Combating Identity Theft
Context for Biometrics Adoption

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Acuity Market Intelligence cuts through the clutter of information overload to provide technology-neutral and vendor-independent insight, analysis and solutions assessment for emerging technology markets.

**Markets**  
Biometrics, ID Management, Authentication

**Clients**  
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- Opportunity Identification & Sizing  
- Targeted Vertical Solutions Analysis  
- Technology Adoption & Deployment Evaluation  
- Sustainable Market Dominance Strategies
Combating Identity Theft

Problem of Identity Theft
- Size
- Scope
- Market Forces

Solving The Problem
- Education/Awareness
- Policies/Procedures
- Legal Framework
- Digital Identity

Opportunity for Biometrics
- Biometrics Role
- Sizing The Opportunity
Size of The Problem

Fast Growing Crime in US

Aberdeen (5/03)
- 300% compound annual growth
- 2003 Financial loss
  - Consumer, Business, Government
    - $221.2 billion worldwide
    - $73.8 billion in the U.S
- Trajectory > $2 Trillion in 2005

FTC Survey (9/03)
- 4.6% US Victims in the last year ~10M
  - $5B in losses  300M hours
- 12% US Victims in last 5 years ~28M
Scope of The Problem

- Linking ID Theft and ID Fraud
- Linking Real and Digital Worlds
  - Old Problem Recently Exacerbated
    - Low Tech Identity Acquisition
    - High Tech Identity Exploitation
- Traditional Targets Expanding
  - Government - Benefits > Tax Fraud
  - Consumer - Credit Card > Mortgages
  - Commercial - Petty Theft > High Value Crime
- Beneath Financial Services Radar
Market Forces

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

- Education/Awareness
  - Consumer, Commercial, Government

- Policies/Procedures

- Legal Framework
  - Regulations
  - Legislation
  - Breeder Documents

- Digital Identity
  - Infrastructure and Authentication
Federal Initiatives

Recent ID Theft Legislation

Passed
- Federal ID Theft Law
- Fair Credit Billing
- Fair Credit Reporting
- Electronic Funds Transfer
- Fair Debt Collection Practices

Pending
- ID Theft Prevention
- ID Theft Penalty Enhancement
- ID Theft Consumer Notification
- Education for Retirement Security
- ID Theft Prevention 2003
- Social Security Number Misuse Prevention

49 States also have laws on identity theft
Digital Identity

Network Infrastructure Evolution

“Halt .. Who goes there?”

Anonymity versus Privacy

- Network Based Identity
- Federated Identity
Network Based Identity

Consumer

Internet

Government

Commercial

XProc

Data

ID

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Federated Identity

Federated ID Management

Consumer

Government

Commercial

XProc

Data

ID

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Authentication Models
Evolution of Digital Authentication

Centralized Control

Centralized Authentication

Virtual Centralized Authentication

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Opportunity for Biometrics

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