

NEWS & VIEWS

Greater Los Angeles

February 2003
Vol. 2003 No. 2

Greater Los Angeles ARMA
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PLANTIFF VS DEFENSE

**"What Information Managers
Should Know Lawyers Are
Thinking Regarding Discovery
and Trials"**



Newsletter for records and information management professionals

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The Greater Los Angeles ARMA (Board) meets regularly on the first Wednesday of each month at 5:30 p.m..

The 2002 - 2003 meetings are held at:
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DISCLAIMER NOTICE

ARMA is published at least 10 times during the fiscal year. Readership includes members of the Greater Los Angeles Chapter of ARMA International, as well as described records and information management professionals in the Los Angeles areas. The information contained in this newsletter does not necessarily reflect the views of the membership or the editor, nor is there any endorsement of advertisements or published seminar information. This newsletter is offered only as a source of information.

FROM THE EDITOR:

Are you a professional looking for some coaching to keep you focused on your goals. Read and check out website at Success Made Fun Coaching on page 22.

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February 25, 2003

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PRINTING PRODUCTION BY:

AKHIL International
(909) 982-0161
Fax: (909) 982-7161
gulati@akhilinternational.com

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Jim's Corner

By James Higdon
GLA ARMA President

President's Message

We heard on the news recently about a records management error that led to a mistaken mastectomy. If you are in the business of providing National Health Service, there are laws that hold CEOs and senior management accountable for records practices in their organization. Three employees--two of them doctors--from the United Hospital in St. Paul, Minnesota, where the surgery was done, failed to check the names and the numbers of the patients and they switched the names on the slides with the pathology sheets. They incorrectly told one woman that she had no cancer at all and told another woman who received the double mastectomy that she had cancer when she did not. This horrible mistake is an example of how costly it can be to not adhere to strict records management principles.

Upper Management can no longer view records management as an overhead, regardless of what industry you are in. Traditionally, records centers are, at best, main-

tained and are viewed well below revenue generating sectors of a business. Recent records debacles have led to new regulations like the Sarbanes-Oxley Act which look to be a trend in scrutinizing how an entity deals with records management issues and bring accountability for such neglect to the highest levels of management. Whether you are in the medical industry, legal industry, public or private sector, you are not exempt from litigation or the rising costs of liability insurance.

What occurred in Minnesota was a classic breakdown of a faulty system in a high stress environment. According to a senior pathologist at the hospital, "there are safeguards in place. Our practice at that time was national standard. We have now put additional safeguards of color coding the slides and paperwork. We also have only one patient case per tray of slides, and we have a second pathologist completely review all aspects of the case, validating the color code, the name, the identification number, and having to agree with the

first pathologist's diagnosis." If the quote from the hospital pathologist is correct, they were adhering to a national standard that did not impede three people from noticing that the slides' references did not match.

One can only imagine just how staggering the legal and insurance costs surrounding this incident will affect the hospital, not to mention its' damaged reputation. Just ask the former partners from the now dissolved Arthur Andersen about damaged reputations and then ask yourself how long it will be before the providers for National Health Service records management practices will be under the microscope as well.



As a value added feature for GLA-ARMA members, we have kiosk set up at the chapter meetings so you are able to pay by credit card if you were not able to pay online on time. There will be a slight handling fee of \$3.00 for this convenience also visa and MasterCard will be the accepted cards of choice.



GLA-ARMA Chapter January Meeting

"What Information Managers Should Know Lawyers Are Thinking Regarding Discovery and Trials"

Presented by Steven Brower and John J. Isaza

Wednesday, February 19, 2003

ABOUT OUR PROGRAM

Steven Brower and John J. Isaza, two attorneys who have a real understanding of technology and information management, will present a legal debate about issues which are at the cutting edge. Using a simple hypothetical outlining a mock case they will argue topics including:

- Was the Document Retention Policy Appropriate?
- Was it really a Document Destruction Policy?
- Should the defendant have shut down their computer system?
- How quickly must the documents be produced?
- Who is responsible to review the materials?
- Who is responsible if too much or too little was produced?

Based on current legal trends and public interest in matters such as Enron these types of issues can arise at any company, on very short notice. Come and learn about how you can be better prepared to deal with the requirements of litigation.

ABOUT OUR SPEAKER

John Isaza is a trial lawyer with over ten years experience, including major multi-million dollar jury trials on environmental and business disputes. He's a member of ARMA International's Program Committee for the upcoming Boston Conference and has spoken at ARMA International and for various local Chapters.

Steve Brower is a trial lawyer with over twenty years experience, including all aspects of civil litigation from arbitrations and complex settlements to trials and appeals. He is a litigation partner and manages the Orange County Office for his firm - Stephan, Oringher, Richman & Theodora, P.C. He is a prolific author and speaker, and presented at last year's GLA ARMA spring conference along with Mr. Isaza.

Registration: 12:00 PM
Lunch: 12:30 PM
Program: 1:00 PM
Closing Remarks: 2:00 PM

PLACE

Los Angeles Area Chamber of Commerce
350 S. Bixel Street
Los Angeles, CA 90017
213-580-7500

DIRECTIONS

Chamber Location:

The Los Angeles Area Chamber of Commerce (LAACC) Building is located at 350 S. Bixel Street, between 3rd and 4th Streets, just west of downtown Los Angeles. The entrance for underground parking is on 4th Street.

By way of the freeway system:

It is easily reached by taking any major freeway to the Harbor Freeway (110), proceeding to the Downtown Los Angeles area, and getting off at the 3rd Street off-ramp. Then go west on 3rd Street a few short blocks to Bixel Street and turn left.

From downtown Los Angeles:

Go west on 3rd Street up and over the Harbor Freeway (110) to Bixel Street, and turn left.

From Beverly Hills and points west:

Head east on 3rd Street, past Alvarado, to Bixel Street, and turn right.

Parking:

Paid parking is available below the Chamber Building. The garage entrance is on 4th Street and the cost is \$1.50 for 20 minutes with a maximum daily charge of \$6.00.

Metered parking is available surrounding the Chamber.

JURY AWARDS DAMAGES FOR VALUE OF LOST RECORDS

For the first time, a jury awarded more than \$20 million in damages to a plaintiff based on the value of the records they lost, not the value of the boxes in which the records were stored.

When a fire engulfed Diversified Information Technologies' document storage facility May 5, 1997, in West Patterson, Pennsylvania, 800,000 boxes of corporate records were destroyed. One customer, Mobil Oil Corp., said it lost 67,000 boxes of documents because part of the facility's sprinkler system was on and part of it was off. Mobil Oil contended that the system did not emit enough water fast enough to put out a fire and was improperly configured. The company sued Diversified and Grinnell Corp. (manufacturer of the sprinkler system), alleging that both were negligent in failing to have the system fully functioning, and sued Grinnell separately for products liability, alleging that it was following the wrong National Fire Protection Association (NFPA) standard and, accordingly, defectively designed the system.

In Mobil Oil Corp. v. Grinnell Corp. and Diversified Information Technologies Inc., Mobil Oil argued that its damages totaled approximately \$24 million. It also sought damages for lost tax deductions and lost underground storage tank (UST) remediation reimbursements because supporting documentation was destroyed in the fire. Mobil Oil also sought damages for a marine technical library and ship drawings that were destroyed in the conflagration.

Grinnell and Diversified denied the charges, but the jury found both companies negligent. It found that Grinnell's sprinkler system was a defective product and awarded Mobil \$20,750,653 in damages. On the negligence claim, Grinnell was found 40 percent liable and Diversified was found 60 percent liable. The jury award included \$8,981,441 for the value of the 67,000 boxes of Mobil Oil's documents destroyed in the fire, \$7,406,558 for lost tax deductions, and \$1,347,654 for lost UST remediation reimbursements because supporting documentation was destroyed in the fire. In addition, the jury awarded Mobil Oil \$3,015,000 for the destroyed marine technical library and ship drawings.

Mobil Oil Corp. v. Grinnell Corp. and Diversified Information Technologies Inc. was a companion lawsuit - First Union was another plaintiff and was awarded approximately \$20.5 million in December 2001, and two other plaintiffs settled the case out of court. Attorneys for Charlotte, N.C.-based First Union, which lost 152,000 boxes of records in the fire, had claimed the bank sustained damages worth \$22.5 million to \$37.4 million. The jury awarded the bank \$20,554,953, an amount that included \$9.5 million to cover the bank's estimated future costs in reconstructing personal and charitable trust documents that were lost.

According to Rae Cogar, an attorney and chair of ARMA

International's Government Relations Committee (GRECO), there has never been an award for the value of records based on the information they contain or the cost of recreating that information. In the past, awards have always amounted to the \$1 or \$2 per-box figure for which the boxes were insured.

"If records are lost, be it in a fire or other reason, the fact that courts and juries are awarding damages for the value of that information rather than [for] the paper it is printed on is a big change from the past, and more companies should be aware of this - and more records storage centers should be aware, also," Cogar says.

Article found on ARMA International www.arma.org

ANNUAL GLA ARMA CONFERENCE APRIL 9, 2003

THE GLA/ARMA CONFERENCE IS COMING IN APRIL. IF YOU WOULD LIKE TO VOLUNTEER ON THE CONFERENCE PLANNING COMMITTEE, OR IF YOU ARE A VENDOR WHO WOULD LIKE TO HELP SPONSOR THIS EXCITING ALL-DAY EVENT, PLEASE CONTACT LINDA JOSHUA.

LINDA JOSHUA
CONFERENCE COORDINATOR
(323) 981-8644 x 209
LINDA_JOSHUA@IRONMOUNTAIN.COM



Executive Summaries

By: April Dmytrenko, FAI, CRM

Welcome to the fourth edition of "Executive Summaries" - a column that focuses on those business skills that are essential for all records and information management professionals. I hope you are finding these Summaries interesting as well as thought-provoking. The professionals I have asked to participate in contributing, such as Wendy Shade from last month and Juanita Skillman this month, represent some of our finest industry role models. And they truly understand and represent the executive approach.

This month's contributor, Juanita Skillman, holds the position of Records Manager for the Orange County Sanitation District located in Fountain Valley.

Who doesn't know Juanita Skillman, CRM, FAI - she is a long term dedicated ARMA member who is currently the President of ARMA International. Prior to being elected President, she served four years as ARMA's Treasurer, and here resume is brimming with Committees she has chaired or served on at the local, regional and international levels. She is a skilled speaker and author, and is a generous resource who exemplifies the enriching benefits of contributing to your industry.

Juanita's topic is "Taking Time For You". Not only take the time to read her article but take the time to put into practice what the article is all about.

Executive Summaries Taking Time for You! Juanita Skillman, CRM, FAI

As a RIM Professional, or for that matter a professional in any field, we sometimes get overwhelmed with our day to day activities and forget that what makes us a professional is our experience and knowledge of our field. Records and Information Management is NOT a static endeavor. It is constantly changing, thanks to technology, and what was a best practice a few years ago may not be the best way today.

As professionals, we owe it to our employers and ourselves to take the time needed to keep abreast of what is happening in our field. This means attending educational workshops and seminars, reading professional journals, attending trade shows, and networking with other RIM Professionals. It's all too easy to say "I'm too busy", but the fact of the matter is you need to make the time. If you don't you will not grow professionally and if you do not grow you will whither and be left behind.

I schedule time for my "professional research" in my daily calendar. Just as you schedule appointments and meetings, schedule time to check the internet, read the Records Management ListServ (I get it in digest form), check out the Archives or Electronic Records Listservs or the ICRM ListServ to see what is happening. The Records Management ListServ's weekly

RAIN reports give you a quick synopsis of what can be found in current media. Learn from your vendors, not just what they have now but what is in the pipeline for the future. Don't reinvent the wheel. Network with other RIM Professionals at chapter meetings, ISG meetings, via e-mail or phone.

Don't neglect your own organization. How can you be of real benefit in your job if you don't know what is going on in the various departments, their strategic plans, short and long term goals and objectives? One of the best things about RIM is that it touches all aspects of an organization. You should not be isolated unless you don't make the effort to be involved.

RIM Professionals need to be proactive in everything they do. Don't let your job, and life, happen TO you, take control and take time for YOU. As that "other organization" says, "Be all that you can be". Only you can make it happen.



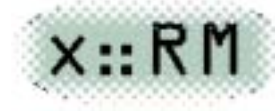
It is a new year - consider taking more time for you as part of your New Year's resolution!

**OUR CLIENTS PREFER TO DO BUSINESS
WITH SOMEONE THEY KNOW.**



(323) 234-FILE

GLA ARMA presents...**FastTrack 2003 - eXtreme Records Management: From inventories to Intranets**



Congratulations! You've been hired by **X::RM, Inc.**, a leader in its industry. Your first assignment? Develop and implement a records retention schedule. Where do you start?.....Who do you call??..... What do you wear???.....For the answers to these questions and more, join the GLA ARMA eXtreme RM Team for "**FastTrack 2003, eXtreme Records Management**".

GLA presents four fast-paced workshops designed to answer all your "how-to" questions about conducting inventories, developing retention schedules, using database tools to manage inventory and retention data, and using the Intranet to publish, distribute and market the results.

Session 1 - Inventory Intensive

Date: Tuesday, February 11, 2003

Session Coaching: Barbara X (CRM, MLS) :: Barbara nXe (CRM) *

Study the purpose, scope and various methods for conducting an inventory. You will develop your own inventory forms, inventory x::RM files and record your observations of x::RM current record-keeping practices.

Session 2 - Rad RRS Development

Date: Tuesday, February 18, 2003

Session Coaching: Barbara X (CRM, MLS) :: Barbara nXe (CRM) *

Learn about the appraisal, classification and legal research required to create the "records series" - the building blocks of the x::RM Records Retention Schedule. Then develop a comprehensive Schedule for x:RM, Inc..

Session 3 - Dynamic Databases

Date: Tuesday, February 25, 2003

Session Coaching: Xndy Nunes (MLS, CDIA+) *

Build a database using state-of-the-art database tools to create and maintain x::RM Retention Schedule. You will also learn database principles and fundamentals and why this is a powerful technology for Records Managers.

Session 4 - Intranet Mission Possible

Date: Tuesday, March 5, 2003

Session Coaching: Xndy Nunes :: BX :: BnXe

Create an information space on x::RM intranet. Learn how to publish your records management program tools to the Intranet, distribute information to x::RM staff quickly and efficiently, and market your Records Program.

Location: Culver City @ Sony Pictures Entertainment

Schedule: Registration @ 5:30 p.m. Sessions will start promptly at 6:00 p.m. and finish at 8:30 p.m.

Contact: Barbara Cross at 310.244.8803 or barbara_cross@spe.sony.com

More Info: visit <http://www.arma-gla.org>

* eXtreme RM Team: Barbara X = Barbara M. Cross, CRM, MLS :: Xynthia Nunes=Cynthia J. Nunes, MLS, CDIA+:: Barbara nXe=

WEB CONTENT MEETS RECORDS MANAGEMENT

By Diane Marsili

The Web has revolutionized businesses and governments around the globe bringing with it unprecedented challenges and opportunities. The Internet delivers the same information, documentation, and records we have come to depend on and value in the paper world in a highly accessible, far more efficient and easily understood medium.

The goal now is to apply the proven business policies and practices of the past and translate them to this e-Business world. In order to fully leverage the Internet, businesses must be diligent in capturing, retaining and managing Web transactions for the important electronic records that they represent.

While the Web has forever changed the way we gather information, communicate and conduct business, it's the highly dynamic and personalized Web content and the transactions performed on the Web that present records managers with the greatest challenge.

It's no surprise that our legal system is paying close attention to the Web and its content too. Several new laws have been passed which give electronic information published on the Web the same legal status as its paper counterpart. Web content, therefore, needs to be viewed in a different and more critical manner than ever before.

Rich Content on the Web

A driving force for the Internet's continued growth is the seemingly

unlimited volume and type of information now available. Web pages commonly contain audio files, video streams, graphics, pictures, forms, e-mails and more. Collectively referred to as rich content, it makes each Web page a focal point for closer scrutiny.

Consider that today the surface of the Web contains 2.5 billion pages but the 'deep Web' is estimated to be up to 2,000 times greater or over 7,500 terabytes of information. It is estimated that in three years we will double the amount of information that took us 300,000 years to produce. A driving factor is rich content. Rich content will continue to push the Internet into many areas considered unthinkable before. Combined with the decreasing cost of storage, new applications and paradigms thought to be technically or economically implausible in the past will become widely available.

Government's Role

In governments around the globe, moves are underway to digitize and eliminate paper. In the United States, GPEA (The Government Paperwork Elimination Act), scheduled to go into effect on October 21, 2003, lays a foundation for the U. S. Government to conduct business wherever possible in an electronic form, thereby eliminating, or at the very least, significantly reducing our reliance on paper. GPEA's enactment will have a profound effect on the way government conducts business. The federal government will procure products and services online, provide information and allow con-

stituents to access personal information. The results of such an investment are better services, reduced costs, and a happier public.

Other U.S. laws like E-SIGN (Electronic Signatures in Global and National Commerce Act) coincide with this regulation by giving electronic records, signatures, contracts and agreements the same legal effect as paper. Similar laws are being introduced or already passed in Australia, Canada, Europe and the United Kingdom. Clearly the driving force behind all this is the Internet and our growing reliance on electronic commerce. Consequently, legislation has been quickly enacted to remove the barriers to streamlined business processes. Now government has two major roles; 1) clear the way for business, 2) practice what it preaches.

Recording and Managing Web Content

Why is Web content recording so important? Businesses have enthusiastically embraced the Internet. Governments around the world are taking major steps to move fully online wherever possible. The result is that the volume of Web content is increasing at a spiraling rate. Today's Internet environment is reacting to this information explosion and adapting to government's new laws to more easily facilitate electronic commerce. It's no small task.

Electronic information has proven to be admissible in court. E-mail is a clear example of this. Web con-

cont'd on page 13 . . .



With us, it's always personal.

Because personal, attentive service is the reason why companies entrust their records to GRM.

Law firms. Accounting firms. Financial institutions. They know we never take shortcuts. Order requests are handled locally, promptly and courteously. Retrievals are performed quickly. By us. They're scanner-validated to assure 100% accuracy. And live assistance is never more than a phone call away... 24 hours a day.

Much of our reputation has been built by safeguarding information in fortress-like records centers. Backed by around-the-clock security guards.

But more than anything else, we respect the "customer" in customer service. So please excuse us if we get too personal. It's the only way we know to give the service you need. And deserve.

- Document Storage
- Document Imaging
- Data Vault Storage
- GRMeVAULT
- Certified Shredding
- Technology Escrow

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