



Biometrics & Trusted Identity

Combating Identity Theft

ID World Conference 2003
November 2003
Paris

c. maxine most
acuity market intelligence
cmaxmost@acuitymi.com



ACUITY
MARKET INTELLIGENCE

bridges the gap between information & insight

Technology-neutral and Vendor-independent insight, market analysis and solutions assessment for emerging technology markets.

Markets **Biometrics, ID Management, Authentication**

Clients **Vendors, Integrators, End Users**

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

Services **Executive Briefings, Consulting, Segment
Tracking, Reports, Research, Workshops**

Expertise

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

Combating Identity Theft

- ☞ Definitions
- ☞ The Identity Theft/Fraud Problem
 - Size
 - Scope
 - Market Forces
- ☞ Solving The Problem
- ☞ Digital Identity
- ☞ Opportunity for Biometrics

Definitions

Biometrics

Measurements of physical or biological characteristics of an individual to create a unique identifier which can be electronically stored, retrieved, and compared for positive identification purposes

Trusted Identity

An identity that has been proved to the level of certainty required by the criteria defined for a specific transaction, operation or process.

Digital Identity

A virtual representation of a real identity that can be used in electronic interactions with other machines or people.

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

UK's Fasted Growing Fraud

UK Fraud Prevention Report (7/02)

- **Identity fraud increased**
 - 462% from 1999 to 2000
 - 122% from 2000 to 2001
 - 53% First 3 months of 2002
 - **Confirmed Link to Organized Crime**
 - Illegal Immigration
 - Money Laundering
 - Drug Running in
- **Economic Cost 1.3B £ per Annum**
 - Minimum Quantifiable Cost
 - Reported as Significant Underestimate

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**

Scope of The Problem

Nation Security Context

“Our Challenge is to make it impossible for would be terrorists to garner funds, access and other resources they need to carry out their horrific mission.”

SVP Risk Solutions LexisNexis in a Feb 2002 speech to UN Global eCommerce and eGovernment Conference

Market Forces

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

Solving The Problem

The nature of identity theft is to exploit the “network effect.”

☞ Education/Awareness

Consumer, Commercial, Government

☞ Policies/Procedures

☞ Legal Framework

- Regulations

- Legislation

- Breeder Documents

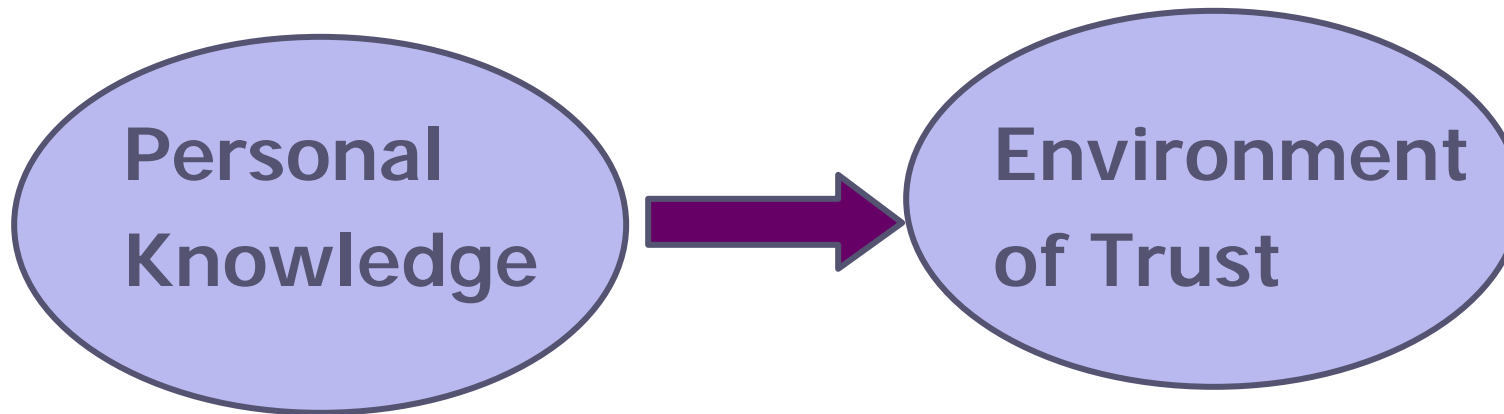
☞ Digital Identity

Infrastructure and Authentication

Digital Identity

☛ Network Infrastructure Evolution

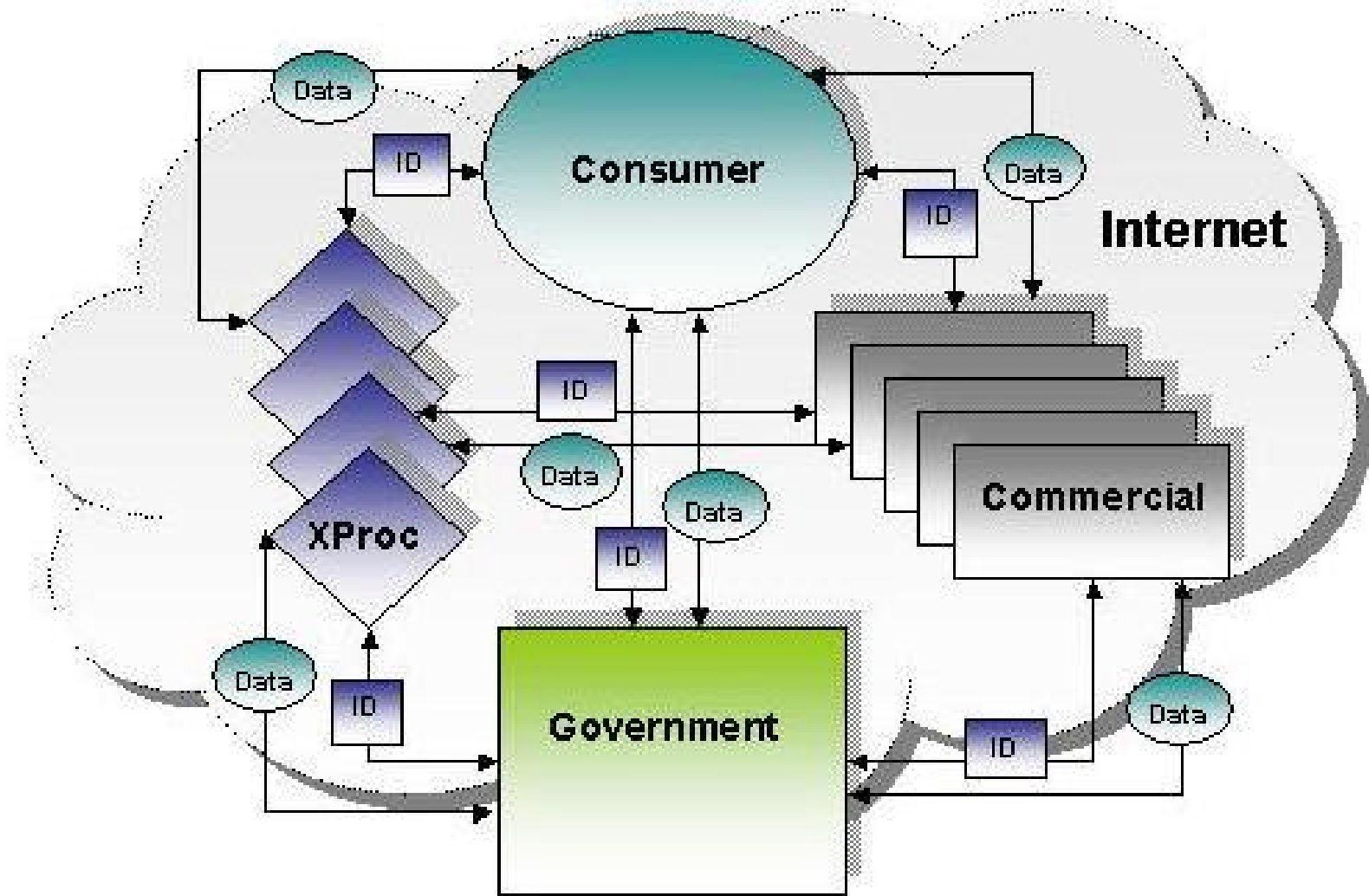
"Halt .. Who goes there?"



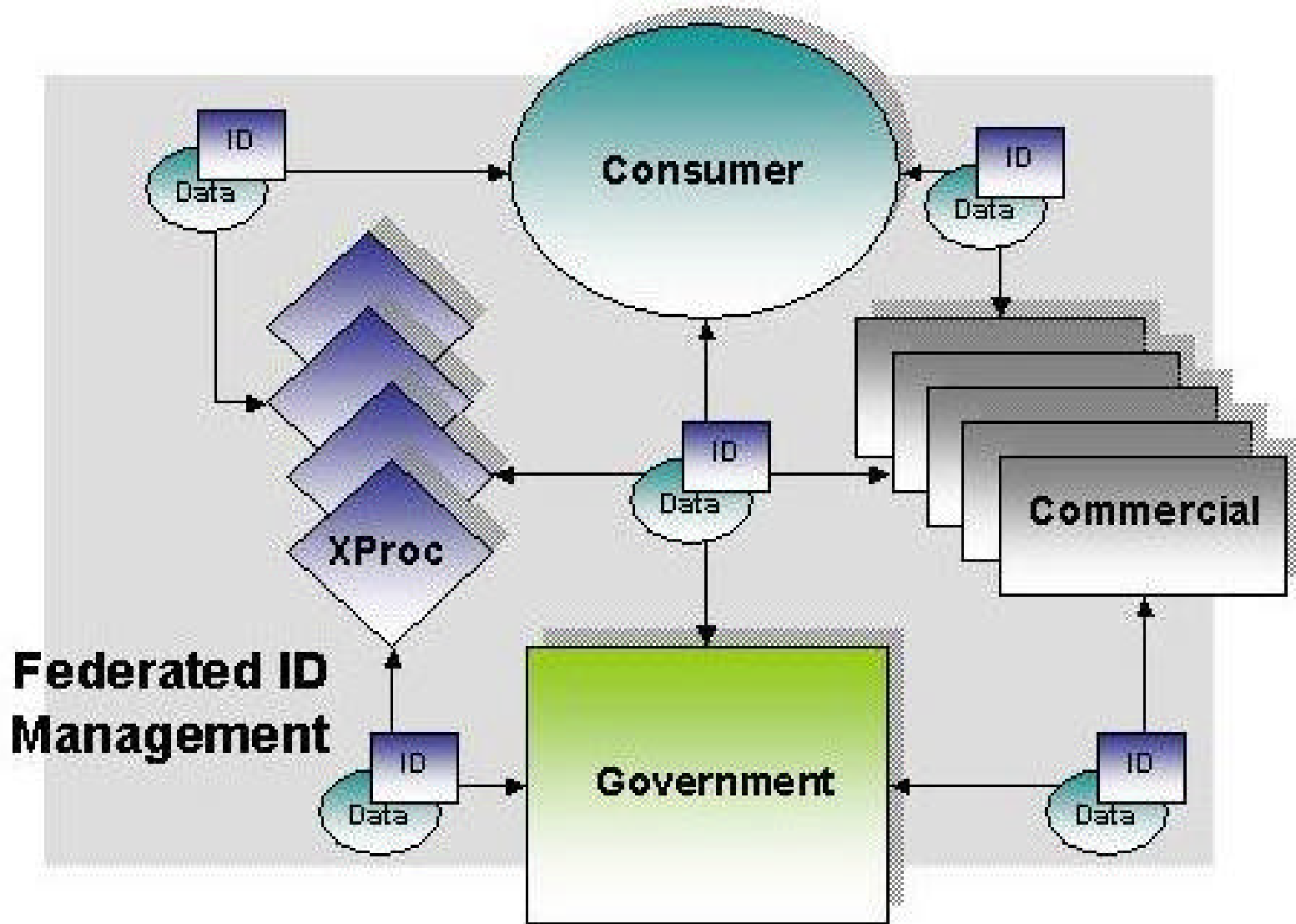
☛ Anonymity versus Privacy

- Network Based Identity
- Federated Identity

Network Based Identity



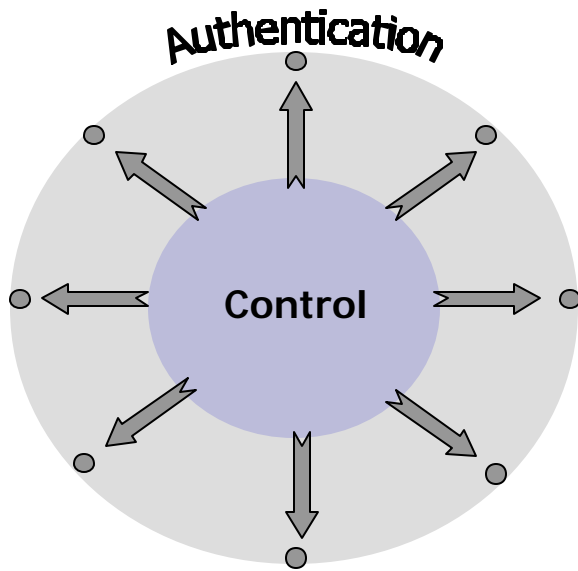
Federated Identity



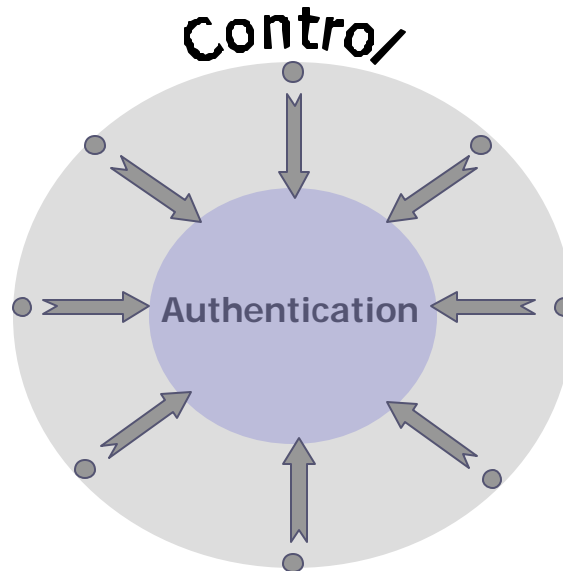
Authentication Models

Evolution of Digital Authentication

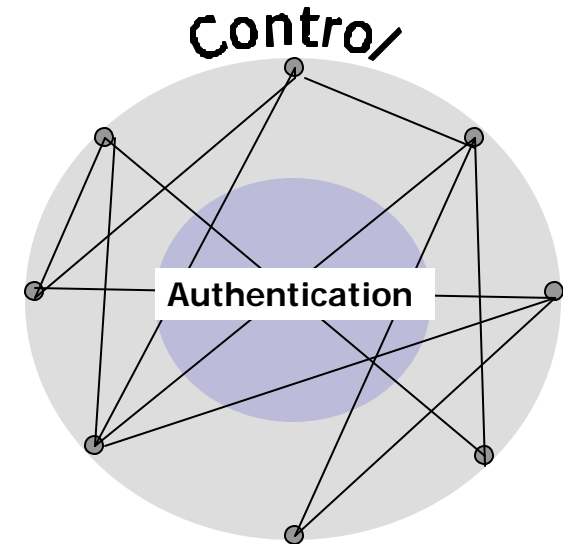
Centralized Control



Centralized Authentication



Virtual Centralized Authentication



Opportunity for Biometrics

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



ACUITY
MARKET INTELLIGENCE

c. maxine most
principal

929 maxwell avenue boulder, co 80304
phone 303.449.1897 fax 208.730.8924
cmaxmost@acuity-mi.com

www.acuity-mi.com
for additional market analysis

www.biometricsmi.com
for free downloads of

BIOMETRICS
MARKET INTELLIGENCE