

# NetSpend's Social Media Program Now SEC & FINRA Compliant with Socialite from Actiance.



There is a growing concern among financial services firms that unmonitored social media activity could cost them millions of dollars in fines from regulatory agencies. Firms are required to control what their employees say online or face the consequences. When the marketing team at NetSpend (NASDAQ: NTSP), one of the country's leading providers of general-purpose reloadable (GPR) prepaid debit cards, made moves to proactively engage customers through social media channels, ensuring security and compliance was a vital prerequisite. The company turned to Socialite from Actiance because of its granular controls and its quick-to-deploy, software-as-a-service (SaaS) configuration.

The financial services industry is increasingly turning to social networks like Facebook and Twitter to maintain closer ties with customers. In order to compete effectively, companies like NetSpend are tapping new online channels to reach and engage with customers and prospects. NetSpend's marketing and online direct support team were keen to strengthen the company's social media strategy to expand its business - a logical move since NetSpend offers prepaid credit cards consumers can reload online. NetSpend's Facebook page now has more than 8,000 fans and 1,500 Twitter followers, making social media a critical part of the company's strategy.

For NetSpend, there were also regulatory risks. In addition to concern over FINRA guidelines that mandated the oversight and archiving of social media content, NetSpend was concerned about SEC regulations. The company filed for an IPO in 2010, and improper social media conversations could not only affect SEC compliance prior to the public stock offering, but also stock prices, post-IPO. NetSpend has clear written policies and procedures in place for appropriate employee online behavior, and wanted to ensure its technology aligned with its policies.

**“We were concerned that without proper precautions, the risks from data leaks and careless statements made over unrestricted social media channels could outweigh the benefits”**

**Denis Brooker**  
VP Information Security  
NetSpend

When the initial plans were presented to Brooker, he recalled that his first inclination was to block all social media traffic. “As the executive responsible for information security, I was opposed to using social media at all,” Brooker said. “Generally it is a main avenue for introducing viruses and other malware, as well as raising issues with regard to data protection. I didn't believe the use of social media was critical enough to take the risk.” To illustrate his point, Brooker pointed to a recent fine of \$1.2 million imposed by FINRA against an insurance company for inadequate online protection and data archiving procedures. However, Brooker could not ignore the potential sales and customer support benefits from harnessing social media. NetSpend's objectives were clear: use social media to expand sales, and use channels like Facebook to identify problem areas to get a sense of how customers feel about the company. As NetSpend continues to grow, its human resources team will also actively use LinkedIn for recruiting and reference checking.

## From Policies to Policing Social Media Access

NetSpend already had clear policies and procedures in place defining proper behavior online, but Brooker knew he needed a means to enforce those policies. After assessing the market, Brooker chose to adopt Actiance's Socialite. “Actiance offered superb granularity in its controls and was exactly what we needed from a compliance standpoint,” he said. “We needed to ensure we were not violating SEC guidelines for our filing status, and were concerned about other guidelines, specifically FINRA.”

## ABOUT ACTIANCE'S SOCIAL NETWORKING CONTROLS

- Granular and Categorized Social Networking Application Control
- 150 Facebook, LinkedIn & Twitter Feature Access Controls
- Content and Activity Archiving
- Content Moderation Controls
- Moderated Control of Features
- Display Context for Messages Posted on Social Networks
- Corporate LDAP Integration with Group, User, Attribute, IP and Subnet Level Policy Setting
- On-Premise, SaaS or Hybrid Deployment Options
- Multi-Network – Corporate User Identity Mapping
- Export to 3rd Party Persistent Storage / Archive

Actiance also delivered the specific controls NetSpend required to manage social media access. Actiance let NetSpend moderate conversations, and block or control access to specific components, such as Facebook games. All, Facebook, LinkedIn and Twitter traffic is archived on the Socialite SaaS system. Actiance deployed Socialite in both an on-premise and SaaS configuration, providing greater flexibility. “We chose the SaaS option because of the speed with which it could be deployed,” he said.

NetSpend is implementing Socialite-managed social media controls in a phased approach. The first step is setting up Socialite to audit and moderate all social media traffic across the enterprise network. The granularity Actiance provides will enable Brooker to delegate control to individual departments within the company. Brooker has created three distinct user groups:

- Five moderators who can post without moderation to NetSpend social media accounts (although they can't post to their own Facebook pages or Twitter feeds), and who are responsible for approving and rejecting all posts to Facebook, LinkedIn and Twitter.
- A second group has capability to post, with approval by the five moderators.
- A third group has read-only access for Facebook, LinkedIn, and Twitter to monitor social media activity for marketing, customer support, and staff management.

**“We also liked the user interface. It is intuitive, easy-to-use, and was just what we were looking for in terms of controls and configuration.”**

**Denis Brooker**  
VP Information Security  
NetSpend

In phase two, NetSpend plans to appoint social network moderators in individual departments, and formalize a training program to ensure individual departments are fully up to speed on appropriate commentary, to protect against data leaks and avoid regulatory violations.

Brooker's initial reaction to Socialite's capabilities is positive: “Socialite was quick to deploy and it's doing exactly what it was designed to do,” he said. “Our users understand why we have these controls in place and it serves as a constant education for them as to what is and is not appropriate.”

### About NetSpend

NetSpend (NASDAQ: NTSP) is a leading provider of general-purpose reloadable (GPR) prepaid debit cards and related financial services to the estimated 60 million underbanked consumers in the United States who do not have a traditional bank account or who rely on alternative financial services. The company's mission is to develop products and services that empower unbanked consumers with the convenience, security and freedom to be self-banked. Headquartered in Austin, TX, NetSpend is traded on the NASDAQ stock exchange under the symbol NTSP.

Please visit <http://www.netspend.com> for more information. Follow NetSpend on Twitter: <http://twitter.com/netspend> or Facebook: <http://www.facebook.com/netspend>.

### About Actiance, Inc.

Actiance enables the safe and productive use of Unified Communications and Web 2.0, including blogs and social networking sites. Formerly FaceTime Communications, Actiance's award-winning platforms are used by more than 1600 customers for the security, management and compliance of unified communications, Web 2.0 and social media channels. Actiance supports or has strategic partnerships with all leading social networks, unified communications providers and IM platforms, including Facebook, LinkedIn, Twitter AOL, Google, Yahoo!, Skype, Microsoft, IBM and Cisco.

Actiance is headquartered in Belmont, California. For more information visit <http://www.actiance.com>. Follow Actiance on Twitter: <http://twitter.com/actiance> or call 1-888-349-3223

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