



# EFFICIENT ANSWERING REGULATORY REQUESTS USING AI AND ANALYTICS

WHITE PAPER



# INTRODUCTION

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With the assistance of modern eDiscovery platforms, organizations are empowered to respond to regulatory requests more thoroughly, accurately, and cost effectively. eDiscovery technologies were initially developed to help legal teams manage copious amounts of disparate types of data during litigation. But, that was just the beginning of their usefulness. Corporate management teams soon realized the same technologies were ideally suited to help them respond to regulatory requests because they:

- Centralize enterprise data from across the globe;
- Standardize data of varying file types, formats, and languages;
- Foster secure collaboration with internal teams and outside parties;
- Automate tedious, time-consuming tasks; and
- Offer advanced search functions, data analytics, and AI-driven capabilities that find relevant information fast, provide meaningful insights, and uncover the real story hidden beneath your data.

In fact, these features have proven so useful that responding to regulatory requests is now the number one reason organizations use eDiscovery worldwide.

This white paper discusses how eDiscovery solves the challenges compliance professionals and in-house counsel face when managing enormous volumes of data, and why an in-house SaaS eDiscovery platform is the only tool you need to fully prepare for and respond to regulatory requests efficiently.

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# WHO ARE THIS REGULATORS AND WHAT DO THEY WANT

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In the past, the most likely reasons for an investigation by authorities were accusations of unfair competition and antitrust violations. Recently, more oversight and political pressures have led - and continue to lead - regulators, courts, and law enforcement authorities worldwide to develop apparently insatiable appetites for access to data held by corporations. Regulations are pouring forth from a growing number of not just state and local agencies but also national, supranational and international bodies.

*Agencies cover many areas, a few of which are:*

- *Finance and accounting*
- *Fraud and bribery*
- *Consumer protection*
- *Healthcare practices and data privacy*
- *Food and drug safety*
- *Environmental protection*
- *Real estate, construction, and other trade practices*
- *Transportation and airline industries*

Regulatory requests for information may be just part of standard operating procedures; no hidden agendas or clouds of suspicion hanging over them. However, withholding information or not providing thorough responses to initial requests can lead to dawn raids and onsite investigations. Information obtained by regulators from your competitors or whistleblowers can also lead to complex, cross-border dawn raids and information seizures.

# HOW DO THEY FIND THE INFORMATION THEY SEEK?

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When regulators suspect - or a whistleblower informs them of - potential wrongdoings or illegal activities, they often ask vague, open-ended questions like:

- ? *Who performed which actions;*
- ? *Whether management knew about it or was involved;*
- ? *If management drove the irregularities;*
- ? *Whether there were any early warning signals and if they were ignored;*
- ? *Which activities occurred during what time frames;*
- ? *The steps that were taken and the reasoning behind them;*
- ? *Who benefited from the activities;*
- ? *Whether similar events ever occurred.*

The open-ended nature of requests are one reason executives tend to provide more information than necessary. eDiscovery platforms are particularly useful in handling these challenges:

## **ANSWERS MUST BE COMPLETE.**

eDiscovery is specifically designed to access, review, and process **all** your data and find potentially responsive information regardless of original file types or location.

## **ANSWERS MUST BE ACCURATE.**

Once data is centralized, advanced search capabilities, data analytics, and artificial intelligence unearth hidden details, pinpoint truly responsive information, and show how people, places, and events are connected.

## **ANSWERS MUST BE FAST.**

eDiscovery platforms manage massive amounts of data much more quickly than manual processes or technology tools.

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# TIME IS OF THE ESSENCE

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Often, you need to indicate which materials are protected by data-protection regulations or that are privileged within as few as 10 days. eDiscovery gets to the heart of the matter immediately by performing early case assessments that uncover relevant information and guide you on where to look first for the most important information.

In the next step, determining which documents are responsive, an insightful account of events and relationships is revealed even before you know specifically what to look for. The sooner you get the real story hidden in the data, the sooner you can prove exactly what happened and plan how you'll deal with any fallout.

Respond to a question like "Was there guidance to commit fraud from management?" with confidence. By using the same technology for additional internal investigations, the system detects emotions and sentiments that show the precise moments events took a wrong turn and who was involved. The technology is so adept that it can uncover code names and secret languages by analyzing relations between persons, companies and modus operandi.

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OF THE MATTER **IMMEDIATELY**

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# CHALLENGES OF ANSWERING REGULATORY REQUESTS

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Many organizations face several requests from multiple agencies simultaneously, particularly now that regulations are increasing in number, scope, and complexity. Agencies may be located in various jurisdictions, holding you to one set of privacy regulations for some responses and a different set for others.

Projects are complicated - even stalled entirely - by their enormity. Businesses today generate massive amounts of data. Important data is located in email and document management systems, data storage systems, and file sharing software. Social media accounts, mobile devices, and devices connected to the Internet of Things may also contain evidence. The electronically stored information (ESI) you need to collect and analyze is scattered across multiple communications and media platforms and may be contained within current and legacy operating systems.

Without proper planning and tools to search for and analyze the evidence you need, it's a madhouse when regulators come calling. Internal workflows are disrupted and costs run amuck. There's no time to develop an effective plan when your deadline is NOW. Faced with indomitable pressures and vexing limitations, executives have turned to two common coping strategies:

## **STRATEGY 1: WE'LL JUST OUTSOURCE THE PROJECT**

You can pay outside counsel or consultants to handle the project. This seems sufficient at first. But it quickly grows inefficient and expensive fairly (which you didn't see coming because they are often unable to predict their final costs.) Outsourcing adds additional expenses while it removes the people most knowledgeable about your business from the process. Outside parties do not possess the requisite understanding of your operations, employees, and history, and there's precious little time for them to learn. Resulting inefficiencies introduce a higher potential for failing to produce all responsive information.

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You don't need more hands stirring the pot or other people making decisions for you. You simply need better access to your data. eDiscovery platforms provide easy access to your data and powerful tools to help you complete data collection, review and production efficiently. And you remain in control.

## **STRATEGY 2: WE'LL MAKE DO WITH THE TECHNOLOGY WE HAVE**

Executives may throw together piecemeal efforts such as searching with Microsoft tools or using Adobe to redact. These work only within a specific software suite and then not to the depths or efficiencies needed. Ironically, they result in both duplicated and incomplete efforts. Pertinent - often critical - information is easily overlooked and left behind. Worse, manual or piecemeal processes may result in unintentional deletions of data, which can lead to serious fines and reputation damage.

No combination of software can access and standardize all your data as effectively as eDiscovery platforms. Likewise, none are as effective at adding efficiency to the process. eDiscovery automation reduces datasets up to 90% by removing duplicate and irrelevant system files. This "culling" process is an important step in reducing costs, because it significantly reduces the amount of data to review for relevance and privilege.

# FIGHT FIRE WITH FIRE: USE THE SAME TECHNOLOGY REGULATORY AGENCIES USE

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Using eDiscovery to complete regulatory investigations is so easy and efficient that many regulatory agencies have adopted their own in-house platforms. The European Commission, U.S. Securities and Exchange Commission, Alberta Security Commission, and even smaller organization such as the Dutch Healthcare Authority (NZA) are just a few regulatory agencies worldwide who've partnered with ZyLAB to work smarter and faster.

They trust eDiscovery to:

## **FIND MORE RELEVANT INFORMATION FASTER**

As discussed, culling reduces the amount of data to review, and AI-driven technologies help tell a clear and thorough story of the events that took place. eDiscovery also quickly identifies relevant documents for case-specific issues such as antitrust behaviors, fraudulent transactions, etc. Machine learning uses attributes from the first relevant documents it finds to train itself how to hone its efforts further to pinpoint additional related evidence. Results grow increasingly accurate until an optimum is reached.

*Other advanced search abilities include:*

- Identify spoken words and phrases in videos and audio files with Phonetic Audio Search;
- Find specific numerical values or numbers within a range (eg. all dollar amounts between \$45K and \$50K);
- Use “fuzzy” searches to locate misspelled names or names originating from non-Roman alphabets;
- Search text laid out in any direction (e.g. architectural plans).

## READ EMAILS EASIER AND REVEAL SECRET COMMUNICATIONS

Who knew what when? That question is at the heart of many investigations, and the answers are determined by locating instances of a person discussing or writing about a topic. eDiscovery technology reconstructs email threads, providing a single sequence to read from beginning to end for each conversation.

*It identifies when emails are missing from threads and brings to light important aspects and communications such as:*

- “One-on-one” emails to personal email accounts;
- Communications at odd times;
- Communications laden with emotions such as anger, cursing and threats;
- Code words and hidden communication methods such as Snapchat or WhatsApp.

You can also easily analyze expenses, phone records, and other data to determine where secret meetings took place and corroborate other evidence.

## IMPROVED COLLABORATION

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There are not enough thumb drives in the world to share all the data generated by businesses today. eDiscovery platforms foster cooperation and collaboration among internal departments, regulatory agencies, and other third parties. With all your data in one place, you only need to give people access to the portions of it you want them to have. Producing responses to requests is as simple as providing regulators with an access code.

This single point of access gives you tight control over your data, which eliminates significant security risks by keeping your data in-house. Easily perform your own investigations with outside counsel, if necessary, and measure their productivity by tracking their activities. The ease of collaboration also helps you partner with others to prepare for additional investigations from other entities or respond to claims that customers or consumers were disadvantaged.

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# REVIEW FOR PRIVILEGED COMMUNICATIONS AND PRIVATE INFORMATION

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The last thing you need when responding to a regulatory request is to violate a different regulation. It'd be easy to do, though, because privacy regulations are spreading like wildfire during a draught. Regulations such as the European General Data Protection Regulation (GDPR) and The California Consumer Privacy Act require that data is cleansed of private and personally identifiable information before it is disclosed to third parties. Similarly, privileged communications between professionals such as attorneys and accountants must be protected from disclosure. You may also need to protect proprietary technologies and other sensitive commercial information.

It can take months using tools such as Microsoft search and manual review to locate information to redact and even longer using Adobe to redact it. Efforts are dogged by the inability to use flexible search terms or to penetrate data deeply, resulting in an unacceptably high likelihood of exposing private and privileged information to the public.

You simply don't have time for all that when responding to regulatory requests. eDiscovery technology quickly searches massive amounts of data, then identifies and redacts privileged and private information. Use the auto-classification feature to filter and tag files according to a particular custodian, file type, keywords, date ranges and other metadata. Also:

- Anonymize names of protected parties. Cover names with labels such as "Accountant A" or "Administrator 1." Tell the story authentically **and** meet privacy requirements;
- Use text mining to find "out of vocabulary" special names or code names;
- Locate privileged information through long search queries that include names and email addresses of lawyers;
- Conduct long search queries that include the names of suspects and their partners in crime and related information;
- Machine translation helps you easily understand content written in languages you do not speak.

# SaaS: WHY BUY WHEN YOU CAN RENT?

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Affordability is a major benefit driving the adoption of cloud-based SaaS platforms. eDiscovery platforms easily integrate directly with existing corporate IT infrastructure, eliminating the need for capital outlay for new equipment. (Unless you'd like to install a game or nap room for all the extra time you'll have.)

eDiscovery platforms are available on subscription-based pricing structures based on per user, per gigabyte, and per feature. Subscribing based on gigabytes is an ideally scalable model. You pay only for what you need, only when you use it. You're not stuck paying for unused licenses or a high gigabyte plan that you don't consistently need.

Cloud technologies are accessible 24/7 anywhere you can connect to the internet. Additional advantages include a commitment to high security levels and up-to-the-minute updates. Because their livelihood depends on it, service providers invest in the most advanced security measures available. And you don't have to wait for yearly software version updates. New features and improvement updates are instantly available.

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**YOU PAY ONLY FOR WHAT YOU NEED,  
ONLY WHEN YOU USE IT**

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# GET AHEAD OF REGULATORY STORM

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When authorities show up for a surprise onsite inspection, your race against the clock to quickly locate and provide a complete account of the requested information while maintaining adherence to privacy regulations begins! The growing number of regulations practically guarantee this is in your future.

If you don't have the necessary tools to collect data and implement fact-finding missions, you've got a large mountain to scale right when a storm is brewing overhead. It could appear you're stalling even though you don't mean to be. There's no good way to announce that you're not avoiding an investigation, you simply have no idea where all your data is or how to access it.

Invest in an eDiscovery system before you face this storm. With an in-house eDiscovery platform consistently managing your data, you can proactively discover potential trouble or suspicious activities before authorities do. A headline saying you had an issue and corrected is a better story than one that starts with the unseemly words, "Under Investigation!" By taking precautionary steps, you're prepared to answer any and all requests, whether they are par for the course or demanded during an unannounced visit.

# ONE TOOL FOR EASIER COMPLIANCE

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The time has passed for manual processes, outsourcing, and stretching the limits of outdated software. The innate flexibility of SaaS eDiscovery platforms means they grow as your organization grows, adapting to industry changes as they occur and offering the latest in security and technological advancements.

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An eDiscovery platform provides unmatched speed, quality and efficiency in managing overwhelming amounts of data and responding to regulatory requests. The platform provides maximal transparency into your data and operations. It is the only tool you need to discover what really happened, when, and the extent to which each party was involved. eDiscovery allows you to share information with regulatory authorities when necessary and prevent catastrophes before they happen. It is the best investment in technology you can make to support the core values of your compliance program.

## FURTHER READING

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This paper discusses features and factors that make eDiscovery the perfect tech tool for responding to regulatory requests more thoroughly, quickly and cost effectively.



Learn more about how eDiscovery platforms became the top time- and cost-saving solution for managing corporate data in the white paper [\*Discover eDiscovery.\*](#)

Check out [\*How to Control The Hidden Costs of eDiscovery\*](#) for details about the multiple cost saving that result when you bring eDiscovery in-house through a SaaS subscription basis.

And win corporate approval by following the tips in [\*Building the Business Case\*](#) to take back control over your eDiscovery.

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