

FSTC Monthly Highlights – September- October 2007

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 **On the Innovative Edge: Successful Strategies for Financial Services. If you are interested in sponsorship, contact Betsy Love, betsyl@truenorthintl.com**

We are planning our next issue of the **Innovator**, scheduled to come out in the November-December timeframe. If you would like to submit an article for the next issue of The FSTC Innovator, please submit an abstract and bio to Dan.Schutzer@fstc.org.

We want to welcome the following new full members and provisional members who have joined FSTC since our last Monthly Highlight: Authentium, Citizens Bank, EMC, PNC, SmartTrust

Projects

We view our projects as our core activity, and one of the key benefits of FSTC membership is eligibility to participate in these projects. Below are some details on some of our currently ongoing and newly launched projects, as well as projects under definition.

NEW PROJECT INITIATIVES (summarized below):

- **FSTC Resiliency Maturity Model Initiative: Phase 3B** - The Resiliency Maturity Model (RMM) developed in collaboration with Carnegie Mellon CERT provides a framework that allows organizations to systematically measure and improve capabilities to manage operational risk and resiliency. The Model provides unbiased common ground for enterprises, third party service providers, and government agencies to develop cost-effective risk management solutions. The focus of the RMM 3B initiative is implementation, benchmarking and the building of a toolkit to support the broader utilization of the Model. [Read the proposal](#) or contact Charles Wallen for more detail.
- **Authenticating the FI to consumers**
This project involves the development of use cases dealing with authenticating the FI to Consumers, along with applicable threat analyses, processes, evaluation metrics and the testing of combinations of various important emerging technology solutions against these Financial Services community use cases and requirements and will be ended this year. Outputs will be a test harness for conducting more extensive user acceptance testing in the future, and a report of the technologies tested.
- **Better Collaboration Tools and Real-Time Sharing of Information** – This project is underway and plans to produce an inventory of fraud data products and services; an analysis of the legal issues around sharing of information; a taxonomy of Fraud patterns; and a concept of operations around how fraud information can be shared and utilized in real-time, and the benefits. Contact Mike Versace or Dan Schutzer for more details.
- **I2PADS Account Opening and Funds Transfer with OMG** – FSTC is partnering with OMG to investigate and develop recommendations for next-generation business process models for account opening and funds transfer, where the financial processes are

modified to be more efficient and secure. Contact Svetlana Sicular or Dan Schutzer for more details.

- **Capture System Calibration** – This is a mini project kicked off this summer. This project is testing the current version of the Harland printed Capture System Calibration documents developed as a result of the FSTC Project. During the initial project, the FSTC project team reviewed over 20,000 images of test documents from over 45 capture runs on 30 different systems to identify key drivers of differences between captured images. As a result of this testing, FSTC developed a calibration document which can be used throughout the industry to ensure that image capture systems are creating consistent images within desired ranges of performance. This will be particularly useful for **remote capture equipment**. For more information on this project please contact John Fricke or Dan Schutzer
- **Identity Assurance - Credential Strategies** – The Financial Services Inter-Institutional High Assurance Identity Authentication (FIHAA) and First Responder (FRAC) Projects are being combined and organized into an overall program of work in Identity Assurance. This brings to the FSTC membership a set of activities and deliverables for examining trust and assurance requirements for a range of financial applications, including web browsing for private and public sector services, emergency response credentialing, business data exchange, and others. Using these requirements, two operational prototypes are planned to follow these activities in 2008 – the first will be a demonstration and business case analysis for a commercial credentialing bridge (FI CA bridge), and the second will be a validation exercise of secure mode browsing solutions from the FSTC vendor community. Contact Dan Schutzer or Michael Versace for more details.

We continue to develop and share ideas on:

- **Pandemic Preparedness** – FSTC is worked with FSSCC and SIFMA to plan and conduct a three week financial sector pandemic exercise which began September 24th of this year. A total of 2,775 organizations registered for the exercise and 99% of those organizations felt the exercise met the following objectives – this was an excellent event and learning opportunity!
 - Highlight ways to improve the sector’s preparedness by providing an opportunity to review test and update plans.
 - Identify and think through the strategic decision-making
 - Aid development of communications strategies for use in a pandemic
 - Increase participant awareness and provide opportunities for training

More information can be obtained at www.fspanfluexercise.com.

- **Software Assurance** – The FSTC is working with the Cyber Security Division of the Department of Homeland Security to develop participation from the financial services industry in software assurance program. FSTC has issued a call to members for a discussion of project aimed at defining a strategy and roadmap for developing technology risk metrics (e.g., quantifying levels of quality, security and confidence) in software related activities, including internal software development, commercial software acquisition, open-source use, and SaaS acquisition. A formational meeting was held

October 26, 2007 to establish priorities and overall plan. Please contact Michael Versace for the details.

- **Trusted Computing** – The FSTC is working with HP and the Trusted Computing Group to develop market and application requirements for various trusted computing platforms, including mobile devices, storage, security appliances, and others. A formational meeting to collect member ideas is being schedule. Contact Michael Versace to help set the FSTC's agenda with the Trusted Computing Group.
- **Financial Services – Information Security Standards Registry (FI-ISSR)** – The FSTC is discussing a potential new work item with the Accredited Standards Committee X9. The new work item is to develop the methods and practices for maintaining a registry of information security standard deemed suitable and secure for financial applications. Using these methods and practices, standards developed outside of the X9 would be vetted through X9 working groups (Cryptographic Tools, Authentication and Protocols, Security Guidelines and Policies), a registration management authority, and referenced in an online registry. The registry could then be used by software developers and information security professionals for guidance in building and supporting secure financial systems using industry accredited standards. Contact Michael Versace if you have interest in defining this work.
- **Healthcare and Cross-Industry Collaboration** – The FSTC has been pursuing cross-industry collaboration between financial services and healthcare market. One organization that has captured our interest (and we have captured theirs), is the Healthcare Information and Management Systems Society, or HIMSS. (<http://www.himss.org>). HIMSS represents over 300 corporate members (e.g., hospitals, health management organizations, pharmaceutical companies, health information technology providers, third party service providers) and 20,000 individual members that promote information and management systems' contributions to ensuring quality patient care. As we move down this path, we need your input on specific topics on which to engage HIMSS or other organizations you prefer. Topics considered to date include patient identity management, insurance/payment capability, data sharing, FRAC, and payment disbursements/reconciliation. Please contact Michael Versace for further information on this unique opportunity.
- **Mobile Payments** – Interest in the FSTC/TCH project continues to run high.
- **Spoof 2007** - is to study the capability of biometric systems to resist spoofing, an often overlooked risk to biometric systems, where spoofing is defined as the use of a fake biometric to trick a system into generating a false match. The project will be revised to include Speaker Verification and Fingerprints as the first two biometric systems to be evaluated. The project did not receive government funding therefore we are looking for alternative funding options.
- **Insider Threat** – the occurrence and cost of insider fraud is escalating. Understand what's being done and what can be done going forward to stop insider threat.
- **Records Management, Data Retention, and Data Leakage** – issues of the economic and timely classification, protection, storing, retrieving, and deleting of structured and unstructured documents, including meeting the recent eDiscovery regulatory requirements. A call on this topic is being planned for November. Contact Mike Versace or Dan Schutzer for details

- **Remote Deposit** – explore ways to accelerate the use of Remote Deposit in a way that increases efficiency and security of payments

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

Business Continuity Standing Committee (BCSCOM)

- The BCSCOM held its regular monthly meeting on September 24th. The primary topic for meeting was a presentation and discussion on “The Human Side of Resiliency”. Gerald Lewis of GL&A Associates provided an overview of the topic and led the discussion. The Committee also reviewed recent press coverage of the Resiliency Project – see FSTC.org where some of that coverage is posted.

The next regular BCSCOM teleconference meeting will be held on Monday October 29th at 1 pm EST. The bridge line for the meeting is 512-225-3050, ID 42623. The meeting will be an information-sharing focused session. Some of the topics we will cover include: the recent HR.1 legislation, the pandemic exercise, the recent ANSI Credentialing Meeting, Topoff 4 and the upcoming National Congress for Secure Communities meeting.

- The Resiliency Maturity Model (RMM) Project held a face to face meeting in Pittsburgh on October 1-3rd. The Benchmarking Sub-Team held a special session to establish a plan for conducting self assessments using the resiliency framework. Following that the sub-team activity, the RMM Project Team met to review/refine the latest architecture of the framework and to finalize many of the recently updated competency areas.

For more information, please contact Charles Wallen at charles.wallen@fstc.org

Enterprise Architecture Standing Committee (EASCOM) – This group is being restructured to better meet the needs of the FSTC member community. A kick-off call is planned for November 15 at 3pm. The dial in number is 512-225-3050 pc 272373. 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.

Payments and Check Imaging Standing Committee

Continued support of Special Interest Groups

- Source Document Forum SIG
- Check Field Usability SIG

We continue to work on Mobile Payments with TCH.

Over the last few months the Payment SCOM has had talks on the following topics:

- Mobile Payment activities – Dan Schutzer
- SEPA (Single European Payment Area) implementation update – Joe Pawelczyk
- Review of a Cross Border Mobile Micropayments initiative – Dan Schutzer
- Review of W3C Mobile Web initiative – Dan Schutzer
- Discussion of mobile payments by Terri Bradford, Federal Reserve Bank

- Update on Contactless Payments in the US, Charles Walton, EVP Inside Contactless
- FonWallet Payment Solutions, Todd Coulter, President

The next call in November 15 at 2pm Eastern, will plan and discuss the agenda for 2008, including a general discussion on the state of mobile banking and payments and other emerging payment technologies.

If you have any questions and or would like to be included on these calls the last Thursday of the month at 2PM ET, please contact us.

For more information, please contact Dan Schutzer or John Fricke

Security and Infrastructure Standing Committee – Michael Versace, Managing Executive

- At our Security SCOM meeting on October 11, 2007, FSTC welcomed Michael Versace as the incoming Managing Executive for Security and Infrastructure Committee activities. FSTC members extended their gratitude and thanks to Chris Nautiyal for her leadership over the past two years.
- Security and Infrastructure Committee monthly meetings are held on the 2nd Thursday of each month, at 512-225-3050, code 272373
 - Security and Infrastructure Committee Special Interest Groups
 - Securing the Extending the Enterprise (SEE) – Monthly SIG is coming to an end. A call will be scheduled in November to review findings and discuss possible next steps

Previous SCOM meetings included the following discussion topics:

- Trusted Computing – HP
- Software Assurance – Department of Homeland Security
- Trustworthy Interface for Passwords and Personal Information (TIPPI)
- Electronic Authentication Partnership
- Biometric Spoofing Pilots
- PCI and Bank Account Numbers
- LUCID Collaborative Database
- Key Management
- Mobile Data Security
- Cyber Security and Inside Threats
- First Responder and FIPS 201 Compliance
- DNSSEC
- Breach Notification and Encryption Requirements

Next meeting on Thursday November 8, 2007 at 1pm, 512 225 3050, 272373# will include an update on project and SIG activities, a discussion on 2008 plans.

For more information, please contact Michael Versace at michael.versace@fstc.org

Vendor Advisory Committee

- This group comprised of both the FSTC Advisory and Associate members is held on the 2nd Friday of the month at 1:00 PM ET. The dial in number is 512-225-3050 pc 272373.
- At the last meeting, we went over the various new project initiatives. It was a lively meeting with lots of comments and good ideas.
- It was announced at this meeting that it is time for election of new Vendor Advisory Committee Co-Chairpersons. Anyone interested in this position should contact Dan Schutzer or John Fricke.

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