

## **FSTC Monthly Highlights – January 2008**

Don't forget to reserve June 17-19, 2008, to attend the FSTC Annual Conference at the Hyatt Vineyard Creek, Santa Rosa, California. The conference theme is **On the Innovative Edge: Successful Strategies for Financial Services**.

**If you are interested in sponsorship, contact Betsy Love, [betsyl@truenorthintl.com](mailto:betsyl@truenorthintl.com)**

### **NEW PROJECT INITIATIVES (summarized below):**

**We continue to develop and share ideas on:**

**Resilient Enterprise: Benchmarking for Maturity** - The Resiliency Engineering Framework (REF) embodies proven techniques and methodologies developed over the last 20+ years by industry and government in collaboration with Carnegie Mellon to help organizations deal with and manage operational risk. Organizations now have a roadmap specifically designed to be flexible and straightforward to implement across all sizes of enterprises. The REF consists of 27 capability modules, giving organizations the flexibility to implement as few or as many as their needs and strategies require.

Benefits of the Framework:

- Simplify measuring and managing security and continuity activities
- Understand how key resiliency competencies map to leading international practice standards, i.e., ISO 27000 Series, NFPA1600, BS 25999, COSO, COBIT etc.
- Improve compliance efficiency – streamline and simplify regulatory efforts
- Provides an appraisal methodology to benchmark an organization's resiliency and those of third party suppliers. A sharable common measurement of risk and resiliency
- Establishes a roadmap for implementing a mature resiliency program

The Project which will begin in March 2008 will allow participant organizations to collaborate with their peers and REF experts to prioritize, benchmark and improve their resiliency activities guided by the framework. Participation in the project is a low-cost way to quickly derive benefit from REF.

Contact Charles Wallen for details – [Charles.Wallen@fstc.org](mailto:Charles.Wallen@fstc.org).

### **Mobile Payments**

- Project Goals
  - o Describe and document current US wireless networks and handset capabilities, and modes of access for banks to provide mobile content
  - o Identify & describe barriers to open access & the efficient/secure delivery of banking mobile services
  - o Propose open access standards and principles and technology solutions relating to the deployment of bank mobile services
- Project Deliverables

- Establish the baseline capability
- Define a desired technical infrastructure for the delivery of banking mobile services
- FSTC has created a sponsorship and leadership for this project with: The Clearing House (TCH) and ABA
- FSTC has secured BITS, NACHA, and PaymentsNation to provide coordination on Security and Fraud
- Janey Place - Digital Thinking will be providing analytical support to the project
- KPMG has been identified as the project manager (contract pending)
- A formal press release announcing the project is in draft format pending approval

Contact Jim Pitts, [jim.pitts@fstc.org](mailto:jim.pitts@fstc.org) for details

### **Fraud Collaboration follow-on**

- Work group 1 has completed development of a legal and regulatory framework
- Work Group 2 has developed a survey to compile a matrix of current industry product offerings that will be submitted to Application suppliers in Phase 2. Results of the survey will be mapped to the taxonomy in phase 2.
- Work Group 3 developed a presentation view of the taxonomy of fraud schemes with definitions. This presentation will be loaded to a wiki and made available to the industry in a cooperative effort between FSTC and PaymentsNation. Phase 2 will work on defining the taxonomies to a deeper level of understanding.
- Work group 4 has developed a high level overview of a conceptual operation mode and will shortly deliver an initial example run through at the signature level on one or two section threads. Phase 2 will work to define how specific fraud schemes can be shared between organizations.

Contact Jim Pitts, [Jim.Pitts@fstc.org](mailto:Jim.Pitts@fstc.org), John Fricke, [John.Fricke@fstc.org](mailto:John.Fricke@fstc.org) for details

### **Identity Assurance, New ID**

In cooperation with The Clearing House, FSTC is launching a project to design a new federated platform of financial entities wishing to provide a series of identity services, allowing US consumers and businesses to manage identity-based transactions and events in a risk-aware, convenient, and low cost manner. The services will be offered based on industry standard identity assurance levels and federated identity scores. The services will be built on market leading technology, open standards, and a resilient infrastructure, and will be governed by the financial industry.

Contact Roger Lang, [Roger.Lang@fstc.org](mailto:Roger.Lang@fstc.org) for details

### **Records Management Compliance-Centric Architecture (CCA-RM)for unstructured data**

In cooperation with the ABA, FSTC is launching a project to collect best practices and leading edge architectural concepts for producing a reference model , functional and technical requirements for a compliance-centric enterprise-wide architecture for unstructured content. The project will also evaluate the suitability of new XML schemas for the e-discovery requirements of the architecture.

Contact Roger Lang, [Roger.Lang@fstc.org](mailto:Roger.Lang@fstc.org) for details

## **I2PADS follow-on**

Phase 1 has been completed with a submission to OMG. Phase 2 will identify innovations in the Account opening and Funds Transfer process that will minimize the exchange of sensitive personal information and the dependency on personal information, such as social security numbers.

Contact Dan Schutzer, [Dan.Schutzer@fstc.org](mailto:Dan.Schutzer@fstc.org) for details

## **Authenticating the FI to Consumer (AFIC)**

Testing has been completed and the project summary will be presented and a final report delivered. Potential follow-ons, including further development and testing of the Safe Web Browsing concept.

## **Capture Calibration** - InLite Presentation

- Team reviewed the new test documents produced by Harland.
- Team requested that FSTC create a project to test the documents and share the results. Project prospectus is under development.

## **RFID SIG**

There are many advantages to using RFID technology to track and monitor enterprise assets. Many companies and industries are looking at and moving to this technology for tracking and monitoring assets. This initiative is particularly focused on tracking assets and people movement around and in and out of raised floor data centers in Financial Service Institutions.

Our RFID Special Interest Group kick-off call will be Friday Feb 29 from 3-4pm ET. The dial in number is 512 225 3050, 272373#. At that call we will discuss main issues that the group would like addressed. We will also be lucky enough to have a guest speaker, Henry Holtzman of the MIT Media Laboratory join us. Henry has extensive experience with the technology and who is running a major RFID tag research project at the Media Laboratory.

Contact Dan Schutzer, [Dan.Schutzer@fstc.org](mailto:Dan.Schutzer@fstc.org) for details

## **Usability SIG**

- Reviews/Discussions
  - Usability metrics issues
  - Consolidated analysis of check controls
  - Steps to certainty model
  - Spectrum of legibility
  - White paper Draft, Graphics

**We continue to develop and share ideas on:**

**Pandemic Preparedness** – The Financial Banking Information Infrastructure Committee (FBIIC) and the Financial Services Sector Coordinating Council (FSSCC) released an After Action Report on the FBIIC/FSSCC Pandemic Flu Exercise of 2007. The report is available for download on the exercise website at [www.fspanfluexercise.com](http://www.fspanfluexercise.com).

FSTC attended meetings held in DC by FSSCC, FBIIC and ABA to discuss the Pandemic Exercise Report and next steps. Regulatory relief and internet availability during a pandemic were primary topics during the meetings. The FSSCC/FBIIC Infectious Disease Forum (IDF) will be planning next steps over the next several months – we will keep you posted.

**Voluntary Preparedness Certification Title IX component of H.R. 1 “Implementing 9/11 Commission Recommendations Act of 2007”** - FSTC and its members provided input to the “preparedness standard” recommendations made to DHS by the Sloan Foundation Stakeholder’s Interdisciplinary Working Group via various meetings held by DRII and InterCEP. See the Special Announcement tab at the top of DRII’s web page ([www.DRII.org](http://www.DRII.org)) for access to the full report. We anticipate having more information on the next steps DHS will be taking on Title IX over the next several weeks. FSTC’s Annual Meeting will provide opportunities to learn more about this key topic, including sessions with speakers from DHS and ANSI.

**Below is a short highlight of activities in our Standing Committees:**

**Business Continuity Standing Committee (BCSCOM)**

- The BCSCOM held its first regular monthly meeting for 2008 on January 21st. The committee enthusiastically endorsed the topics and schedule proposed by the BCSCOM Steering Committee, see detail below. Please let us know if you are interested in presenting on one or more of the meeting topics below.

Feb 25	Resiliency Benchmarking Case Study – Participant Discussion - Panel
Mar 17	Role of Measurement and Metrics for Management of BC Processes - Panel
April 21	Information Sharing
May 19	Incident Management and Credentialing
June 17-19	Annual Meeting, Sonoma Ca
July 21	Managing Third Party Risk and Resiliency
Aug 18	Information Sharing and promoting Preparedness Month ideas
Sept 8	National Preparedness Month Festivities; People Issues in Resiliency Planning
Oct 20	Compliance – Current and Future Regulatory Environment
Nov 17	Information Sharing
Dec 15	Public Private Initiatives to Manage Operational Risk

- BCSCOM teleconference meeting bridge, 512-225-3050, ID 42623.

- The Resiliency Maturity Model (RMM) Project held a face to face meeting in Pittsburgh January 22<sup>nd</sup> to 25<sup>th</sup>. Early results of the Resiliency Benchmarking Case Study were reviewed, extensive progress was made on establishing the approach to maturity appraisals and plans for 2008 resiliency project activities were discussed. See the “Resiliency Enterprise: Benchmarking for Maturity”, see project summary above.

For more information, please contact Charles Wallen at [charles.wallen@fstc.org](mailto:charles.wallen@fstc.org)

### **Payments and Check Imaging Standing Committee (PSCOM)**

The Payments SCOM held its regular monthly meeting on January 24<sup>th</sup>.

- Dan Schutzer gave a Mobile Payments Update and announced the project formation
- John Fricke provided a Fraud Project Update and announced that a Phase 2 project is being developed and encouraged those who were interested to consider participation.
- Dan Schutzer announced that FSTC had been invited to a GSMNA round table discussion on Mobile Payment Initiatives on February 18<sup>th</sup> in Clearwater, FL.
- Robert Blair, JPMChase, presented an update on ISO20022
- Barry Steer lead a discussion on OMG conversion models for payment messages

The next monthly Payments Standing Committee meeting will be held Thursday, February 28<sup>th</sup> at 2pm ET. The dial in number is 512-225-3050 with participant code #272373. This meeting will include a presentation by Mitek Systems on their mobile deposit offering and an update from Dan Schutzer on the GSMNA work session he is attending this month.

For more information, please contact Jim Pitts at [jim.pitts@fstc.org](mailto:jim.pitts@fstc.org)

### **Banking Technology Operations Standing Committee (BTOSCOM)**

The name has changed from Enterprise Architecture (EASCOM) to Banking Technology Operations Standing Committee (BTOSCOM). The group meets monthly on the third Thursday. The dial in number is 512-225-3050 pc 272373. A search is currently underway for members that would like to serve as co-chair for this SCOM. IBM has agreed to serve as the one of the co-chairs for this SCOM. If you have an interest in this SCOM and have opinions on the focus and topics that should be covered in 2008, please join this call and/or contact John Fricke or Dan Schutzer directly.

The BTOSCOM held regular meetings on :

The first meeting, in December, discussed the use of RFID tags for bank asset tracking and has led to the establishment of a Special Interest group on the subject (see above under new initiatives). Our RFID Special Interest Group kick-off call will be Friday Feb 29 from 3-4pm ET. The dial in number is 512 225 3050, 272373#.

The Jan 17 meeting included:

- A talk by Bruce Cahan of Urban Logic discussing his ideas on “Sustainable Resiliency” and the need for national and global standards

- An update on the I2PADS project looking at Account Opening and Funds Transfer Modeling and Process innovations
- A discussion of the new committee's priorities for 2008

The next monthly Bank Technology Operations call is scheduled for Feb 21, 2008 at 3pm ET; call in number is 512 225 3050, 272373#

- Bill Hinkle will be speaking about a high volume Financial Transaction Processing Engine he has built that has the advantages of low power and cost and great design flexibility.
- We will also have a discussion of cloud computing: what you feel are its potential and drawbacks. Whether you feel it is a viable for Financial Service firms now or in the future

For more information, please contact John Fricke at [john.fricke@fstc.org](mailto:john.fricke@fstc.org), or Dan Schutzer at [dan.schutzer@fstc.org](mailto:dan.schutzer@fstc.org)

### **Security and Infrastructure Standing Committee**

The last Security and Infrastructure Committee agenda included:

1. Sam Hartman, MIT – Designing Web Authentication to Protect Identity (see attached Sam Hartman – FSTC SCOM 1207.ppt)
2. Mary Ruddy, Project Higgins – User-centered Identity Management (see attached Higgins-FSTC-Intro-zip)
3. FSTC Annual Report Draft (see – attached FSTC Annual Report – 2msv.doc)
4. Key Project Activities

The next Security SCOM call is scheduled for Friday Feb 14, 2008 at 1 pm ET. Call in number is 512 225 3050, 272373#. At that meeting we will have speakers: Fred Schneider from Cornell, John Mitchell from Stanford, and Doug Tygar, Kristen Gates and Larry Rohrbough from UC Berkeley. Topics will include Security Enhanced Browser and Predictive Security for Web Attacks as well as an overview of NSF funded research and programs at the TRUST consortium (an NSF funded consortium of academic researchers focused on security).

For more information, please contact Roger Lang at [roger.lang@fstc.org](mailto:roger.lang@fstc.org)

### **Vendor Advisory Committee**

- This group comprised of both the FSTC Advisory and Associate members is held on the 2<sup>nd</sup> Friday of the month at 1:00 PM ET. The dial in number is 512-225-3050 pc 272373.
- At the last meeting, we had a speaker on Records Management. This topic appears to be moving into a project and anyone interested should contact Roger Lang or Mike Versace.
- IBM has agreed to serve as one of the co-chair's of this committee. Anyone interested in the other co-chair position should contact Dan Schutzer or John Fricke.

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