



# The Importance of Meeting **Regulatory Compliance**

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It's hard enough to run a business without having to fret over issues which spring up – but regulatory compliance is a BIG one.

Many businesses are bound by regulations, depending on their specific industry and/or the types of information they handle. If any of the best practices set by these regulations are not followed, or if sufficient security measures are not put in place to protect the sensitive data governed by these regulations, the results for the offending company could be disastrous.

Hence the reason for regulatory compliance.

## What Exactly Is Regulatory Compliance?

[Regulatory compliance](#) is, simply put, the rules and regulations put forth by both credit companies and the government which are intended to ensure the information and funds handled within an organization are conducted properly. Here are a few examples of compliances business fall under:

Any company dealing with individual medical records in any way, shape, or fashion is bound to operate within HIPAA compliance Any company who reports their accounting or financial reports is bound by SOX compliance Any company processing or retaining credit card information must adhere to PSI DSS compliance.

There are several other forms of compliance to which specific organizations must adhere, but the three listed above are the most common.



While steadfast devotion to keeping your business compliant is both admirable and recommended, even the most careful organizations can suddenly find themselves under the watchful eye of the government – and violations can vary from costly to catastrophic.

## Fred's Data is Now Much Safer

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## Examples of PCI DSS Compliance Violations

Over the years – especially the last decade – there have been several notable PCI DSS violation cases. Here are just a few:



- In 2013, [Genesco](#) – a retailer with 2,440 stores in the U.S., U.K., Canada, and Ireland, discovered Visa had imposed almost \$13.3 million upon them in PCI DSS compliance fees. This was in response to a credit card data breach Genesco had suffered three years earlier. While Genesco was left to deal with the aftermath of their data breach – including notifying their customers of the breach, dealing with fallout from the event, and attempting to re-secure public trust – they were then forced to deal with enormous violation fees.

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**\$50,000+**

regulatory compliance penalty from the owners' account.

- A grocery store chain, [Schnuck's Markets](#), was the victim of credit card data breach in late 2012 to early 2013. A clever hacker slipped a code into their processing system which granted the hacker access to the credit card information of around 2.4 million credit and debit cards. As a result, class-action suits brought by Schnuck's customers demanded \$2.1 million in damages. After those cases were settled, Schnuck's then found themselves being held in violation of PCI DSS compliance by their banks, with respective fees imposed upon them.
- Another case involving a Park City, Utah eatery – [Cisero's Ristorante and Nightclub](#) – reared its head in 2011. Visa and Mastercard believed Cisero allowed a data breach of their customers' card information to occur and imposed what they felt were appropriate fees. When Cisero disputed the claims, the credit card companies responded by ordering Cisero's financial institution to draft \$10,000 of a \$50,000+ regulatory compliance penalty from the owners' account. In response, the Cisero owners immediately closed their bank account and secured their money elsewhere to keep the credit card companies from taking more funds they felt were owed them. Eventually, the case simply went away, suggesting both parties had come to a mutual settlement.

In all of these cases, the fees levied onto these organizations were so high, they were considered heavily damaging to each company's future. Some chose to fight, but more often than not, companies simply choose to pay the penalties in an attempt to put the ordeal behind them.

## What Can You Do?

Regardless of the compliances you must adhere to, there are protocols which can be put in place to help ensure consistent and reliable regulatory compliance for your organization. Speak with an IT consultant to discuss your specific compliance requirements, and ask what can be done on a technical level to keep all activities and securities on the up-and-up.

## SRN Can Help You with Regulatory Compliance

At SRN, we know what to look for to keep businesses compliant. We are more than happy to offer customized solutions for our clients who need to stay within PCI DSS compliance at all times. [Let's have a conversation](#) about what it is you need, and we'll share with you what we can do for your organization.



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