

IT ASSET RETIREMENT RE-NEWS



CASCADE ASSET MANAGEMENT'S CUSTOMER NEWSLETTER

Quick Facts and Figures

Since Cascade opened in April, 1999, we've:

- Collected and processed over 65.8 million pounds of old electronics
- Paid more than \$10 million in rebates to customers
- Refurbished and resold, redeployed or donated over 1,068,000 computer devices
- Demanufactured and recycled over 760,000 cathode ray tubes
- Prevented more than 3 million pounds of lead from entering of landfills
- Donated more than \$380,000 worth of computer equipment to charities in partnership with our customers

Millions affected by data loss in healthcare

Federal government reports HIPAA breaches—shows opportunities in IT asset disposal

According to the US Department of Health and Human Services, over 6 million people were affected by reported data breaches at 112 institutions between September, 2010 and August, 2011. It's likely there were many unreported breaches as well.

Even if there is no actual "injury" to an individual's identity from these breaches, the typical cost for healthcare institutions to notify affected individuals and pay for a year of credit reporting services (as a preventative measure), runs at about \$125 per person. In the past year, more than \$700 million has been doled out for expenses related to lapses in security and quality.

Sixty-four percent of

these breaches are a result of lost or compromised IT hardware. The remaining breach incidents are from the improper disposal or release of paper documents or emails.

Managing against data loss

New HIPAA rules require breaches at Covered Entities and Business Associates be reported to the federal government. In reviewing these cases, we found that most incidents could have been prevented if the lost or stolen laptop or desktop computer was encrypted or if effective

training and physical controls to secure the device were in place. Only about 12% of HIPAA breaches were the result of hacking a computer system to access the data.

HIPAA and the new HITECH regulations require institutions managing personal health information (PHI) to establish an effective security program that ensures PHI is never compromised and eventually destroyed when no longer needed. The first step in implementing such a program is to develop a security and IT asset disposition strategy. This investment in a comprehensive IT Asset Management and information destruction program is critical in preventing data breaches and reducing the potential cost of breach notification and identity theft.

Resources for you

Go to Cascade's Web Site and visit our healthcare resource page for useful tools:

- Sample IT Asset Control and Disposal Policy
- Data Security Addendum template for HIPAA
- Fact sheet on complying with HIPAA/HITECH
- White Paper on Data Security During Disposal
- Links to legislation and resource guides

Visit www.cascade-assets.com/healthcare

Contact Cascade

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Cascade facility updates

Cascade is on the move. Our Indiana facility has relocated to a new space nearby in Indianapolis in the Ameriplex business park. This location provides expanded refurbishing capabilities and state of the art security services. It also integrates energy efficient design and lighting to promote our green initiatives. Come visit us at an Open House in the near future.

We also closed our collection centers in Florida and California recently. Cascade continues to service the national IT Asset Disposition needs of our customers from our Wisconsin and Indiana facilities.



Our new Indy site

Secure, Responsible IT Asset Disposition for Enterprises, Healthcare Institutions, and Government

Indianapolis, Indiana * Madison, Wisconsin

Cascade resale program works in partnership to maximize returns

Since Cascade began work in 1999, we've paid more than \$10 million in rebates to customers. Rebates are generated from the resale of refurbished equipment. Because Cascade shares in the revenue of any resold equipment, we are acutely interested in maximizing any resale revenue opportunities for our customers and ourselves.

Cascade's Resale and Recycling Manager is Deiter Dettling, who joined Cascade in the summer of 2011. Deiter comes with experience in the surplus

sales market as a manager for a Habitat for Humanity ReStore—a building salvage reuse and remarketing program. Deiter has been able to apply his IT skills and leverage his remarketing channel experience to look for new avenues to market our customers' equipment. Deiter leads a team of sales agents who prepare thousands of assets for sale each month through a variety of remarketing channels.

Cascade's resale process starts before we even collect any customer equipment. Typically, our resale program is asked to assess the fair market value of equipment prior to disposition. By refer-

encing our internal market tracking system and third party valuation tools, we can offer examples of current resale prices for equipment to help our customers make appropriate disposition decisions. We also work with our customers to help them prepare and package items to maximize the eventual resale value of the equipment.

As equipment is received at Cascade, it is evaluated for reuse options and for customer disposition requirements. Reusable equipment is tested and all data are re-

moved per customer requirements. Basic repairs and cleaning of products are performed in order to allow us to sell the equipment as complete, tested and working devices with a 45 day warranty. In some cases, Cascade will install upgrades such as replacement hard drives to increase the resale potential of the equipment.

Items are sold as quickly as possible before their value depreciates any more than necessary. In the first three quarters of 2011, Cascade resold over 35,000 individual assets. On average, these items were tested, wiped and sold within

36 days of receipt.

In order to conform to the requirements of the e-Stewards Standard for Responsible Recycling, Cascade only resells for reuse tested, working equipment with a warranty. This is done to prevent the dumping of unusable electronics in developing countries that do not possess the capacity to effectively recycle these items. This resale standard also enables us to command higher resale prices for our equipment since our buyers are assured of a quality product.

Cascade remarkets items directly to other resellers and end users, such as schools, small businesses and non-profit organizations. We also maintain online storefronts on eBay and through the "Cascade Marketplace" - an online shopping site made available to employees of our customers. If you need



Deiter Dettling—Cascade's
Resale and Recycling Manager



access, please contact us. It's a simple way to direct your fellow employees to quality refurbished computers with licensed software available for installation.

In addition to resale, Cascade can also prepare reusable items for donation to non-profit organizations or redeployment back to the company. As a Microsoft Registered Refurbisher, we can install fully licensed Windows 7 operating systems on refurbished machines at a fraction of what retail and OEM licensed versions cost—and these licenses are legal! This new services makes reuse of fully functional used computer equipment much more affordable.

Since Cascade shares in any resale revenue returns with our customers, we want to work in partnership to maximize recovery values to benefit all of us. Contact us to make sure we are helping you maximize the value of your unwanted IT assets.

Cascade recognized again as one of the fastest growing US companies

Cascade was recently named to the 2011 Inc. 5000 list. This is the fourth time in the last five years Cascade has been honored with this prestigious recognition. The list ranks private companies based on three year revenue growth. Multiple year recognitions indicate a company is engaged in sustained high growth, and not just one or two good years.

"Now, more than ever, we depend on Inc. 5000 companies to spur innovation, provide jobs, and drive the economy forward. Growth companies, not large corporations, are where the action is," says *Inc.* magazine Editor Jane Berentson.

