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# BITS BULLETIN

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A REPORT OF ACTIVITIES FROM BITS, THE TECHNOLOGY GROUP FOR THE FINANCIAL SERVICES ROUNDTABLE

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**APRIL 2002**

The *BITS Bulletin* is designed to keep the membership of The Financial Services Roundtable fully informed about the activities of BITS and rapidly evolving developments in emerging technologies, electronic commerce and payments.

## **BITS MANDATE**

- Facilitate the growth of electronic commerce
- Facilitate development of superior, market-driven technologies
- Maintain the financial services industry's role at the heart of the payments system
- Sustain consumer confidence and trust by ensuring the safety, soundness, privacy and security of financial transactions
- Leverage resources and infrastructure across the industry

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## **LETTER FROM THE CEO**

In the spring of 2002 we are grateful for an upturn in the economy and no tragic events in our industry. Out of the events of September 11 grew cooperation and support among industry and government leaders at a level none of us had before witnessed. Through BITS' Crisis Management initiative, we helped organize the outpouring of concern to get real results. Over the months that have followed, BITS has helped establish a number of resources to ensure the security—both technological and physical—of our industry's infrastructure. If another event occurs, we will be better prepared to deal with it.

Among BITS' recent accomplishments is the release of two important documents that will help to ensure that our industry enhances the safety and soundness of our infrastructure: the *BITS Framework for Managing Information Technology Service Provider Relationships* and the *BITS Mobile Financial Services: Business Requirements and Technical Guidelines*. The BITS Product Certification Program is also well underway, awarding the *BITS Tested Mark* to products that meet security criteria developed by the industry.

In this issue of the *BITS Bulletin*, we'll look at operational risk—a concept that has likely been on your radar screen for some time. Much of what BITS has done since its inception relates to the identification and mitigation of operational risk. And in a post-September 11 world, CEOs and Boards of Directors are being held accountable for managing operational risks, particularly technology risks, for their companies. In this *Bulletin*, we'll explore operational risk—what it is, and what you need to know about it.

This year BITS continues to focus on those areas that are among our members' most pressing concerns. Our Working Groups in Authentication, Crisis Management, Fraud Reduction, IT Service Providers, Security and Risk Assessment and Payments will continue to be active in advancing their causes in the industry. We will also continue to monitor activity in the areas of privacy, standards and business method patents. We will complete the initiatives from five of our Working Groups by the end of 2002. As always, BITS' value is derived from the participation of our members in these Working Groups. We encourage you to join us.

We are working harder than ever to be sure we're involved in the issues that are of greatest concern to our members. We thank you for your continued interest and support.

*Catherine A. Miller*

**CEO, BITS**





## COMMENTS FROM THE CHAIRMAN OF THE BOARD. . . . .

In April 2000, I became the third to hold the challenging post of Chairman of the BITS Board of Directors. When Edward Crutchfield ended his term much had been accomplished, and there was much to be done.

Being involved with BITS has, without a doubt, been one of the most fulfilling and exciting opportunities of my career. During the last two years, the landscape at the intersection of financial services and technology has evolved markedly. I have been honored to be a part of BITS' efforts to identify those issues that are most important to those of us in the financial services industry, and especially to have taken part in addressing those issues—by producing real, quantifiable results.

One area in which BITS has been particularly active during my tenure is payments and settlements. Today, the BITS Payments Strategies Steering Committee is keeping pace with continuously evolving technology, regulations and legislation. The Steering Committee has been advancing the industry in key areas, including electronic payments, fraud mitigation, check truncation, electronic check presentment and check safekeeping. The education I've received working with BITS members and staff on these issues has been invaluable.

In the spring of 2002, we're turning our attention to operational risk. Many of us have heard the term, but why should it be important to you? In these pages, and at the Roundtable's and BITS' Annual Meeting, we'll answer that question. In typical BITS fashion, the expertise BITS brings to its members is second to none.

This month, I'll be passing the Chairman's position to Jim Rohr. As Chairman, President and CEO of The PNC Financial Services Group, an active participant in numerous industry organizations, and a technology-savvy CEO, Jim is well-positioned to advance the critical initiatives of this organization.

It has been a pleasure working with Catherine Allen and her dedicated staff at BITS. I would also like to thank the executives in business, operations and technology at each of our member institutions, without whom BITS' accomplishments would not be possible. Many opportunities—and many challenges—remain ahead for all of us. I look forward to seeing the continuing achievements of this impressive group and I remain committed to being an active participant with this fine organization.

Sincerely yours,

James H. Blanchard  
Chairman and CEO  
Synovus  
Chairman, BITS Board of Directors

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- Shirley Inscoe, Wachovia Corporation, *Fraud*
- Bob Jones, FleetBoston Financial Corp., *Fraud*
- Rhonda MacLean, Bank of America Corp., *Security*
- Dan Schutzer, Citigroup, *FSTC Liaison and Standards*
- Bill Sentenac, Wells Fargo & Co., *Lab Governance*

## FOCUS: OPERATIONAL RISK — — . . . . .

IN THE WAKE OF SEPTEMBER 11, operational risk issues have risen to the forefront of the industry's risk management agenda. Because of the vulnerabilities the events revealed, including the magnitude of our interdependencies on other entities, regulators have been reviewing their existing guidance to determine whether it addresses the full range of possible exposures.

Even before September 11, federal regulators had made it clear through guidance such as Section 501B of the Gramm-Leach-Bliley Act and the New Basel Capital Accord (Basel II), that CEOs and Boards of Directors will be held accountable for understanding and managing operational risk. Since September 11, this focus has intensified.

### **Operational Risk Defined**

While there are many potential definitions, BITS has chosen to use the following definition from the Basel II Accord: Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. Categories of operational risk can include risks to earnings or capital arising from transaction processing, technology, security (including fraud, crime and theft), business continuity, compliance, legal and liability risk.

Financial institutions are defining operational risk as it relates to their organizations in many ways. Operational risk can include the risk posed by an amateur hacker who breaks into a corporate computer system and exposes personal customer information. It can also refer to a failure of legal oversight that can result in non-conformance with regulations. The recent SNMP vulnerability, which had the potential to leave the Internet vulnerable to attack, is another good example of an operational risk. As we recognize these as major vulnerabilities, our industry is moving quickly to address them. We have a long way to go before we have a collective industry response to many of these new threats, but we are not starting from scratch.

Through its Working Groups, BITS has made it a priority for institutions to be able to identify and manage operational risk. BITS' goal in this area is to provide tools that will allow the financial services industry to assess where it stands in addressing these issues, and what steps it needs to take to ensure its institutions are sufficiently protected.

### **The New Basel Capital Accord**

The international regulatory community recognizes that operational risk is increasing, signaled by deepening losses and heightened risk exposure. Basel II proposes that financial institutions quantify their risk and set appropriate capital reserves as an economic backstop to these risks.

The first Basel Capital Accord was released in 1988. Ten years later, in 1998, work began on Basel II. The release of the final regulations is expected late in 2002. Worldwide implementation of Basel II will be required by 2005. Financial institutions should prepare for compliance as soon as possible.

In the new Accord, capital reserves for protection against operational risk are not separately quantified. Instead, they are considered to be included in the larger capital charge reserves. As the regulations are developed and released, more questions will emerge. For example, what specific subsets of risks are considered operational risks? And, once those risks are identified, how will capital costs be assigned to those risks—specifically, technology-related risks—in which historical data are lacking?

BITS will continue to monitor the progress of the Basel II Accord, and will update members on developments.

### **BITS Initiatives Addressing Operational Risk**

Several BITS initiatives are already underway that address aspects of operational risk. For example, BITS' Working Groups in Mobile Financial Services and Aggregation have both developed business requirement recommendations and guidelines that enhance the security of those services. Other BITS projects and initiatives that help companies mitigate operational risk include:

- **Crisis Management Initiative.** BITS has created a process for communication and sharing of best practices designed to assist in disaster recovery, business continuity and cybersecurity threat control.
- **BITS Product Certification Program.** This program has led the industry and the security community in creating criteria by which software

**FOCUS, CONTINUED** . . . . .

products can be tested for their ability to provide secure services.

**IT Service Providers Working Group.** The *BITS Framework for Managing Technology Risk for Information Technology (IT) Service Provider Relationships* helps companies assess IT services in both existing relationships and the procurement process.

**Insurance in E-Commerce Working Group.** This group has examined the gaps that may occur when traditional insurance policies are applied to the risks inherent in electronic environments.

**SRA Operational Risk Framework.** The BITS Security and Risk Assessment Steering Committee is developing a security and continuity operational risk tolerance framework. The framework will address asset classification and control, physical and environmental security, communications and operations management, access control, and disaster recovery and business continuity using the ISO 17799 as a base document on which to build.

Through these and other initiatives, BITS will continue to work with its members to advance our understanding of and response to the many different kinds of operational risk our industry faces. For more information about what BITS is doing to meet the challenges of operational risk, contact Peggy Lipps, [peggy@fsround.org](mailto:peggy@fsround.org) or Laura Lundin, [laura@fsround.org](mailto:laura@fsround.org)

**Fraud Reduction Program: Accomplishments and Goals**

Fraud is another component of operational risk and creates substantial losses each year for financial institutions and their customers. The BITS Fraud Working Group, co-chaired by Bob Jones, FleetBoston, and Shirley Inscoc, Wachovia, has made excellent progress in combating fraud. The Working Group operates in a number of subgroups, some of which are mentioned below. Their accomplishments for 2001 include:

- Creating and finalizing phase I of the Successful Strategies Database, which identifies the strategies and solutions participating banks have employed in order to fight fraud.
- Completing a standardized report format for debit card losses related to point-of-sale (POS) offline fraud and non-fraud losses. The report was provided to the ABA for inclusion in the 2002 Biennial Deposit Account Fraud Survey.
- Assessing changes to automated clearing house transactions and rules, and providing input to NACHA.
- Refining loss definitions to improve data consistency among loss avoidance reporting benchmarking participants.
- Participating with The Financial Services Roundtable, law enforcement and key government agencies to identify issues and develop strategies for combating identity theft.

The initiative's 2002 goals include:

- To continue to reduce fraud loss by identifying fraudulent activity and researching new payment mechanisms and processes that will help reduce the impact of fraud on the financial services industry;
- To increase participation in loss avoidance conference calls;
- To provide fraud risk consulting to NACHA and ECCHO;
- To identify and document those strategies that are successful in minimizing POS and ATM card-based losses; and
- To create and distribute a white paper on the impact on fraud from check truncation.

For more information about the Fraud Reduction Working Group, contact Robin Slade, [robin@fsround.org](mailto:robin@fsround.org)

**Aggregation Services**

The Working Group is finalizing an RFI that will be used to solicit solutions to data feed and authentication processes from vendors. The Consumer Education committee is finalizing a presentation for delivery to key industry and consumer associations. Subgroup conference calls continue to be held on an *ad hoc* basis in order to review and vet the deliverables. For more information, contact Leslie Mitchell, [leslie@fsround.org](mailto:leslie@fsround.org) or Gary Roboff, [garyroboff1@aol.com](mailto:garyroboff1@aol.com).

*Aggregation Services Working Group  
Chair: Gayle Wellborn, Wachovia*

**Authentication**

The authentication market is rapidly changing with many new players and no apparent “silver bullet” solutions. The current regulatory environment strongly encourages adequate identification and authentication. The Working Group has identified the need for: (1) a strategic policy paper on the industry’s expectations for interoperability, privacy, liability and technical security; and (2) a framework to identify the competitive landscape, including who the players are, a comparison of new authentication technologies and business models, the impact of fees/charges, and regulatory expectations. Contact Jennifer Dickerson, [jennd@fsround.org](mailto:jennd@fsround.org)

*Authentication Working Group  
Co-Chairs: Dan Schutzer, Citigroup  
Louis Rosenthal, ABN AMRO*

**B-to-B E-Commerce**

While interest in B-to-B e-commerce remains high among BITS members, market conditions have shifted the focus of many B-to-B initiatives. Rather than looking at external relationships, information systems providers and their corporate customers are focusing on integrating internal systems and processes. External connectivity will follow, at which time we will reexamine our B-to-B effort. The Advisory Group recommends that the team refocus its efforts on related BITS initiatives in authentication, payments and standards. Contact Leslie Mitchell, [leslie@fsround.org](mailto:leslie@fsround.org)

*B-to-B E-Commerce Working Group  
Co-Chairs: Rodney Chard, Whitney National Bank  
Peter McNally, Assurant, Janey Place, Mellon*

**Business Method Patents**

The Working Group meets on an as-needed basis. The group tracks issues and trends related to business method patents and serves an educational

function within the industry. BITS continues its outreach and cooperation with the U.S. Patent and Trademark Office (USPTO). BITS CEO Catherine Allen, BITS Counsel John Burke, and BITS Senior Director Cheryl Charles met recently with the Under Secretary and Director of the USPTO, James Rogan. The third BITS briefing for USPTO examiners on trends in financial services will be provided at the USPTO Technology Forum on May 21. Contact Cheryl Charles, [cheryl@fsround.org](mailto:cheryl@fsround.org)

*Business Method Patents Working Group  
Co-Chairs: Mark Kesslen, J.P. Morgan Chase & Co  
David Schreiber, Citigroup*

**Consumer Privacy**

A briefing was held on March 13 for representatives of the 13 institutions that sponsored the second year of BITS’ proprietary research, “Consumer Behaviors Related to Privacy and Security of Information Use in the Financial Services Industry.” High-level findings include: Consumers are increasingly proactive about protecting the privacy and security of their information; Internet usage has grown from 59 percent one year ago to 70 percent by the end of 2001 and; there is a growth in online commerce, including financial services. There is a slight slippage in consumer trust in institutions, although the financial services industry continues to enjoy the highest level of trust for conducting safe, sound and secure financial transactions online. Contact Cheryl Charles, [cheryl@fsround.org](mailto:cheryl@fsround.org)

*Privacy Working Group  
Co-Chairs: Mary Jones, FleetBoston  
Enid Miller, Mellon; Leigh Williams, Fidelity*

**Crisis Management**

The Working Group met on March 6 to review and further develop event management preparation and responses to support scenarios. The meeting included a scenario simulation exercise, review and discussion of other scenarios, and completion of the task matrix. Representatives from key regulatory and other government agencies attended, including those from the Office of Homeland Security, the Office of Cyberspace Security, the Treasury, the Federal Reserve, the OCC and the Department of Navy.

The Crisis Management Business Practices Working Group meets biweekly to share information on business continuity practices and

· **UPDATE ON BITS INITIATIVES, CONTINUED** ······

· identify and incorporate lessons learned. The  
· group will provide written feedback to regulators  
· before FFIEC guidelines or regulations are  
· released.

· *Crisis Management Working Group*  
· *Chair: Allan Woods, Mellon Financial Corp.*

· **Electronic Signatures**  
· **and Documents (E-SIGN)**

· The Working Group has met its goal of identify-  
· ing opportunities, risks and challenges associated  
· with implementing E-SIGN legislation. During  
· 2001, educational conference calls were held for  
· members. BITS developed deliverables, including  
· a matrix of top-priority B-to-B and B-to-C  
· applications, and a process map for new account  
· opening and E-SIGN implementation. Louis  
· Rosenthal represented the Roundtable testifying  
· before a Congressional Committee in June 2001  
· on E-SIGN implementation. Future challenges are  
· associated with authentication issues, which are  
· being addressed through the Authentication  
· Working Group. Contact Jennifer Dickerson,  
· *jennd@fsround.org*

· *E-Signatures and Documents Review Group*  
· *Chair: Louis Rosenthal, ABN AMRO*

· **Fraud Reduction**

· The Steering Committee held an in-person  
· meeting Feb. 28 to March 1 in San Diego. The  
· agenda included a presentation from Acxiom, and  
· a discussion of collections and fraud prevention  
· strategies for Internet-based transactions. The  
· Debit Card Working Group is tracking offline  
· point-of-sale losses. Data will be used in the ABA's  
· 2002 Deposit Account Fraud Survey to assess, for  
· the first time, the scope of offline debit card  
· fraud. The Statistics and Successful Strategies  
· Working Group's Truncation Task Force will  
· complete its research for the first phase of a study  
· of check fraud mitigation in an electrified  
· environment. Maureen Wharton, J.P. Morgan  
· Chase & Co., will Chair the Legal and Regulatory  
· Working Group, which held a kickoff meeting on  
· March 21. Contact Robin Slade, *robin@fsround.org*

· *Fraud Reduction Steering Committee*  
· *Co-Chairs: Shirley Inscoe, Wachovia*  
· *Bob Jones, FleetBoston*

· **Information Technology Service Providers**

· The Working Group continues to work with  
· members of Roundtable and financial and  
· technology associations to educate all stakeholders

· on the *BITS Framework for Managing Technology*  
· *Risk for Information Technology Service Provider*  
· *Relationships*. The Working Group now has two  
· subgroups, which are evaluating IT service  
· provider vendor management best practices  
· and security assessment and business continuity  
· requirements for adherence to industry, regula-  
· tory and *Framework* requirements. Contact Faith  
· Boettger, *faith@fsround.org*

· *IT Service Providers Working Group*  
· *Co-Chairs: Sharon O'Bryan, ABN AMRO*  
· *Jim Dempster, Metavante; Viveca Ware, ICBA*

· **Insurance in E-Commerce**

· On the latest Working Group conference call,  
· challenges with settling claims from cyber-  
· related losses, including insurance coverage  
· determination and forensic investigation, were  
· discussed. A draft of the analysis tool for gaps  
· when applying traditional insurance policies to  
· cyber-related events is being vetted and will be  
· finalized after a final comment period. Contact  
· Laura Lundin, *laura@fsround.org*

· *Insurance in E-Commerce Working Group*  
· *Chair: Jeff Grange, Chubb*

· **Mobile Financial Services**

· The *BITS Mobile Financial Services: Recommenda-*  
· *tions for Business Requirements and Technical Guidelines*  
· is the product of an eighteen-month-long  
· coordinated effort of the Working Group  
· along with Telcordia Technologies and repre-  
· sentatives from three main segments in the  
· mobile services industry: wireless networks,  
· wireless/mobile devices and solutions providers  
· that support delivery of content to end users.  
· The *Guidelines* provide criteria for successful  
· implementation of mobile financial services in  
· the next three to five years. This completes the  
· Working Group's deliverables for this year.  
· Contact Jennifer Dickerson, *jennd@fsround.org*

· *Mobile Financial Services Working Group*  
· *Co-Chairs: Kathy DeWit, Wells Fargo & Co.*  
· *Sam Phillips, Bank of America*

· **Payment Strategies**

· The Electronic Check Presentment (ECP)  
· Working Group held a forum on March 19 in  
· New York to help midsize institutions build a  
· business case for ECP implementation. The  
· Payments Framework Working Group's  
· Electronification Alternatives Payment Migra-  
· tion Model Subcommittee has made significant

## Update on BITS Initiatives, *Continued from p. 6*

progress, developing a tool that will be useful for members in high-level, cross-product payments planning. The Payments Framework group will make preliminary recommendations to the BITS and Roundtable Boards in April on the economic risks and opportunities associated with the movement from paper to electronification, and will refine those recommendations this summer. Contact Gary Roboff, [garyrob1@aol.com](mailto:garyrob1@aol.com), or Robin Slade, [robin@fsround.org](mailto:robin@fsround.org)

*Payment Strategies Steering Committee  
Chair: John Beran, Comerica*

### Product Certification Program (Formerly the Financial Services Security Lab)

The Lab Governance Committee is prioritizing future security criteria development efforts. In the meantime, the existing industry-defined security criteria continue to be translated into the Common Criteria Schema. Product testing and certification are available for applications, authentication systems, access control and administration systems, application security products, network security products and monitoring and intrusion detection systems. For more information, visit BITS' website, [www.bitsinfo.org](http://www.bitsinfo.org) or contact Laura Lundin, [laura@fsround.org](mailto:laura@fsround.org)

*BITS Product Certification Program  
Co-Chairs: Bill Sentenac, Wells Fargo & Co.  
Eric Guerrino, The Bank of New York*

### Security and Risk Assessment

At the SRA's first quarterly meeting, the group confirmed its priorities for 2002, including the Crisis Management and IT Service Provider initiatives. In addition to its existing priorities, the SRA recommended developing a framework for security and continuity operational risk management, similar to the framework developed for IT service providers, for members to address existing and anticipated regulatory requirements. The SRA will evaluate existing regulatory and standards documents to develop the framework. Components may include areas such as asset classification and control, physical and environmental security, communications and operations management, access control and business continuity management.

A series of security briefing calls have been held with BITS members and key government and regulatory agencies around the SNMP vulnerability. The potential impact on the industry will be monitored.

*Security and Risk Assessment Steering Committee  
Chair: Rhonda MacLean, Bank of America*

### Standards

The role of open, interoperable standards has become increasingly clear. During its first few months, the revitalized BITS Standards Steering Committee has focused on techniques to help rationalize the complex standards environment, and has sought ways to make the economic case for financial institution investment in the standards process apparent to the non-technology community. A symposium will be held May 7 in New York to test one approach to incremental rationalization with a range of standards organizations which focus on financial services-related applications. Contact Gary Roboff, [garyrob1@aol.com](mailto:garyrob1@aol.com).

*Standards Steering Committee  
Chair: Dan Schutzer, Citigroup*

### MEMBERSHIP UPDATE

BITS welcomes **Countrywide Credit Industries, Inc.** as a new member of The Financial Services Roundtable and BITS. Countrywide is a holding company which, through its principal subsidiary Countrywide Funding Corporation, is primarily engaged in the mortgage banking business, originating, purchases, markets and services mortgage loans. Countrywide is the nation's largest home mortgage lender.

Please contact Ann Patterson, [ann@fsround.org](mailto:ann@fsround.org) for more information about BITS membership.

### BITS Staff

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Tanya Bailey, Director, Meetings  
Wattie Bennett, Executive Assistant  
Faith Boettger, Senior Consultant  
John Burke, Outside Counsel  
Cheryl Charles, Senior Director  
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**James H. Blanchard** is the Chairman and CEO of Synovus. He will step down this month after serving as Chairman of the BITS Board since May 2000. Mr. Blanchard has served as CEO of the Synovus family of companies since 1971. Synovus has been named to *Fortune* Magazine's list of the "100 Best Companies to Work for in America" for the past five years, earning the number one spot in 1999.

*This is one of a continuing series of interviews with members of the BITS and The Financial Services Roundtable Boards of Directors, BITS Advisory Group, BITS Council and other key leaders in electronic commerce and financial services.*

**BITS:** You took over as BITS Chairman in April 2000. How have the industry's priorities changed since then?

**JB:** Much of what was "hot" two years ago continues to be in the forefront of CEOs' minds and the focus of BITS' activities. The issues have just evolved.

For example, in early 2000, the Fraud Reduction initiative was focused on creating shared databases and reducing check fraud, and the debit card working group had just been created. Today, the Fraud Steering Committee is working with government agencies and law enforcement to combat identity theft, and the debit card working group is identifying best practices for dealing with point-of-sale fraud—both offline and on the Internet.

Of course there are some issues that have faded into the background. Mobile financial services, for example, is important but has not taken off as quickly as some had thought. And business-to-business e-commerce opportunities are growing more slowly than many had expected they would.

**BITS:** Have there been any surprises along the way?

**JB:** Certainly no one could have guessed that crisis management would have come to the forefront the way it has since September. Since that time BITS and the Roundtable have led the industry in creating public-private partnerships that ensure the security of our nation's critical infrastructure. So, that has been a surprise, but one with some very positive outcomes. Right now BITS is at the forefront of the industry's thinking on operational risk, and has already gathered the best information out there from experts like Hugh Kelly of the OCC and Jeff Grange of Chubb.

In terms of the power of the Internet and e-commerce, BITS' attitude since the beginning has been that the Internet is for real, and that it will change the business landscape forever. This is playing out today in the marketplace.

**BITS:** What has been the best part of being the BITS Board Chairman?

**JB:** During my time as Chairman, I've had the opportunity to look at our industry's best opportunities and most press-

ing concerns up close, and to watch them evolve. The education I've received from being involved with BITS has been invaluable in helping me to "get it" when it comes to these issues, which are often very complex.



Jim Blanchard  
Synovus

**BITS:** Synovus recently ranked fifth in *Fortune* Magazine's Best Companies to Work for in America. This is the fifth time in five years Synovus has ranked in the top 15. What's your secret?

**JB:** If there is a secret, it's to realize that being on a list is not what makes a company successful. We consider it a priority to make Synovus a place where people trust their leaders—a safe, fun, rewarding, and challenging place. We want Synovus to be a company people are proud to work for, where people are proud of what the company stands for and believes in, and where they feel they are an important part of the team and can make a difference.

Beyond that, we think that being a great place to work is about relationships. It's about pride in the work and trust in team members and leaders. That's what creates the drive in all of us to improve every day.

**BITS:** What do you see for BITS' future?

**JB:** I expect BITS to continue doing what it does best, which is being on the cutting edge of those issues that are the most pressing to our industry—particularly those that are critically important to our bottom line. For example, the payments and settlements systems are undergoing an enormous transformation right now, and suddenly electronic check presentment (ECP) and the migration from paper to electronic payments are on every CEO's radar screen.

This is a time when it's critical that we maximize the industry's competitive position. With all of its initiatives, BITS will continue to make that goal a reality. I think that Catherine Allen knows what we at Synovus believe: When you've been recognized for your hard work, it's not time to rest. It's time to work harder and aim higher.