



Q&A on IDQ: The Value Proposition for Mutual Funds

Excerpts from a web-seminar conversation with Dawn Anthony, Director of Corporate Actions and Control at Waddell and Reed, about the benefits of Keane's Investor Data Quality Program (IDQ)

Can you tell us how you got involved in the IDQ program?

I have been with the company for 23 years, and we have been Keane clients for most of that time, almost 20 years. They help us with escheat prevention and account retention on our base of nearly 700,000 accounts. Keane brought the IDQ program to our attention about a year and a half ago. They described the whole process, and the detailed information that their analysis provided. We agreed that this type of analysis would be very useful for us as a way to reduce the potential for fraud on our accounts.

What did you think when you saw the results of the analysis?

When the analysis of our file was completed, we were definitely surprised to see the breakdown of the various anomalies by registration type. We were particularly surprised by how many accounts that we considered just "inactive" were in fact situations where the owner was deceased. Also, some of the issues we identified had gone unreported and undetected for as long as 20 years.

What were your goals from a fraud mitigation perspective?

After we'd identified the accounts that had issues, our first action was to prevent anyone from fraudulently accessing these accounts. We took the data from Keane and put a freeze on the appropriate accounts which allows our phone representatives to know that we need updated information before anyone can access the account. We prioritized a communication program to look at the single owner accounts first since in our mind they represent the greatest risk.

What type of results have you seen?

So far we're back in contact with about 50% of the accounts and from speaking with the shareholders, many of them are relieved. They either didn't know about the account or hadn't gotten around to taking any action. Our advisors were also very happy. Since we have a large advisor network, we gave them an opportunity to reach out to owners or beneficiaries and they were able to reactivate many accounts that have been previously inactive and notify extended families of accounts that they were unaware of. Overall IDQ has been a great addition to our relationship with Keane. We think it is a very good program and provides great information that everyone should want to know.