



Combating Identity Theft Context for Biometrics Adoption

Biometrics Consortium Conference 2003
September 2003
Washington D.C.

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Authentec, Ball Aerospace, Biocom, Booz Allen Hamilton , CIA, CIC, Datastrip, DOD, Digital Persona, Digimarc , ETRI, IBM GS, Imagis, Identix, Morpheus, , NIST, TASC, On Guard Plus, PingID, SAFLINK, SAGEM, SoftPro, TI, Ultra-Scan

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Expertise

- Opportunity Identification & Sizing
- Targeted Vertical Solutions Analysis
- Technology Adoption & Deployment Evaluation
- Sustainable Market Dominance Strategies

Combating Identity Theft

- ☞ **Problem of Identity Theft**
 - ◆ Size
 - ◆ Scope
 - ◆ Market Forces
- ☞ **Solving The Problem**
 - ◆ Education/Awareness
 - ◆ Policies/Procedures
 - ◆ Legal Framework
 - ◆ Digital Identity
- ☞ **Opportunity for Biometrics**
 - ◆ Biometrics Role
 - ◆ Sizing The Opportunity

Size of The Problem

Fast Growing Crime in US

Aberdeen (5/03)

- 300% compound annual growth
- 2003 Financial loss

Consumer, Business, Government

- \$221.2 billion worldwide
- \$73.8 billion in the U.S
- Trajectory > \$2 Trillion in 2005

FTC Survey (9/03)

- 4.6% US Victims in the last year ~10M
\$5B in losses 300M hours
- 12% US Victims in last 5 years ~28M

Scope of The Problem

- ☞ **Linking ID Theft and ID Fraud**
- ☞ **Linking Real and Digital Worlds**
 - **Old Problem Recently Exacerbated**
 - Low Tech Identity Acquisition
 - High Tech Identity Exploitation
- ☞ **Traditional Targets Expanding**
 - **Government - Benefits > Tax Fraud**
 - **Consumer - Credit Card > Mortgages**
 - **Commercial – Petty Theft > High Value Crime**
- ☞ **Beneath Financial Services Radar**

Market Forces

- Proliferation of SSN as Identifier
- Ubiquity of Web Services
- Sophistication of Hackers
- Inevitability of eGovernment
- Federated Identity Management
- DOD's Global Information Grid
- Consumer Fear
- Legislative Response
- Convenience Factor

Solving The Problem

☞ Education/Awareness

Consumer, Commercial, Government

☞ Policies/Procedures

☞ Legal Framework

- Regulations

- Legislation

- Breeder Documents

☞ Digital Identity

Infrastructure and Authentication

Federal Initiatives

Recent ID Theft Legislation

Passed

- ✓ Federal ID Theft Law
- ✓ Fair Credit Billing
- ✓ Fair Credit Reporting
- ✓ Electronic Funds Transfer
- ✓ Fair Debt Collection Practices

Pending

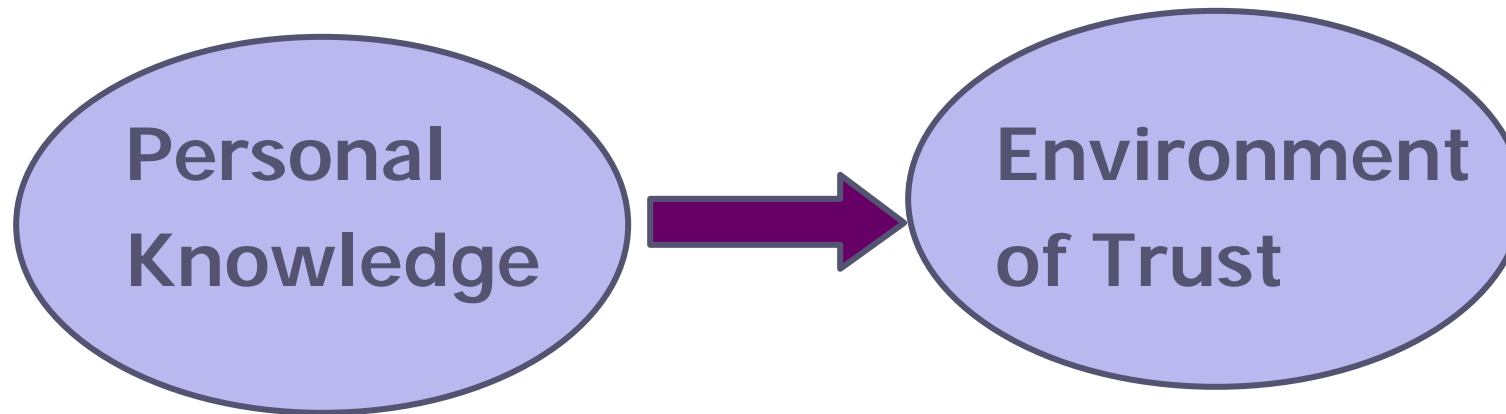
- ID Theft Prevention
- ID Theft Penalty Enhancement
- ID Theft Consumer Notification
- Education for Retirement Security
- ID Theft Prevention 2003
- Social Security Number Misuse Prevention

49 States also have laws on identity theft

Digital Identity

☛ Network Infrastructure Evolution

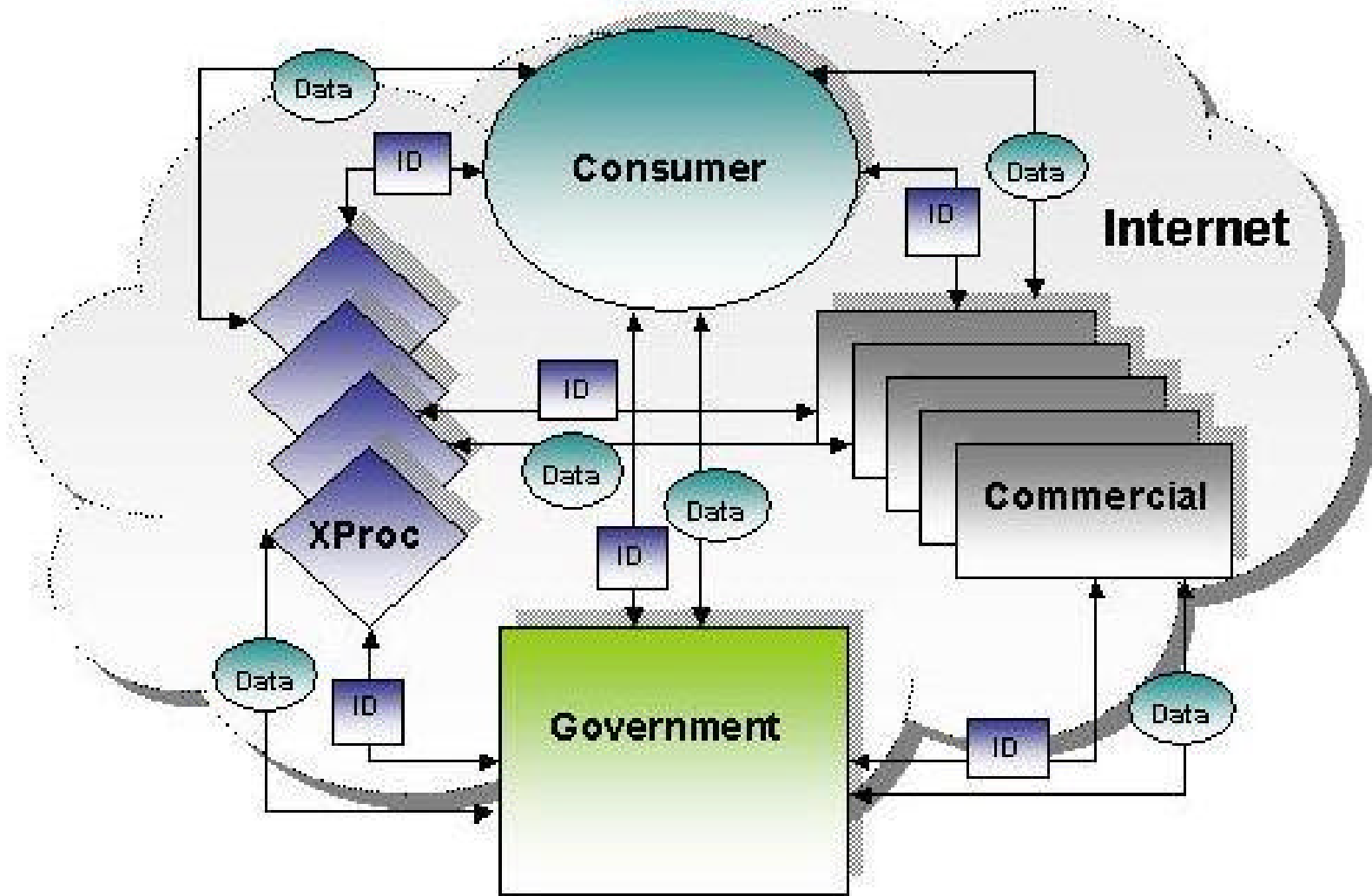
"Halt .. Who goes there?"



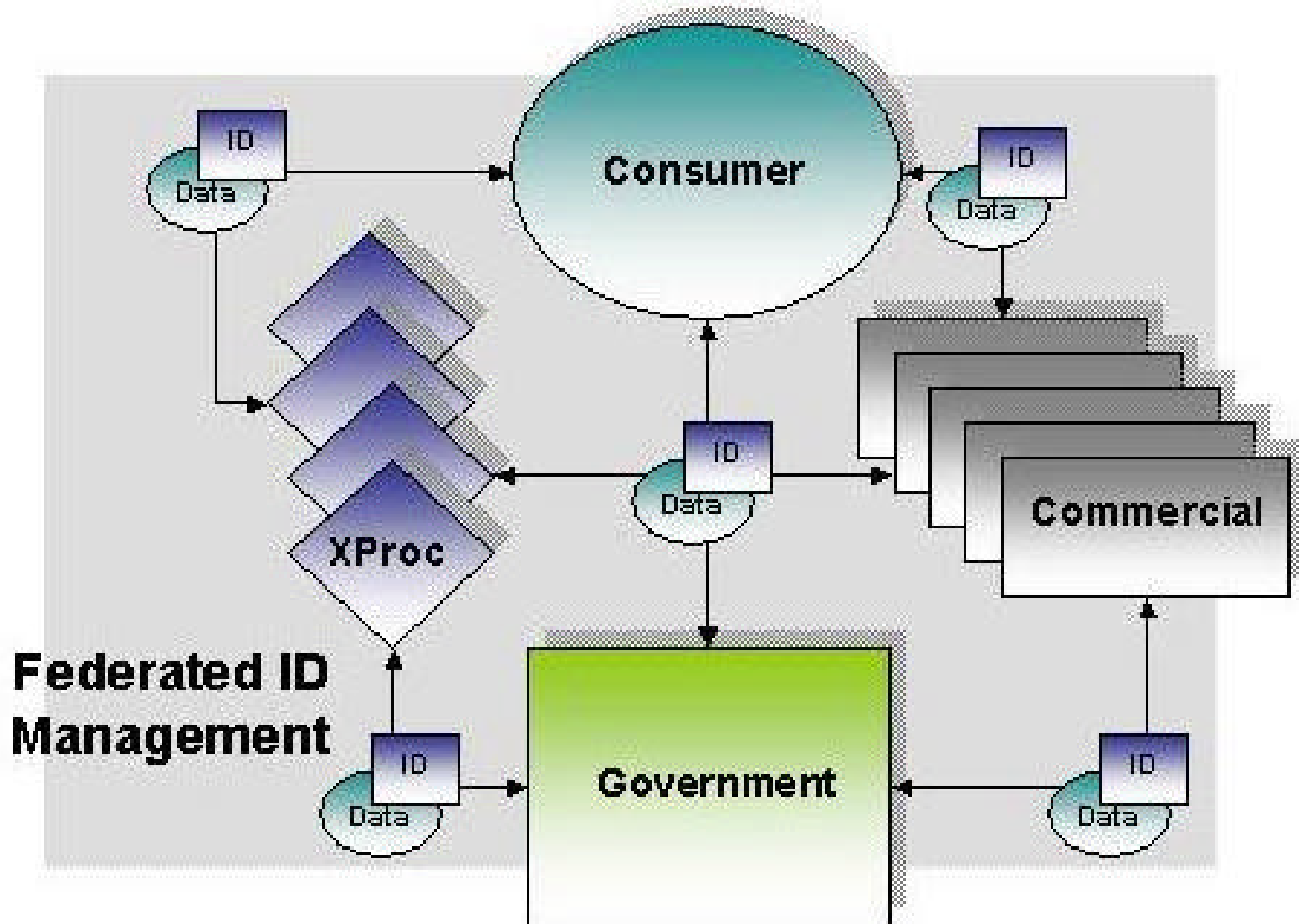
☛ Anonymity versus Privacy

- Network Based Identity
- Federated Identity

Network Based Identity



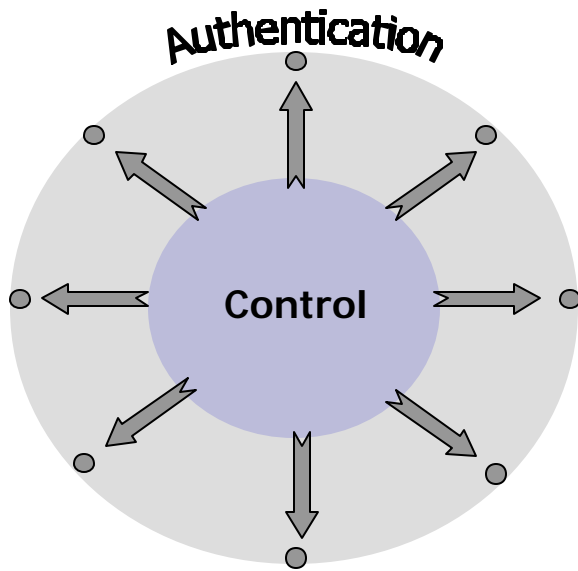
Federated Identity



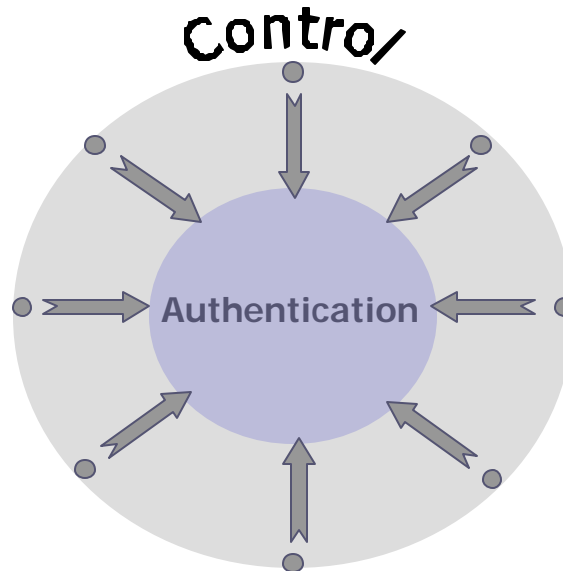
Authentication Models

Evolution of Digital Authentication

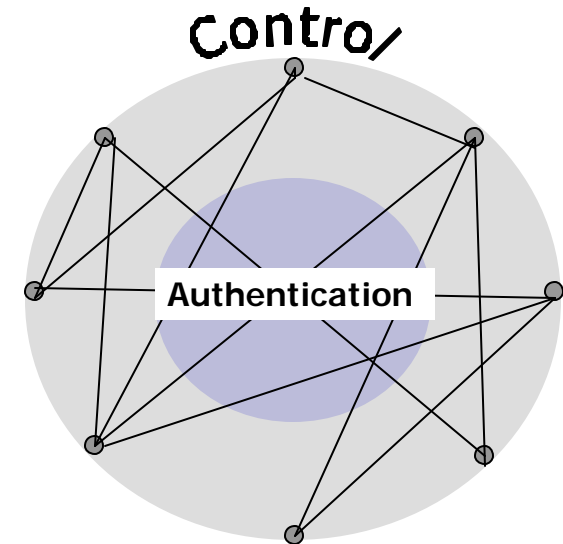
Centralized Control



Centralized Authentication



Virtual Centralized Authentication



Opportunity for Biometrics

- ☞ Shift Focus:
 - “Security” > “Identity Protection”
- ☞ “Identity Context” for Solutions
 - BIG Problem Growing Rapidly
 - High Point of Pain
 - Commercial, Consumer, Government
- ☞ Link Consumer Protection to Sustainable eCommerce (B2B, B2C), eGovernment (G2B, G2c) and National Security



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