

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 70 million pounds of old electronics
- Paid more than \$12 million in rebates to customers
- Refurbished and resold, redeployed or donated over 1,126,000 computer devices
- Demanufactured and recycled over 809,000 cathode ray tubes
- Prevented more than 3.2 million pounds of lead from entering of landfills
- Donated more than \$410,000 worth of computer equipment to charities in partnership with our customers

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Don't just take our word for it

In the spirit of "trust, but verify" it's essential to go beyond a company's web pages and marketing slicks to make sure they are looking out for your interests and protecting your liability.

Look at most electronics recyclers' web pages and you'll find them touting "environmentally responsible recycling" and "no landfilling of electronics." Many also cite their memberships and certifications.

But do those claims and certifications really offer you the protection you desire?

A Denver, CO recycling firm serving businesses and government agencies claims it processes e-waste "properly, right here in the U.S." This same firm has now been indicted in federal court for the allegedly illegal export of more than 100,000 CRTs sent in 160 containers.

Last year, a Chicago based electronics recycler that was certified to the R2 Standard was exposed in the media by an environmental watchdog group for allegedly exporting containers of e-waste improperly to China.

Just last month, OSHA cited a CRT glass recycler in Ohio with proposed fines of over \$126,000 even though it was approved by an industry audit group CHWMEG for the past several years.

Independent verification, plus

Cascade provides added assurance to our customers

by opening ourselves up to third party audits from accredited certification bodies. Our ISO 9001, ISO 14001 and e-Stewards Responsible Recycler certifications provide an independent review of our conformance to widely recognized and respected international standards.

But Cascade doesn't trust that these standards necessarily mean a company is operating in full compliance with the law or in alignment with our values and expectations. As a part of our due diligence efforts, we run our processes and partners through additional scrutiny.

Our internal checks and balances include:

- Monthly inventory audits with a requirement of 100% accuracy;
- At least quarterly mass balance audits to verify incoming and outgoing weights match;
- Periodic third-party tests of our data sanitization processes from an outside forensics firm;
- Internal quality and environmental, health & safety audits at least twice per year at each facility; and,
- Legally reviewed compliance audits.

In addition, Cascade performs annual audits of all our

downstream processors to ensure they maintain required performance, compliance, and financial controls. By conducting on-site audits and open records legal reviews, we discovered concerns with some vendors in the past and have either worked with them to resolve their issues or we've ceased doing business with them.

Where are the audits?

Across the board, businesses and enterprises have reduced the number of on-site audits of ITAD firms and electronics recyclers, as they've come to rely more on third party audits and the expectation that the government is cracking down on illegal activity. Unfortunately, this trust in the system has created complacency.

Industry firms such as Gartner and IDC still recommend enterprises perform their own due diligence of processors to mitigate their liability risk. Your best risk protection is to see operations with your own eyes and validate records of any processor who handles your IT equipment to ensure they meet your requirements.

See page 2 of this newsletter for sources of online compliance reporting to help evaluate whether your processors are living up to what they say.

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

Indianapolis, Indiana * Madison, Wisconsin

Exporting electronics to Africa—done right

There are plenty of stories which illustrate problems with sending e-waste to developing countries, especially in Africa. Many of these nations do not have the infrastructure to properly process unusable electronics, which are being shipped in droves from developed countries.

At the same time, these nations are building IT infrastructures to allow their citizens to take advantage of the digital age. Refurbished computers can provide a good value when resources and money are tight.

Neil Peters-Michaud, CEO of Cascade, has traveled to Ethiopia five times since 2007 to help better understand the opportunity to deploy quality refurbished computers into schools, community centers and businesses to help them access information, markets, and the power of social media.

“The Internet and social media are well understood in Africa,” said Neil Peters-Michaud. “Private companies and the government have also invested heavily into IT infrastructure making cell phone and Internet coverage widely accessible.”

But in this emerging economy, the vast majority of the population do not have access to this technology. That’s what makes quality refurbished computers and mobile devices so attractive.

Cascade recently partnered with an-

other refurbished computer distribution and service organization in Burkina Faso, a French speaking country of about 16 million people in Western Africa. The organization is known as TR Aid (www.globaltraid.org) and it was started by two former Peace Corps volunteers. Their aim is to support the development of sustainable for-profit enterprises owned and operated by local entrepreneurs to provide computer sales, training, service, support and recycling. So far, Cascade has sent two shipments of tested, working computer gear to the organization and they are finding great interest



Cascade refurbished systems in Burkina

in the products. “Generally speaking, Africa gets an influx of low cost, counterfeit products from Asia that ultimately end up in a landfill far sooner than anyone hopes. The quality of the refurbished computer products shipped from Cascade is far superior.”

One of the features of the TR Aid program that captures Cascade’s interest is its inclusion of an end-of-life recycling program for unwanted electronics. Cascade continues to work on an international program to extend electronics recycling capacity to the continent with help from the US EPA and UN. TR Aid can also provide repair services to extend the life of computers.

3-pass is obsolete

... and why it takes the focus off the real security threats to an institution

Many enterprises continue to base their data sanitization program on what is known as the “Department of Defense (DoD) 5220-22.M Standard”.

The Defense Security Service produced a Clearing and Sanitization Matrix (C&SM) which at one time suggested that a 3- or 7-pass wipe was required to electronically clear a drive. This is the source of the widely cited DoD 5220-22.M 3-pass wipe standard. In 2007, the standard was updated to say, “DSS will no longer approve overwriting procedures for the sanitization or downgrading of IS storage devices (e.g., hard drives) used for classified processing.”

The US government also commissioned the National Institute of Standards and Technology (NIST) to devise a more comprehensive approach to data security. As a result, they published the “NIST Special Publication 800-88: Guidelines for Media Sanitization” in 2006, which calls for a one pass wipe.

NIST issued a draft update to its “Guidelines” document in September, 2012 and reconfirmed the effectiveness of a one-pass overwrite, but also cautioned about new data security challenges posed by emerging media storage devices.

“For storage devices containing Legacy Magnetic media, a single overwrite pass with a fixed pattern such as 0s typically prevents recovery of data even if state of the art laboratory techniques are applied to attempt to retrieve the data. . . . Users who have become accustomed to relying upon overwrite techniques on magnetic media and who have continued to apply these techniques as media types evolved (such as to flash-based devices) may be exposing their data to increased risk of unintentional disclosure.

For more information on this topic, please read our blog at: www.itassetretirementblog.com. Find links to the source documents and the NIST standard.

We encourage all our customers to match their disposition requirements with the risk presented by their various storage media.

Do your Due Diligence (from page 1)

Simple ways to check from your desk whether your processor is a potential risk to your company.

- US EPA Enforcement & Compliance History Online (ECHO): www.epa-echo.gov. Input a company name to see a consolidated listing of citations for the past five years (*fairly accurate*).
- OSHA: www.osha.gov/pls/imis/establishment.html. Search by company name for open and closed OSHA cases. (*Accurate and timely reporting*.)
- US DOT, Federal Motor Carrier Safety Administration: Look for violations from truck fleets.
- Basel Action Network (www.ban.org), Electronics Takeback Coalition (www.electronicstakeback.com). These environmental watchdog groups list some “bad actors”.
- Google – Don’t forget to Google any firms. This provides some of the best and most current news on companies.