
BITS BULLETIN

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

JUNE 2003

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

As sister organizations, BITS and The Financial Services Roundtable share many common interests. At the same time, we each have a unique niche, driven by our distinct missions and guided by our respective Boards of Directors. We serve our members most effectively by maintaining those separate agendas and objectives. While BITS uses intellectual capital to help member institutions address emerging business and technology issues through best practices, business requirements and influence on vendors, the Roundtable focuses on public policy issues as it lobbies for members' diverse legislative interests.

These strengths enable us to be extremely effective when we combine efforts to achieve a common industry goal. BITS provides the Roundtable with in-depth knowledge, often of business and operational implications, and arms it with the expertise needed to do its important work on Capitol Hill. BITS members get the benefit of the Roundtable's finesse in achieving legislative results that serve the industry and our customers. BITS' involvement of regulators in our efforts to establish best practices and business requirements enables us to develop appropriate voluntary safeguards for the industry.

One of the issues the FSR and BITS are working on together is privacy and information use. In this highly visible area, BITS shares its proprietary research on consumer attitudes about privacy and security of information and how those attitudes affect customers' choices of financial services. BITS has brought the industry's perspective and influence to the development and implementation of the World Wide Web Consortium's Platform for Privacy Preferences, P3P, a standard that helps consumers control the use of personal information online. This kind of technical expertise helps member companies achieve their objectives in providing secure systems to their customers.

Integral to the privacy debate, and another area in which we're working together, is identity theft. While fraud has always been a concern, identity theft is worrying consumers at unprecedented levels and causing extreme distress to victims. According to Celent Communications, identity theft will cost U.S. financial institutions \$8 billion annually by 2005 if it continues at its current growth rate. Clearly, we need to respond. BITS and the Roundtable have joined forces to craft a strategy for member institutions to not only help prevent identity theft, but also to assist those customers who are its victims. BITS has also produced a best practices white paper on identity theft to help institutions as they work internally to address the problem and to educate consumers about how to prevent it.

Although maintaining our individual organizational strengths is important, there are key areas in which our collaboration is an unmatched and powerful force for the industry. Together we provide our members with unique and unparalleled value.

Catherine A. Allen

CEO, BITS

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Shirley Inscoe, Wachovia Corporation, *Fraud*
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 Jeffrey Stempora, State Farm, *Security*
 Dan Schutzer, Citigroup, *FSTC Liaison*

As Chairman and CEO of PNC, I'm often asked what the hot issues in financial services are. As Chairman of BITS, it's my job to be sure that BITS' initiatives touch on most of them.

One of these hot issues is privacy. You'd be hard-pressed to find a financial services CEO that doesn't have this one on the front burner. The BITS Privacy and Information Use Working Group has been instrumental in helping us address this issue. Its proprietary research on consumer attitudes and behaviors related to privacy and information use has shown us "the big picture" on how our customers feel about key issues and how this affects the kinds of financial services they use.

Legislators are looking at privacy and financial services today through the lens of the Fair Credit Reporting Act (FCRA) and the question of continuing uniform national standards for treatment of consumer information. Reauthorization of FCRA is tied to the privacy debate, and pivotal in the debate is the rise of identity theft. BITS and the Roundtable are working jointly on an initiative that includes asking members to commit to implementing voluntary guidelines for preventing identity theft and assisting its victims.

The BITS Fraud Reduction Steering Committee has made tremendous progress in addressing identity theft and other kinds of fraud. Among other efforts, it recently released two best practices white papers, one on identity theft and another on Internet fraud. This group is also taking the lead in revising the FTC's Identity Theft Affidavit, so victims need only fill out one form, rather than repeat the details of the crime with each institution.

In another effort to address privacy and identity theft concerns, BITS is looking at ways to more effectively verify the identity of customers who use online banking services. On June 11 in Chicago, we brought together members and service providers at the BITS Aggregation and Authentication Forum to discuss key issues and learn about the latest technologies.

Another front-burner issue is operational risk. CEOs are watching closely for signs of what the final provisions of the Basel II Accord may look like. Expectations became clearer in April, when the Basel Committee on Banking Supervision released the Third Consultative Paper of the New Basel Capital Accord. The BITS Operational Risk Working Group is looking at this document and providing opportunities for members to talk with regulators about the new Accord and try to rationalize and harmonize expectations by the various examination offices. Through these efforts, members are better able to identify how they may need to develop and enhance their operational risk programs.

Are BITS' initiatives helping you and your organization? Are there ways we could be serving you better? I invite member company CEOs to call and let me know.



James E. Rohr
 Chairman and CEO
 The PNC Financial Services Group
 Chairman, BITS Board of Directors

FOCUS: IDENTITY THEFT AND PRIVACY.

The financial services industry has since its beginning been a target for perpetrators of fraud. But never has the financial services industry faced as prominent or widespread a fraud threat to its customers as identity theft. Identity theft accounted for 42 percent of all consumer fraud complaints received by the Federal Trade Commission in 2001, and Celent Communications predicts that identity theft will more than triple by 2005—from 500,000 incidents in 2000 to 1.7 million in 2005.

Even more than other forms of fraud, identity theft has aroused significant public concern. A growing number of Americans are worried about having their personal information stolen. According to BITS' proprietary research, the percentage of people reporting that they are very concerned about being a victim of identity theft has grown in the last three years from 28 percent to 34 percent. These concerns are exacerbated in part by the crime's potential for devastating one's credit, as well as by its mysterious nature—thieves are usually unseen, and the crime is most often perpetrated without the victim's knowledge. Meanwhile, media coverage fuels public worry.

BITS recognizes that this situation requires swift action on the part of the industry. Working with The Financial Services Roundtable, BITS is helping members to respond appropriately at their institutions, as well as to work together to identify common solutions.

Mobilizing Institutions

BITS' Identity Theft Working Group is focused exclusively on this type of fraud. The group, which includes representatives from some of the largest financial institutions in the US, recently released a comprehensive white paper, *Financial Identity Theft: Prevention and Consumer Assistance*. The paper provides best practices institutions can incorporate into their prevention and response efforts. Because a more uniform understanding of the landscape is central to mobilizing the industry, the paper also provides background, defines key terms, and outlines the legislative environment.

Assisting Victims

Recovering from identity theft can be enormously burdensome for individuals. In April, the Roundtable Board of Directors approved a strategy for addressing identity theft that ensures that consumers who fall victim to identity theft will have a consistent, efficient, and effective means of recovering. Member institutions will be asked to commit to voluntary guidelines

and best practices for preventing identity theft and also assisting customers who fall victim to it.

BITS is helping to prevent identity theft with industry best practices. BITS' efforts are also helping to simplify the identity theft recovery process for consumers.

Easing Recovery

Today, when identity theft occurs, a victim must complete separate affidavits at every institution where accounts have been affected. This process is among the most burdensome for victims as they repair their credit. To simplify the recovery process, the BITS Fraud Reduction Steering Committee is revising the FTC's Identity Theft Affidavit so that a single form can be shared among all institutions as well as with law enforcement. With the Uniform Affidavit, institutions need only attach an addendum that includes transactional information on the fraud. (Transactional information can be used by law enforcement to gather information on fraud perpetrators and to help identify fraud rings.) Use of this Uniform Affidavit is included in the industry guidelines and best practices that BITS and Roundtable member institutions will be asked to implement.

The Consumer Perspective

BITS' work in privacy and information use is also a key part of BITS' strategy for addressing identity theft. BITS has conducted three years of research to help member institutions better understand evolving consumer concerns about privacy and use of personal information. The survey results inform members of these attitudes and the behaviors resulting from those attitudes. The data are used by member institutions for creating products and services, addressing impediments to the growth of e-commerce, identifying customer service needs, personnel training, and customer education.

BITS' research shows clearly that consumers are willing to help protect the privacy and security of their information—by shredding documents, protecting passwords, installing firewalls—but they need clear and updated guidance. BITS member institutions are stepping up to fill that role.



Comments from the Financial Services Private Sector Coordinator for Critical Infrastructure Protection and Homeland Security

Spotlight on Strategic Alliances

This month we're spotlighting BITS' relationship with the **Council on Competitiveness**, our newest strategic alliance partner.

Since my last update, we have been very busy focusing on our outreach initiatives, one of the primary focus areas of our Council.

The Council's mission is impressive: to set an agenda that drives economic competitiveness and leadership in global markets in order to raise the standard of living of all Americans. With a membership made up of CEOs, university presidents and labor leaders, the Council's work is cited often in debate and discussion at the national, regional and local levels. Its work helps to shape economic agendas—regionally, nationally, and globally—that anticipate and respond to the demands of a competitive environment for global trade and commerce.

On May 21, the first in a series of financial services sector outreach events on critical infrastructure protection and homeland security took place. The initial outreach meeting brought together federal, state and local government and private sector financial firms in the Chicago area to discuss topics for consideration as planning for emergencies occurs within the financial sector. Two hundred fifty members of the financial services sector from the Chicago region attended this event.

The Council's new Competitiveness and Security Initiative is a response to new business continuity concerns and threats from possible disruptions in critical infrastructure or supply chains. It was created in part to address a lack of focus on security in corporate boardrooms. Like BITS, the Council's efforts are premised on the belief that standards created and led by the private sector can be more effective than government regulations. The Competitiveness and Security Initiative also takes the position that security does not have to be a drain on productivity; that instead innovation, efficiency and ideas can all be integral to risk management programs and industry standards.

The outreach programs are a joint effort of the Financial and Banking Information Infrastructure Committee (FBIIC) and the Financial Services Sector Coordinating Council (FSSCC), further demonstrating our strong commitment to the public/private partnership critical to meeting sector objectives. The FDIC is taking a leadership role in coordinating these sessions, with strong support and participation from the Treasury Department and other members of the FBIIC. Several FSSCC member associations are taking an active role in planning and putting on the programs, as well as notifying their members to encourage their participation.

There are clear synergies between the Competitiveness and Security Initiative and BITS' efforts in security and risk assessment. BITS provides the intellectual capital, standards and requirements on the financial services' sector; the Council draws its base of knowledge from its broad membership across the private sector in all industries, academia, and labor, and uses its public policy efforts to engage government leaders both nationally and regionally. BITS will work closely with the Council as the initiative develops, identifying opportunities to work together toward common goals.

Planning is underway for our Dallas session to be held in late July. See the FSSCC website for information on this event and others coming soon.

For further information, including a list of FSSCC organizations, visit the FSSCC's website at www.fsscc.org.

Rhonda MacLean
Financial Services Private Sector
Coordinator for Critical Infrastructure
Protection and Homeland Security

The Council's current Chair is Duane Ackerman, Chairman and CEO of BellSouth. Several BITS Board Members are members of the Council, including Jim Rohr of The PNC Financial Services Group, Jim Blanchard of Synovus and Martin McGuinn of Mellon Financial.

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Aggregation Services

A revised version of the *BITS Voluntary Guidelines for Aggregation Services* was presented at BITS' June 11 Forum on Aggregation and Authentication in Chicago. The agenda included presentations by e-business leaders and technology experts who provided a vision for the future of aggregation and authentication technologies. Liberty Alliance representatives presented, and leading vendors discussed how the latest technologies meet the standards in BITS' revised *Guidelines*. Contact Leslie Mitchell, leslie@fsround.org or Gary Roboff, garyrob1@aol.com.

*Aggregation Services Working Group
Chair: Gayle Wellborn, Bank of America*

At the June BITS Aggregation and Authentication Forum, the Open Financial Exchange announced it will use the new BITS Voluntary Guidelines for Aggregation Services as the basis for business requirements in its OFX Aggregation Standards Working Group. Additionally, Yodlee and Business Logic will jointly develop an enhanced standards-based aggregation data-feed server designed to address the industry needs outlined in the BITS Guidelines.

Authentication

Results of the Working Group's Electronic Identity Management Survey have been incorporated into a briefing paper to be used as a high-level "call to action" for financial industry leaders. The paper includes recommendations for BITS, industry organizations, and individual firms to consider. The Working Group is following up on presentations made by Carnegie Mellon University's Software Engineering Institute (CSI/SEI), in its capacity as a contractor to the General Services Administration, on its approach to mapping authentication applications to risk. A preliminary discussion was held with CSI/SEI during the Working Group's May conference call. A subsequent presentation is planned that will include case studies and examples. Contact Leslie Mitchell, leslie@fsround.org or Gary Roboff, garyrob1@aol.com.

*Authentication Working Group
Co-Chairs: Louis Rosenthal, LaSalle Bank Corporation
Dan Schutzer, Citigroup*

BITS Product Certification Program

BITS is pleased to announce that Archer Technologies is undergoing certification testing for the *BITS Tested Mark*, and commends the company for its commitment to meeting the financial industry's security standards. The BPCP was highlighted at the recent RSA Security Conference, the Card Tech Secure Tech Conference, and during a presentation at the Financial Services/Information Sharing and Analysis Center's Annual Meeting in Florida in May. Eric Guerrino, The Bank of New York, and Laura Lundin, BITS, visited TruSecure's ICSA Labs to discuss mutual goals and certification programs, as well as to begin exploring potential collaboration. The Lab Governance Committee will host a meeting in mid-July in Washington, DC to discuss next steps for the BPCP. Stakeholders, including associations, government, and other critical infrastructure sectors interested in product certification, will meet with BITS to discuss the BPCP's future. Both the Department of Homeland Security and Congress have focused attention on testing for security in software products. Contact Laura Lundin, laura@fsround.org or Ben Stafford, ben@fsround.org

*Lab Governance Committee
Co-Chairs: Eric Guerrino, The Bank of New York
Bill Sentenac, Wells Fargo & Company*

Crisis Management Coordination

The Telecommunications Working Group met on May 29 at National Communications System headquarters. The group discussed the proposed Joint Pilot Recoverability Assessment Information Exchange to take place in Chicago in July and August. The Federal Financial Institutions Examination Council (FFIEC) Business Continuity Planning IT Examination Handbook, which updates the 1996 FFIEC Information Systems Handbook, was released in May. Members of relevant BITS Working Groups received a summary of the major changes. BITS is keeping members updated on DHS efforts. On a recent Working Group conference call, Alfonso Martinez-Fonts, Jr., spoke on his role as Liaison to the Private Sector. Contact: Teresa C. Lindsey, teresa@fsround.org; John Carlson, john@fsround.org; or Heather Wyson, heather@fsround.org.

*Crisis Management Coordination Working Group
Chair: Allan Woods, Mellon Financial Corp.
Telecommunications Working Group
Chair: John DiNuzzo, FleetBoston*

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

· Fraud Reduction

· The Fraud Reduction Steering Committee (FRSC)
· met June 5 and 6 in Portland, Or. Among the
· discussion topics were the FSTC Check Securities
· Features and the Fraud One Project. These
· projects are identifying tools for managing fraud
· in an image environment. BITS is helping mem-
· bers address recent email hoaxes. The Internet
· Fraud Working Group is discussing communica-
· tions strategies for responding to the problem,
· and has requested assistance from law enforce-
· ment. The Collections Working Group is drafting
· voluntary guidelines to streamline the collections
· process. The Successful Strategies Working Group
· is showcasing vendor technologies and researching
· technology to help institutions comply with the
· USA Patriot Act. The Debit Card Working Group
· is developing a matrix that will survey successful
· strategies for debit card fraud prevention. Visa
· U.S.A. recently updated the Electronification
· Working Group on Visa POS Check. The Fraud
· Reduction Program will include a Working Group
· on consumer loan fraud to fill an industry gap
· identified by the Fraud Reduction Steering Com-
· mittee. Contact Robin Slade, *robin@fsround.org*

Fraud Reduction Steering Committee
Co-Chairs: Shirley Inscoc, Wachovia
Bob Jones, FleetBoston

· IT Service Provider Relationships

· Save the date for the Second Annual BITS/
· American Banker Financial Services Outsourcing
· Conference on November 6 and 7 in Washing-
· ton, DC. Project teams on vendor management
· successful strategies and disaster recovery/
· business continuity planning are working to
· update the *BITS Framework for Managing Technol-
· ogy Risk for IT Service Provider Relationships* during
· the second quarter. The security assessments
· project team is finalizing the Expectations Matrix
· in order to issue an RFI during the second
· quarter. The cross-border outsourcing project
· team is developing a new section of the *Frame-
· work*. Contact Faith Boettger, *faith@fsround.org*

IT Service Providers Working Group
Co-Chairs: Lari Sue Taylor, FleetBoston
Viveca Ware, ICBA

· Operational Risk Management

· The Working Group will hold its first in-person
· meeting on June 17 at Bank of America's
· offices in Washington, DC. Topics will include
· strategies for a successful operational risk

program, loss data collection and external
databases, assessment and measurement
approaches and parameters, management
reporting, and vendor issues. Representatives
from the Federal Reserve Board, Office of
the Comptroller of the Currency (OCC),
Federal Depository Insurance Corporation
(FDIC), and some Federal Reserve banks have
been invited to attend a session to discuss their
expectations and the timetable for regulatory
compliance with the operational risk compo-
nent of the proposed Basel II Accord. In
May BITS attended an FSR-sponsored meeting
with Federal Reserve Vice Chairman Roger
Ferguson and his staff to discuss concerns
with Basel II. The FSR will provide him with
a summary of members' concerns. Further
Congressional hearings will be held on the
topic. Contact Laura Lundin, *laura@fsround.org*

Operational Risk Working Group
Co-Chairs: Rachel Floars, BB&T
Paul Smocer, Mellon Financial

· Patent Issues

BITS is continuing its cooperative efforts
with the U.S. Patent and Trademark Office
(USPTO). The concept for a pilot with the
Banking and Finance Art Unit of the Business
Method Patents area of the USPTO was
developed by a task force of the BITS Patent
Issues Working Group and remains on track
for approval by the USPTO. The purpose is
to both speed the process and improve the
quality of patents related to business processes.
For more information concerning this pilot,
contact Cheryl Charles, *cheryl@fsround.org*

Patent Issues Working Group Co-Chairs:
Mark Kesslen, J.P. Morgan Chase & Co.
David Schreiber, Citigroup

· Payments Strategies

The Electronic Check Presentment (ECP)
Working Group hosted an ECP Forum at the
Federal Reserve Bank in San Francisco on May
21. Three more Forums are planned. The BITS
Strategic Payments Model, which helps institu-
tions evaluate payments system investments, is
in field testing. A meeting and training session
will be held August 13 at Comerica headquar-
ters in Detroit. The model will be free to
members and available for purchase by
nonmembers. The Payments Framework

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

Working Group has four new subcommittees: A2A Payments, Strategic Value of the DDA, Converging Payments Infrastructure, and E-Payments. The Check Safekeeping Working Group is developing an industry communications program now focused more broadly on payments positioning in addition to check safekeeping promotion. Contact Gary Roboff, garyroboff1@aol.com, or Leslie Mitchell, leslie@fsround.org

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

Privacy and Information Use

The BITS Privacy Working Group conducts monthly conference calls where topical issues are raised and discussed. Identity theft, and its relationship to privacy issues, continues to be a focus. The Privacy Working Group, along with the BITS Fraud Reduction Steering Committee, is one of the places in which the BITS and Roundtable strategy for preventing identity theft is vetted on a regular basis. The Working Group is tracking changes in and effects of implementing the World Wide Web Consortium's specification, P3P. Contact Cheryl Charles, cheryl@fsround.org

*Privacy Working Group
Co-Chairs: Mary Jones, FleetBoston
Leigh Williams, Fidelity*

Security and Risk Assessment

The Working Group will participate in an Information Security Forum (ISF) survey in June on security threats and vulnerabilities by sector and by industry, in order to, among other things, develop and share best practices with ISF. On May 14 BITS participated in a meeting to discuss an initial outline and steps to be considered for a revision of the National Strategy. A timeline for the completion of the revised document will be released shortly. In May, the Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security (FSSCC) met with BITS and other associations to discuss procedures for handling Critical Infrastructure information (as outlined under Section 214 of the Homeland Security Act). The proposed rule defines procedures for protecting information voluntarily shared with the government from Freedom of Information Act requests. The FSSCC will draft a comment letter to submit to the Department of Homeland Security. Contact John Carlson, john@fsround.org or Laura Lundin, laura@fsround.org

*Security & Risk Assessment Steering Committee
Chair: Jeffrey Stempora, State Farm;
Vice Chair: Mary Jane Bolling, Capital One*

Standards

The context mediation pilot is in development at the Financial Services Technology Consortium (FSTC). The Steering Committee has drafted a proposal for a standards "clearing house" function to help institutions better allocate scarce FTE standards resources. Alternatives are being explored; most focus on partnerships with other organizations to share the standards evaluation workload. The Committee continues its focus on straight-through processing (both payments and securities related) and Web services as prime examples of optimal standards processes having a material impact on implementation economics. Contact Gary Roboff, garyroboff1@aol.com or Leslie Mitchell, leslie@fsround.org

*Standards Steering Committee
Chair: Dan Schutzer, Citigroup*

Spotlight, *Continued from p. 4*

For more information about the Council on Competitiveness, visit www.compete.org. For more information about BITS' strategic alliances, please contact Teresa C. Lindsey, teresa@fsround.org.

MEMBERSHIP UPDATE

BITS welcomes new Advisory Group and BITS Council members from SunTrust Banks, Inc., Countrywide Financial Corporation, and SouthTrust Bank. Members can obtain detailed information on BITS initiatives through our website, www.bitsinfo.org. To obtain a username and password for the Members Only section, please contact Susanna Space, susanna@fsround.org. To learn more about BITS membership, please contact Ann Patterson at 202-589-2448, ann@fsround.org.

BITS STAFF

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Susanna Space, Communications Manager
Ben Stafford, Project Manager
Keviar Warner, Project Manager
Heather Wyson, Project Manager

J. Howard Beales, III is Director of the Bureau of Consumer Protection at the Federal Trade Commission (FTC), where he oversees the work of some 152 lawyers and a \$77 million budget. Appointed by FTC Chairman Tim Muris in June 2001, Mr. Beales' major areas of expertise and interest include law and economics, the economic and legal aspects of marketing and advertising, and other aspects of government regulation of the economy. A prolific writer and lecturer, Mr. Beales began his career at the FTC in 1977.

BITS: What is the FTC's overall perspective on identity theft and protecting consumers?

HB: Identity theft is a very large problem for consumers. It is by far the most common complaint we get in our fraud database. And it can be a serious problem for many victims. It can be hard to detect, and hard to recover from. We think it's vital to do everything we can to try to make identity theft less likely in the first place, more likely to be prosecuted when it does occur, and to make it easier for victims to recover.

BITS: What are the most important things consumers can do to protect themselves?

HB: The single most important thing for consumers to do is to be careful about who they give their personal information to. Don't give sensitive information like credit card account numbers or Social Security numbers to people you don't know, or if you don't know what they're going to do with it. Additionally, consumers should pay attention to their finances. Monitor your credit card bill for unauthorized charges and make sure you know what's there and why. Early detection makes it easier to recover and reduces the losses to the system as a whole.

Unfortunately a lot of times identity theft is caused by things that consumers can't do anything about. More and more we're seeing cases where consumers' information was taken from a business. It may have been employee information, it may have been customer information, it may have been stolen by an employee of the business who sells information to somebody else, or it may have been taken by hacking into a database. In these cases, consumers can be alert to try to detect it when it happens.

BITS: BITS, the Roundtable, and the FTC have been working together to create a uniform identity theft affidavit. Do you see other opportunities for collaboration?

HB: The uniform affidavit will make reporting easier for people trying to clear their records, and we're delighted to be working with BITS and the Roundtable on this. Making that form as useful as possible should be an ongoing process.

As to other cooperative efforts, we would love to see more joint projects related to educating customers, like providing messages on bank statements or billing statements, or messages on ATM screens. We would be delighted to provide material or help develop material or lend our name for those kinds of efforts.

The other place where some real cooperation is possible is in using businesses as sources of information for how identity thieves work. Financial institutions could do a lot in this area—they're in a good position to tell us about the kinds of circumstances where they see identity theft occurring, because they see it from a different perspective than we do at the consumer end. And I think if we can put those perspectives together we'll have better insight into the crime and will be more effective in stopping it.

BITS: The more information the financial services industry has, the better it can be in fighting identity theft. How might the financial services industry make use of the FTC's fraud complaint data?

HB: We want the data in our consumer complaint database to be as useful as possible. That information is readily accessible for people engaged in law enforcement. If we can make better use of that data we would be delighted to explore that, and if we can do it in ways that reduce the risks of identity theft occurring then that would be tremendous. I think in the long run that any way we can use that information to reduce the problem in cooperation with financial institutions and others is in everybody's best interest.

BITS: You've seen BITS' recent white paper on identity theft, *Financial Identity Theft: Prevention and Consumer Assistance*. Any comments?

HB: The white paper recommends that financial institutions establish a single point of contact for identity theft victims, increase consumer education, and increase sharing of fraud prevention practices among themselves.

Establishing a single point of contact for identity theft victims within each financial institution would be a great step forward in victim assistance. Some institutions already follow this practice, and it has worked extremely well.

Consumer education is a cornerstone of the FTC's identity theft prevention and victim assistance program, and we support all efforts to support education. We also hope companies will link directly to our website to tap the extensive, rich information we've developed. Of course, let's not forget that business education, particularly on information security, is a vital complement to consumer education.

Similarly, sharing information about successful practices involving information security, along with authentication, personnel training, and the other preventive measures, makes great sense. It will be worth the effort.