

Challenge

The *Payment Card Industry Data Security Standards* (PCI-DSS) was designed to protect a consumer's cardholder data when it is collected, stored, or processed by a business. Call centers are at the center of PCI-DSS concerns as they process a large amount of cardholder data daily with little to prevent phone agents from collecting the data and using it for fraud. For this reason specifically, businesses are no longer permitted to store call recordings that contain sensitive payment data. Costs for PCI-DSS non-compliance can be staggering, ranging between $5, 000 and $100,000 per month.

Solution

PCI DSS compliance states that all cardholder data must be protected wherever it is stored. Speech analytics can be configured to flag any call in which a series of numbers are uttered in conjunction with the word "credit card" or "payment" allowing for calls containing cardholder data to be easily categorized and searched.

SECTOR	INCIDENTS	AFFECTED RECORDS
Retail	24	95,171,110
Services	17	8,901,455
Financial	39	8,793,719
State Government	58	5,948,395
Federal Government / Military	22	4,017,163
Healthcare	56	1,027,462
Technology / Communications	19	899,450
Higher Education	8	680,715
Miscellaneous	54	344,051
Secondary Education	25	85,527

(Information Source: 'Contact Center Solutions'. (3))

FDCPA

Challenge

The Fair Debt Collection Practices Act (FDCPA) was designed to protect consumers from abuse and harassment from debt collectors and the agencies they work for. The FDCPA regulates cruel or deceptive collection tactics such as intimidation, misrepresentation, or false threats of legal action. It also regulates the way in which consumer information can be obtained, protecting consumers from potentially embarrassing communications that may qualify as an invasion of privacy, and provides consumers with a means to verify or contest their assumed debts. Estimated costs of FDCPA violations vary greatly. Consumers, their employers and/or family members, can sue for damages.

Solution

Speech analytics can monitor the emotional components of a call. This ability means that calls can be flagged and supervisors immediately notified in the event an agent displays inappropriate emotional cues, such as anger or assertiveness.

TILA

Challenge

The Truth in Lending Act (TILA) was established to protect consumers from falling prey to deceptive purchases or loans. Call centers must disclose to the consumer appropriate information concerning terms of any agreement, policies or potential fees. This includes special provisions for call centers concerning the oral disclosure of information and the retention of those records. TILA regulates access and security of a consumer's private financial information.

Solution

TILA requires that consumers are given full disclosure of the terms of any lending agreement. Speech analytics can be set up to monitor the use of specific keywords and phrases to ensure agents are adhering to TILA regulations. Details of lending policies and fees can be entered into the system and a scorecard can be generated for individuals, departments, or the call center as a whole, giving supervisors an accurate gauge of non-compliance risk.

"Willful and knowing violations of TILA permit imposition of a fine of $5,000, imprisonment for up to one year, or both."(4)

HIPAA

Challenge

The Health Insurance Portability and Accountability Act (HIPAA) was developed to protect a patient's private health records. The act covers both patients' health records in electronic format as well as any information transmitted between patients and providers orally or by handwritten notes. HIPAA regulations apply to any business that is remotely connected to the healthcare industry, even call-forwarding services. HIPAA violations rank among the costliest and are the easiest to *unintentionally* commit. For instance, leaving a message on the wrong answering machine can accrue hefty fines.

HIPAA PENALTIES			
Tier 1	**Tier 2**	**Tier 3**	**Tier 4**
The covered entity did not know and could not reasonably have known of the breach.	The covered entity "knew, or by exercising reasonable diligance would have known" of the violation, though they did not act with willful neglect.	The covered entity "acted with willful neglect" and corrected the problem within a 30-day time period.	The covered entity "acted with willful neglect" and failed to make a timely correction.
$100 - $50,000 per incident.	**$1,000 - $50,000** per incident.	**$10,000 - $50,000** per incident.	**$50,000** per incident.

(Information Sources: HIPAA Violation & Breach Fines' (5) & 'Contact Center Solutions' (3))

Solution

HIPAA is centered on patient privacy. Speech analytics technology can be used to redact sensitive patient information such as date of birth, social security number, address, or payment information. This ensures confidentiality is maintained in the instance of a security breach. Speech Analytics can also be employed to flag calls and alerts supervisors when language is being used that may indicate the potential for a violation. This can give healthcare businesses an upper hand in preventing non-compliance by citing the earliest risk.

SOX

Challenge

The Sarbanes-Oxley Act (SOX) was created in 2002 and is similar to the TILA. It was designed to safeguard consumers against deceptive financial services and requires the storage of "digital" records. This becomes a concern for call centers as it directly addresses the authenticity of recorded calls. Call centers whose consumers fall under these protections must record and maintain calls in their entirety and make them easily available for recall for a determined amount of time.

Solution

SOX states that both incoming and outgoing call center communications must be stored in an easily searchable structure. Speech analytics automatically indexes 100% of calls based on preset and customizable parameters making call searching fast and accurate. The application of speech analytics facilitates the auditing process.

The Dodd-Frank Act

Challenge

The Dodd-Frank Act stipulates, in part, that all communications related to financial transactions by financial institutions are documented in a way which preserves transparency and can be easily located, or searched. For call centers, this often means developing a method for recording and time-stamping financial communications in a secure and accessible way. Violating the Dodd-Frank Act costs businesses hundreds of millions each year.

> **In 2012, Capitol One was ordered to pay customers $140 million plus interest and $60 million in regulatory fines after failure to appropriately monitor one of their call centers and violating the Dodd-Frank Act (6).**

Solution

The Dodd-Frank Act mandates that all interactions related to a specific transaction be available within 72 hours of the audit request. With the superior indexing and searching capabilities of speech analytics technology, all related recordings can be retrieved in a systematic and timely manner, adhering to compliance standards.

The Do Not Call Registry

Challenge

Call center violations of the *Do Not Call Registry* are costly. The registry applies specifically to telemarketing calls and organizations are given 31 days from the time a number is registered to comply. Consumers merely need to file a simple complaint with the FCC including their registered number, the time of call, and business name that issued it, in order to begin an investigation. To date the Federal Trade Commission has collected over $49 million in penalties and $71 million in retributions (7).

Solution

Speech analytics can flag calls containing *Do Not Call* language to help prevent potential registry violations or harassment claims.

> **In 2017, the Department of Justice fined Dish Network $280 million for violations to the Do Not Call Registry in four states. This represents the largest civil penalty in history for DNC violations. (8)**

TCPA

Challenge

The Telephone Consumer Protection Act (TCPA) works in conjunction with the *Do Not Call Registry* and creates a set of guidelines for call centers that engage in telemarketing. Codes of conduct such as appropriate call times and self-identification are included in this statute. The standard fine for TCPA non-compliance can range between $500 and $1500 per occurrence, depending on the circumstance.

Solution

A primary area of concern for TCPA compliance and call centers is the necessity for "expressed prior consent." "Expressed prior consent" can be revoked at any time by the consumer. Then, in the instance of a filed complaint or dispute, the only recourse a call center has is to furnish proof of consent. Speech analytics makes expressed consent as well as revocations easy to track and monitor.

Call Monitoring Consent

Challenge

Due to various state and federal "wiretapping" laws, call centers must engage in call monitoring consent practices. While laws vary, most require verification of consent of at least one party. A call center's best practice is to notify the consumer that the call is being recorded. The consequences for violating call monitoring consent laws range from monetary fines to criminal prosecution.

Solution

With speech analytics technology, specific phrases in scripts concerning call monitoring consent can be confirmed. Furthermore, calls can be analyzed for negative responses to the request for consent alerting supervisors to problems with the consumer.

The Necessity for a Comprehensive Compliance Solution

Call recording and auditing alone, while essential pieces of a concerted compliance effort, may not be enough. A more comprehensive solution is needed to cover the vast majority of a call center's compliance needs. Speech analytics offers special functionality that simply cannot be achieved through traditional methods of call recording or auditing.

Call Recording

The most basic of all compliance efforts is to record calls. It's not news that call recording is one of the simplest ways for call centers, regardless of industry, to protect themselves. In many cases, it is now mandatory practice. Maintaining call integrity is an important issue for compliance. The ability to provide authentic records of communications can relieve potential legal actions in the instance of a dispute or miscommunication. Reliable call records offer proof of compliance in many cases, from documenting verbal agreements to acknowledging policies, fees, or monitoring consent. However, call recording alone can only go so far. While it may help support some compliance efforts, it is incapable of meeting them entirely.

Call Auditing

Monitoring calls gives call centers the ability to learn from mistakes and to identify procedural issues. It is often used as the second line of defense for improving compliance standards in a call center environment. Insights gained from overseeing agents performance can be used to adjust scripts, improve training and raise the overall quality of the consumer's experience. Call monitoring gives a call center the ability to both ensure compliance policies are being adhered to and that they are effective. *Listening in* also allows management to follow up on training and appropriately reward improvement. While auditing is an important part of compliance efforts, by nature, it necessitates that compliance problems occur before they are addressed. This means it only helps to alleviate the risk after the fact.

Two Game-Changing Features in Speech Analytics

As previously outlined, there are many unique features of speech analytics that can be applied to compliance efforts and give call centers an edge. Many call centers don't realize that two of the most advantageous components of a speech analytics solution, are also the simplest to use: *Real-Time Auditing* and *Call Redaction*.

Real-time Auditing

Unlike traditional auditing, speech analytics solutions offer real-time reporting. This means supervisors can get an accurate impression of the *current* state of compliance at any given moment. Based on customized parameters for the appropriate phrases, keywords, and behavioral cues, supervisors are offered a clear statistical view of how compliance requirements are being met and where there is potential risk. The entire call center can be appraised, and call information can be drilled down by department, or individual representative. This gives supervisors an opportunity to intervene *during* the call, before it has the potential to become non-compliant. This is an ability that cannot be achieved through traditional call-auditing methods.

Call Redaction

Speech analytics technology has the unique ability to redact information from calls. Redaction can be an essential part of compliance when it comes to protecting sensitive consumer information or issues of patient privacy. Encrypting sensitive information is not enough because it is still capable of being accessed. To remain compliant, it must be removed completely. Call Redaction scrubs sensitive information from call recordings, such as social security or credit card numbers, while still maintaining the call's integrity. Redaction also ensures that data will never be accessed in the event of a data breach, offering call centers an additional layer of security.

Redaction can also be utilized as an automated functionality. Automated redaction eliminates the need for manual monitoring by redacting the information during the call. For compliance, every call counts. Redaction services are fast and accurate, ensuring no call is overlooked. Employing automated call redaction allows call centers to rest easy knowing they've protected their consumers as well as themselves.

The Problem with "Pause/Resume" Systems

Many call centers participate in a Pause/Resume system in an effort to be PCI DSS compliant. This method requires phone representatives to manually pause or mute the recording when sensitive information is being relayed. In some cases, *computer telephony integration* (CTI) technology is applied to automate this process. This system presents a number of issues due to the heightened potential for error.

Human error represents a huge part of the problem. Phone representatives could easily forget to pause or restart a recording, or misalign the pause and record the confidential information while blocking out other essential parts of the conversation. Additionally, this method presents an opportunity for misuse. Staff may take advantage of having control over the recordings and pause to engage in nefarious activities, such as making fraudulent claims or committing abusive behavior.

Because the pause/resume system creates a break in the recording, it damages the integrity of the call and can make it worthless in the event of a dispute or legal claim – *The consumer could argue the incident occurred during the pause.* Likewise, this method may not meet other compliance standards as it doesn't qualify as documentation for 100% of the call.

Conclusion

As the most advanced of all technologies that a call center could employ, speech analytics offers an abundance of benefits when it comes to compliance.

The searching capabilities of speech analytics software can provide a clear impression of what representatives are doing (e.g., *are they following scripts, notifying consumers of monitoring, polices, fees,* or any number of metrics which affect the compliance standards of the call center).

Analytic reports can offer details of risky language as well as narrow the scope of reports down to specific departments or individuals. This makes it easier for supervisors to identify successful communications and repeat offenders. This feature also speeds up the auditing process by eliminating the need for a large monitoring staff, with the added benefit of being able to analyze 100% of calls. These real-time reporting features take auditing to the next level.

Speech analytics can also flag specific consumers with *Do Not Call* statuses and help facilitate best call practices such as: *appropriate call times, frequency,* and the use of *"courtesy" language.*

Employing speech analytics, in addition to traditional recording and auditing methods, is the only way to achieve a truly comprehensive solution, offering call centers a secret weapon in the fight for compliance.

Afterword

KG Hawes offers a variety of services and ready-made product solutions. VoizTrail Communication and Compliance Suite is a comprehensive call recording, auditing, and analytics solution. Utilizing the transcription method for audio processing, VoizTrail delivers concise reports guaranteeing the most accurate data. Unlike other off-the-shelf commercial solutions, with the VoizTrail suite businesses can pick and choose from a number of customizable applications and services. VoizTrail facilitates high-end performance monitoring, training support, improved client services, regulatory compliance, and dispute management. Additionally, KG Hawes offers VoizTrail customers exclusive service options for engaging our professional auditing staff. With proprietary services, you benefit from all the features of VoizTrail without the necessity of dedicated monitoring staff. And your calls get audited with a 24-hour turnaround. It's also fully compatible with our Accounts Receivable solution.

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