

BUSINESS & MANAGEMENT

Your Biggest Cybersecurity Threat: Your Employees

Cybersecurity is one of those things that many business owners don't think about until it's too late, and a virus or ransomware attack causes their entire business to grind to a halt.

While there are many aspects of cybersecurity, experts agree that the weakest link is almost always your own employees. From weak passwords to clicking on corrupt links to installing problematic apps, your employees' poor habits can unwittingly open the door to cyber threats. The best way to reduce this internal threat is through proper end user training.

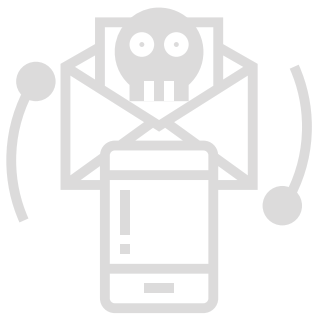
Provide training on your cybersecurity plan itself

Everyone at your company must understand the need for cybersecurity, and the details of any cybersecurity-related processes and procedures that affect how they perform their jobs.

Provide training on how to avoid causing problems

This includes such things as...

- **Recognizing phishing emails** – Make sure your employees realize that these messages can appear to be from a person or organization that



they know. Show them samples of what phishing emails may look like.

- **Emails from unknown sources** – NEVER click on a link or attachment from an unknown source.
- **Suspicious-looking emails from known sources** – NEVER click on a link or attachment from a sus-

picious-looking email, even from someone you know. The friend or co-worker's email may have been "hijacked" by a cyber attacker.

- **Mobile device apps** – If your employees use their mobile devices to connect to your system, you need to be concerned about the apps they download. Be wary of apps that claim to download other apps for you, and what appears to be a "free version" of an app that does not usually have a free version.

Action item: If you are not yet providing this type of training for your employees, get it (as well as periodic refresher courses) on the calendar now. Now is also a good time to speak with your IT team to ensure that all aspects of your cybersecurity program are in good shape.

PIASC's R.A.I.S.E. Foundation Thanks its Award Sponsors

Every year, PIASC's R.A.I.S.E. Foundation provides grants to reward students that participate in its annual competitions. These grants are made possible by the donations made by our members during our annual fundraising drive. At the awards banquet, two companies donated cash scholarships to the following winners:

Coloring Book

3rd Place – Sophie Kehl, Hart High School

Sponsor: Marina Poropat Joyce, Author, Designing for Print
www.designingforprint.com

Packaging

1st Place – Sophie Kehl, Hart High School

Sponsor – Jim Joyce, President, Dual Graphics www.dualgraphics.com

GOVERNMENT & LEGISLATIVE

PIA Lobbying Update: Tariffs on Uncoated Groundwood Paper

Last summer Norpac, a paper producer, filed a trade petition claiming that Canadian papermakers were selling uncoated groundwood paper (the paper used for newsprint and other uses) at less than fair value. In response to this petition there is now a pending tariff case at the Department of Commerce.

Not surprisingly, Norpac is going it alone on this case. Because of the devastating effect it can have on our industry, the tariffs are strongly opposed by the rest of the graphics arts industry, including PIA and all three of the other domestic producers of uncoated groundwood paper.

Already wreaking havoc

Although a final decision has not yet been made on the tariffs, customs officials are now requiring cash deposits from Canadian paper producers at the border. These funds are being held until a final determination is made.

As a result, printers are already seeing price hikes and supply challenges. This seems to be hitting rural newspapers, which were already struggling in today's changing media landscape, especially hard. **PIA is lobbying against these tariffs** PIA is fighting this on Capitol Hill as well as through the quasi-judicial proceedings at the International Trade Commission of the Department of Commerce. PIA has:

- Formed a coalition with the newspaper associations and some of the domestic producers who are not part of the case. Norpac has asked the Department of Commerce to make the tariffs permanent. Our industry coalition is asking

that the case be dismissed entirely. To learn more, visit <https://www.StopNewsprintTariffs.org>.

- Introduced legislation, the Print Act, that would "hit the pause button" on the case. The Print Act would suspend this collection of tariffs at the border until the Department of Commerce produced a study on the economic health and viability of the newspaper and printing industries, and sends this study to the President. The President would then have to determine if, going-forward, the case is in the international interest or not.

Next step: July 17 hearing

The next step in this process will be a public hearing on July 17 at the International Trade Commission, where our coalition will present formal testimony. A final determination on whether tariffs will stand and at what rate is expected in September.

Taking Advantage of the New FMLA Tax Credit

The Family and Medical Leave Act (FMLA) provides for twelve weeks of unpaid leave in a twelve-month period. The Tax Cuts and Jobs Act, the new tax law that went into effect on January 1, created a new business credit for employ-

ers that choose to offer paid family and medical leave. This is a tax credit that employers may claim based on wages paid to qualifying employees while they are on family and medical leave.

The IRS has now issued its first round of guidance (available at <http://bit.ly/FMLAFAQS>) on how to claim this credit. Here's what you need to know:

- **You must have a written policy in place** that meets certain requirements. This includes providing at least two weeks of paid family and medical leave each year to all qualifying employees, with this pay being not less than 50% of the wages normally paid to the employee.
- **Qualifying employees** are those who have been employed by you for at least one year and who, for the preceding year, had compensation of not more than a certain amount. Currently, this means the employee must not have earned more than \$72,000 in 2017.
- **There is a specific definition of "family and medical leave."** Paid vacation; personal, medical or sick leave; as well as leave required by State or local law, do not count as "family and medical leave."
- **The amount of the tax credit is a percentage of the associated wages paid** for up to 12 weeks per taxable year. The minimum percentage is 12.5%. In most cases this increases by 0.25% for each percentage point by which the amount paid to the qualifying employee exceeds 50% of that employee's wages, up to a maximum 25%

credit.

- **This credit reduces your tax deduction.** You must reduce your deduction for wages or salaries paid or incurred by the credit amount.

Action item: If you choose to pay employees during their FMLA leave, consult with your tax advisor to be sure you do things in a way that will qualify you to take this tax credit.

CalRecycle Postpones Release of its Packaging Reform Paper

In light of the upheavals caused by China's new import restrictions (see our previous article on "What You Need to Know about China's National Sword Policy," at <http://bit.ly/swordarticle>), CalRecycle is postponing the release of its long-anticipated packaging reform paper. This paper will outline recommendations for mandatory policy approaches for boosting recycling and reducing waste of several packaging types. Many of the measures under consideration would have a significant impact on the packaging printing industry.

This delay will give CalRecycle staff

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NATIONAL ASSOCIATION NEWS

Student Showcase: SkillsUSA Winner Daniel Long

Daniel Long was first introduced to the excitement of print, and the magic of what can be created when you put ink on paper, when he was just six or seven years old. Daniel's father worked in the print shop at Riverside City College (RCC) and brought him in to see the machines run. Young Daniel was hooked!

Today Daniel is graduating with distinction from Riverside City College, with an Associate of Arts Degree in Math and Science. For the past two years he has worked alongside his father in the school's print shop.

Getting excellent experience at the RCC print shop

RCC's Printing and Graphics Center is the in-house print shop for the Riverside Community College District.

"We're responsible for all of the printed material for three campuses," Daniel explains. "From posters, fliers and brochures to pamphlets, theater programs, promotional items and more—we do it all! My job has been to do everything that happens after the design is complete."

Daniel runs jobs on a digital press or creates plates and prints the job on one of the shop's offset presses. Once a job is printed he handles cutting, bindery and finishing. He has also completed a number of large-format jobs, as well as dye-sublimation printing on coffee mugs, key tags and other items.

In other words, while maintaining a 3.3 grade point average, and competing

in swimming and water polo, Daniel has also gained extensive hands-on experience at the RCC print shop.

Turning that experience into a medal at SkillsUSA

The annual SkillsUSA Championships—competitive events that showcase the best career and technical education students in the country—is a big deal at Riverside City College. In fact, RCC has had a medalist at the SkillsUSA Nationals every year since 2001! In 2017, Daniel added his name to the college's long list of champions.

The Graphic Communications competition at SkillsUSA is an eight-part contest that includes production planning, preflight, digital and offset press operations, finishing, written tests and a digital workflow section that includes creating digital files in InDesign, Photoshop and Illustrator.

"I wasn't interested in the design section," Daniel relates. "It just wasn't for me. Then I learned just enough InDesign to compete and ended up winning the Regionals. So, I put more effort into it, learned InDesign and went to the State competition, and from there went on to win at Nationals!"

Competing for a spot on the SkillsUSA World Team

The event that Daniel describes as having "bulldozed its way into my life" doesn't stop at the national competition. Every two years the national organizations

send teams to the WorldSkills Competition. Daniel is now in the process of competing for a spot on the SkillsUSA World Team that will travel to Kazan, Russia in August 2019.

Looking ahead to his career

While Daniel is clearly already a skilled printer, his goal is to become an engineer. Daniel plans to earn either a degree in

mechanical engineering with a manufacturing emphasis, or a civil engineering degree. Instead of being the one running the press, he wants to be the one who designs the press and other mechanical equipment! Daniel's experience at the RCC print shop will undoubtedly be a tremendous asset in this work.

Upcoming Events

WEBINAR – Top 10 "Lawsuit Magnet" Mistakes Employers Make and How to Avoid Them

Nearly every day employers nationwide are served with lawsuits from ex-employees. Common claims on these lawsuits include that the termination was unlawful, he/she was harassed, or the employer failed to compensate overtime. No matter the preventive steps taken, employers may still face lawsuits.

In this informative 60-minute webinar, we will discuss the top ten mistakes employers make that may increase their risk of being subjected to employment-related lawsuits. Problem areas include:

- Employee Evaluations
- Anti-Harassment Policy and Com-

- plaint procedures
- Letters of Reference
- At-will Relationships
- And more

Want to learn how to decrease your risk of employment-related lawsuits? You won't want to miss this webinar!

July 16th

11:00 am PST
FREE/Members
Register with Emily Holguin,
323.728.9500, Ext. 262, emily@piasc.org

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GOVERNMENT & LEGISLATIVE

time to ensure that the recommendations “thoughtfully and adequately reflect the implications and new realities of China’s National Sword.” It is anticipated that staff will present the draft recommendations at a regularly-rescheduled monthly public meeting later this year.

What You Need to Know about Using E-Signatures

The Electronic Signatures in Global and National Commerce Act (ESIGN) was signed into law in 2000. This federal law grants legal recognition to electronic signatures and records that meet certain criteria. Since then, online platforms such as DocuSign have made it possible for approval cycles that once took days or even weeks to be completed in minutes.

While e-signatures are not appropriate for all types of legal documents (for example, they cannot be used for documents that must be notarized), they can be quite useful. If you would like to take advantage of e-signatures in your business, here are some important things to keep in mind...

What requirements must be met?

To be recognized as valid under U.S. law, e-signatures must meet four major requirements:

- **Intent to sign** – Just like handwritten signatures, e-signatures are only valid if each party actually intended to sign.
- **Consent to do business electronically** – In addition to receiving appropriate disclosures and affirmatively agreeing to use electronic records for the transaction, it should be made clear that each party can opt out of signing the agreement electronically.
- **Record creation** – The e-signature system used to capture the transaction must generate and keep a record proving that the document was executed with an electronic signature.
- **Record retention** – E-signature records must be in a format that can be retained and accurately reproduced for reference by all parties entitled to do so.

How do you verify that the e-signature is made by the right person?

Some court cases related to e-signatures have shown the importance of verifying signer identity as part of the process. Authentication is typically done in one of four ways:

- **Knowledge-based authentication**

involves requiring signers to enter a secure, unique password, and/or answer questions that are unique to them.

- **Ownership-based authentication** involves the use of something the user has possession of, such as a bank card.
- **Telephone authentication** involves requiring users to enter a one-time verification code that is delivered to their phone via voice or text message.
- **Biometric authentication**, such as facial, fingerprint or retinal pattern recognition, is becoming more common due to its use on some smart phones. Many systems provide the option of using a multi-factorial authentication process that requires two or more authentication methods. Whichever approach you choose, it’s a good idea to ensure that the authentication data (along with every other step in the signature process) is captured in a secure audit trail.

On Our Radar

Recently added to the list of proposed regulations and other issues that we’re following:

- **Massive penalties for late or under-payment of wages** – AB 2613 seeks to amend the California Labor Code in three separate ways. If passed,

it would impose significant new penalties for late or under-payment of wages, and expand liability to include both employers and individuals “acting as an officer, agent or employee of another person.”

- **Changes in sales and use tax** – SB 993 would reduce the state sales and use tax while also imposing a new sales tax on services purchased by qualified businesses from any retailer. A goal of SB 993 is to broaden the tax base by imposing a sales tax on the purchase of services by businesses, to produce more stable revenues by apportioning taxes between goods and services. Both changes would take place incrementally between January 1, 2020 and January 1, 2022. The sales tax would be reduced by a total of 2%, while the new tax on services would eventually be 3%.

Updates to items we’ve been following:

- **Split-roll property tax system** – This proposed ballot initiative has been postponed until 2020.
- **Mandatory use of E-Verify system** – President Trump’s proposed 2019 fiscal year budget includes \$23MM to be invested in expanding the E-Verify program to mandatory nationwide use.

Upcoming Events

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Increase Your Print Revenue – Attend SGIA Expo

You may have recently seen that SGIA Expo registration is now open. If you have been to the Expo in previous years you are already well aware of the value of attending, and have probably already registered for this year’s event. If you have never attended the SGIA Expo, here are the top reasons why you should...

Keep up with the competition

The Specialty Graphics Imaging Association (SGIA) recently commissioned a study with NAPCO Research to better understand the extent to which printers are looking at other vertical markets to

leverage growth opportunities. Anecdotally, we know from the growing number of commercial printers attending the Expo that this is happening. Many printers have adopted some form of digital printing output. Once they have this equipment in place, and the workflows to serve it, adding another piece of equipment that allows them to create new products and sell into new markets or to their existing customers is a much simpler proposition.

In the study, 95% of commercial printers said they see opportunities to expand into other markets they don’t currently serve. A third have already started doing so and are now engaged with new markets based on new technologies acquired, and more than another third are actively researching these opportunities. Rounding out perceptions are 79% of commercial printers who see that the expansion into different products and markets will continue to accelerate over the next five years across all printers.

So where are commercial printers focusing their efforts?

- 43% of commercial printers in the study are looking into label converting
- 37% are looking into graphics and wide format production
- 32% are looking into folding carton
- 19% are looking into industrial products
- And 17% are looking into garment production

To see the broadest array of these technologies, they come to the SGIA Expo!

Sell more to your customers

The reality is that most of your customers are already purchasing various products from other printers. These same printers are adding to their arsenal of products and services to keep as much of their customer’s loyalty and attention as possible. Plus, customers are much more interested in one-stop shopping and consolidated purchasing and program management. The more you can do in-house for them, the less likely they are to find someone else

who can.

Enjoy higher margins and lower costs

Each year technology changes and so does the best method for printing a specific product. Newer equipment with faster production speeds (presses, finishing equipment, even Print MIS systems) or other enhanced capabilities, such as automation or file handling, can decrease operating costs. Some markets have higher margins than others and provide a better return for each cap-ex dollar spent. There are many ways to assemble a new strategic business plan, and much of it begins with how to create higher value for the least cost. The SGIA Expo brings together not just the technology, but the minds and experience that can help you investigate and validate your new direction, be it through networking with old or new friends, educational sessions, or meetings with the foremost suppliers in the market.

It’s Vegas, baby!

And, of course, Vegas can be a fun town. But don’t let that distract you from the job at hand – finding your next big idea!

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Other Industry Events 2018

9/28/18 - 10/2/18	PRINT 18	Chicago, IL	703.264.7200	www.graphexpo.com
10/18/18 - 10/20/18	2018 SGIA Expo	Las Vegas, NV		www.sgia.org/expo/2018
10/30/18 - 10/31/18	2018 OSHA Compliance for Printing Workshop	Warrendale, PA	krundle@printing.org	412.259.1779 www.printing.org

Want us to list your event? Contact Maribel Campos, 323.728.9500, Ext. 210, maribel@piasc.org

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MEMBERSHIP DUES FOR A YEAR!!

Learn More

PIASC Events Calendar

JUNE 28	Cocktails & Conversations 5:30 p.m., The Reef, Long Beach \$25/ member Details: piasc.org/cc Contact: Emily Holquin, Ext. 262, emily@piasc.org
JUNE 30	Independence Day Celebration 10:00 am, The Printing Museum, Torrance \$15/adult Details: printmuseum.org Contact: 310.515.7166
JULY 16	WEBINAR - Top 10 “Lawsuit Magnet” Mistakes Employers Make and How to Avoid Them 11:00 am PST – At a computer near you FREE/member Contact: Emily Holquin, Ext. 262, emily@piasc.org

SEPT. 18	NEW DATE 20th Annual Paper & Substrate Show 5:30 pm – Andrei’s Event Center, Irvine \$30/member pre-register Contact: Emily Holquin, Ext. 262, emily@piasc.org
OCT. 13-14	Los Angeles Printers Fair 10:00 am, The Printing Museum, Torrance \$10/adult, \$5/kids under 12 Details: printmuseum.org Contact: 310.515.7166
OCT. 18-20	SGIA Expo Las Vegas, NV FREE Exhibit Floor Passes Details: sgia.org/expo/2018 Contact: 888.385.3588

For full list of workshops and virtual classes, please visit www.piasc.org/training.