

the client. Solo mail service tends to be chosen by two types of clients: those who want to maintain a separate image and total control over when and to whom their advertisements are mailed, or those who want their advertisements sent to areas where Advo's shared mail service does not exist.<sup>1</sup>

Advo's shared mail service is brand named ShopWise. A four-page, colored magazine surrounds a mail package, which consists of advertisements from businesses located in a specific mailing area. Larger businesses usually provide Advo with printed advertising materials in preset quantities, whereas smaller retail clients rely on Advo to perform graphics services or to act as a broker for printing operations. The mail packages are addressed using Advo's mailing list, and the company sorts and transports the mailings for USPS delivery.<sup>1</sup> In April 2000, Advo established a companion, opt-in website named ShopWise.com (<http://www.shopwise.com>). The site enables retailers to supplement their mailed advertisements by providing consumers with online coupons and special e-mail offers.<sup>1</sup>

Most of Advo's revenue is derived from its ShopWise program, which is believed to be the largest advertising program of its kind. Shared mail advertisements are delivered each week to approximately seventy-eight million consumer households in more than 130 different markets. An additional thirty-four million households are reached through the Advo National Network Extension program.<sup>1</sup> This program allows Advo to provide its clients with a wider advertising distribution through the network's membership of regional shared mail companies.

Advo's mailing list is used by the company to target mailings to specific consumers. Advo also rents portions of its mailing list to other direct marketing organizations. Believed to be the largest residential mailing list in the nation, it contains the addresses of almost all of the households in the United States. In addition to its more than 130 million household addresses, it includes more than 12.6 million business addresses, all arranged in mail delivery sequence order.<sup>1</sup>

The printed advertising materials from Advo's clients are processed by approximately 1,700 production employees who work at twenty-one

mail processing facilities throughout the United States. The locations of these facilities are shown in Table 2-1. At each of the company's facilities, inserting machines are used to collate the individual advertising pieces into packages, and addressing and labeling equipment is used to process the materials for mailing. The mailings are sorted by the company's transportation department, verified by the USPS at an on-site Detached Mail Unit located at each facility, and transported to a local post office for timely delivery by individual postal carriers.<sup>1</sup>

### Security Controls Before the Terrorist and Bioterrorist-Related Attacks

Until September 2001, Advo's security controls were indiscriminate and noncohesive.<sup>3</sup> No formal security policies or procedures had been established, and everyone viewed security as a low priority. At corporate

**TABLE 2-1 Locations of Advo's Mail Processing Facilities\***

Atlanta, Georgia	Orlando, Florida
Cincinnati, Ohio	Philadelphia, Pennsylvania
Dallas, Texas	Pittsburgh, Pennsylvania
Denver, Colorado	Phoenix, Arizona
Detroit, Michigan	Salt Lake City, Utah
Houston, Texas	San Francisco, California
Los Angeles (1), California	Seattle, Washington
Los Angeles (2), California	Taunton, Massachusetts
Memphis, Tennessee	Washington, D.C.
Miami, Florida	Windsor, Connecticut
Milwaukee, Wisconsin	

\*Advo owns the Windsor, Connecticut facility. The remaining twenty facilities are leased.

Source: Frank LaMorte, Director of Corporate Security, Advo, Inc., March 31, 2005.