



Combating Identity Theft Context for Biometrics Adoption

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MARKET INTELLIGENCE

bridges the gap between information & insight

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 **Vendors, Integrators, End Users**

Authentec, Ball Aerospace, Biocom, Booz Allen Hamilton ,
CIA, CIC, Datastrip, DOD, Digital Persona, Digimarc , ETRI,
IBM GS, Imagis, Identix, Morpheus, , NIST, TASC, On Guard
Plus, PingID, SAFLINK, SAGEM, SoftPro, TI, Ultra-Scan

Services **Executive Briefings, Consulting, Segment
Tracking, Reports, Research, Workshops**

Expertise **- 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

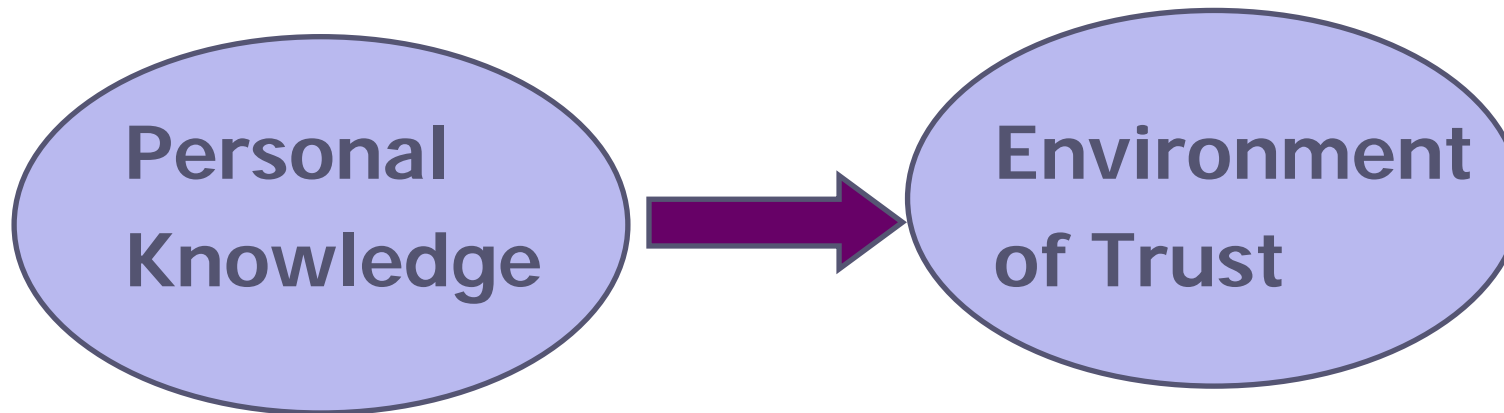
- ID Theft Prevention
- ID Theft Penalty Enhancement
- ID Theft Consumer Notification
- Education for Retirement Security
- ID Theft Prevention 2003
- Social Security Number Misuse Prevention

49 States also have laws on identity theft

Digital Identity

Network Infrastructure Evolution

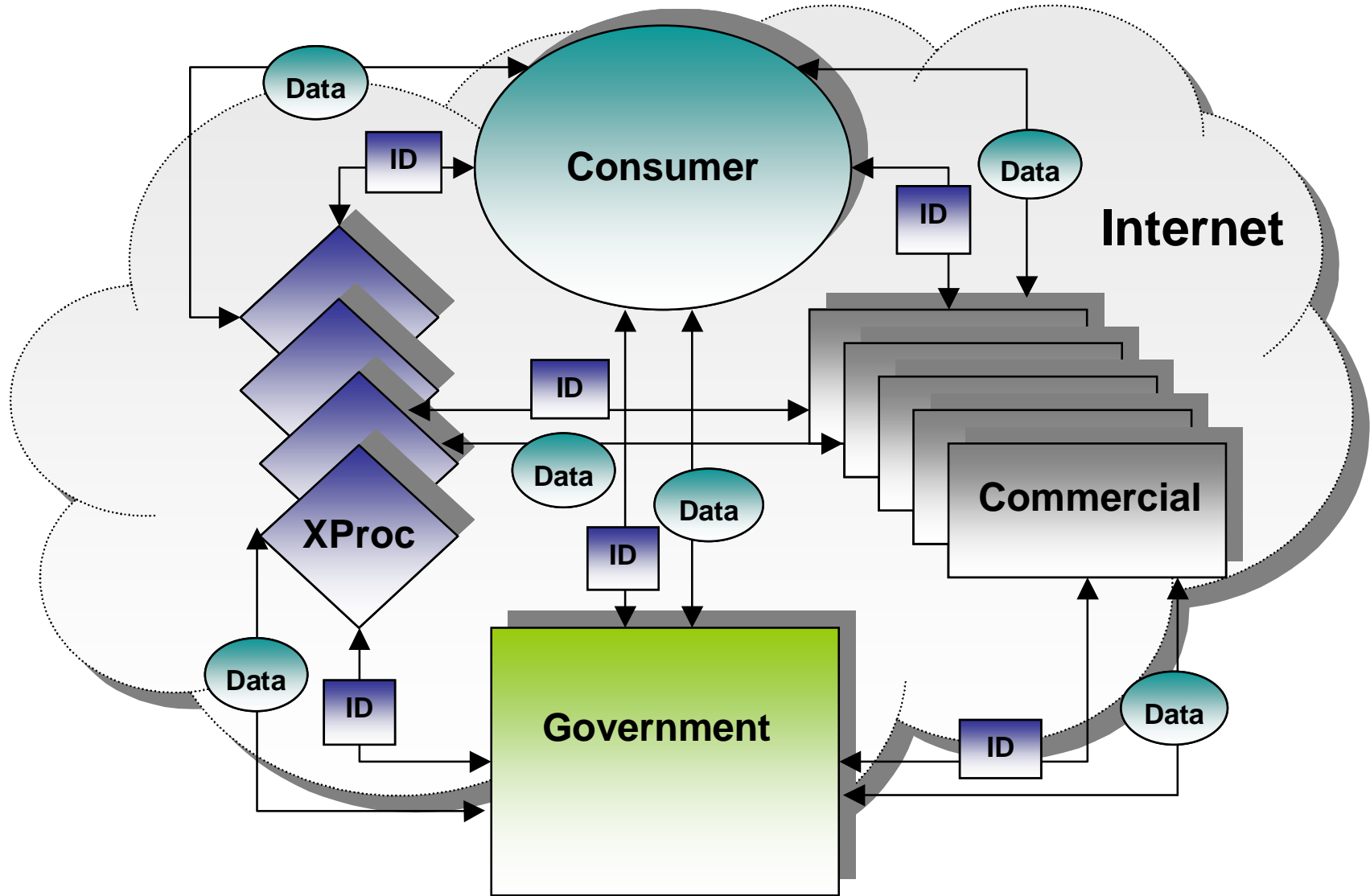
"Halt .. Who goes there?"



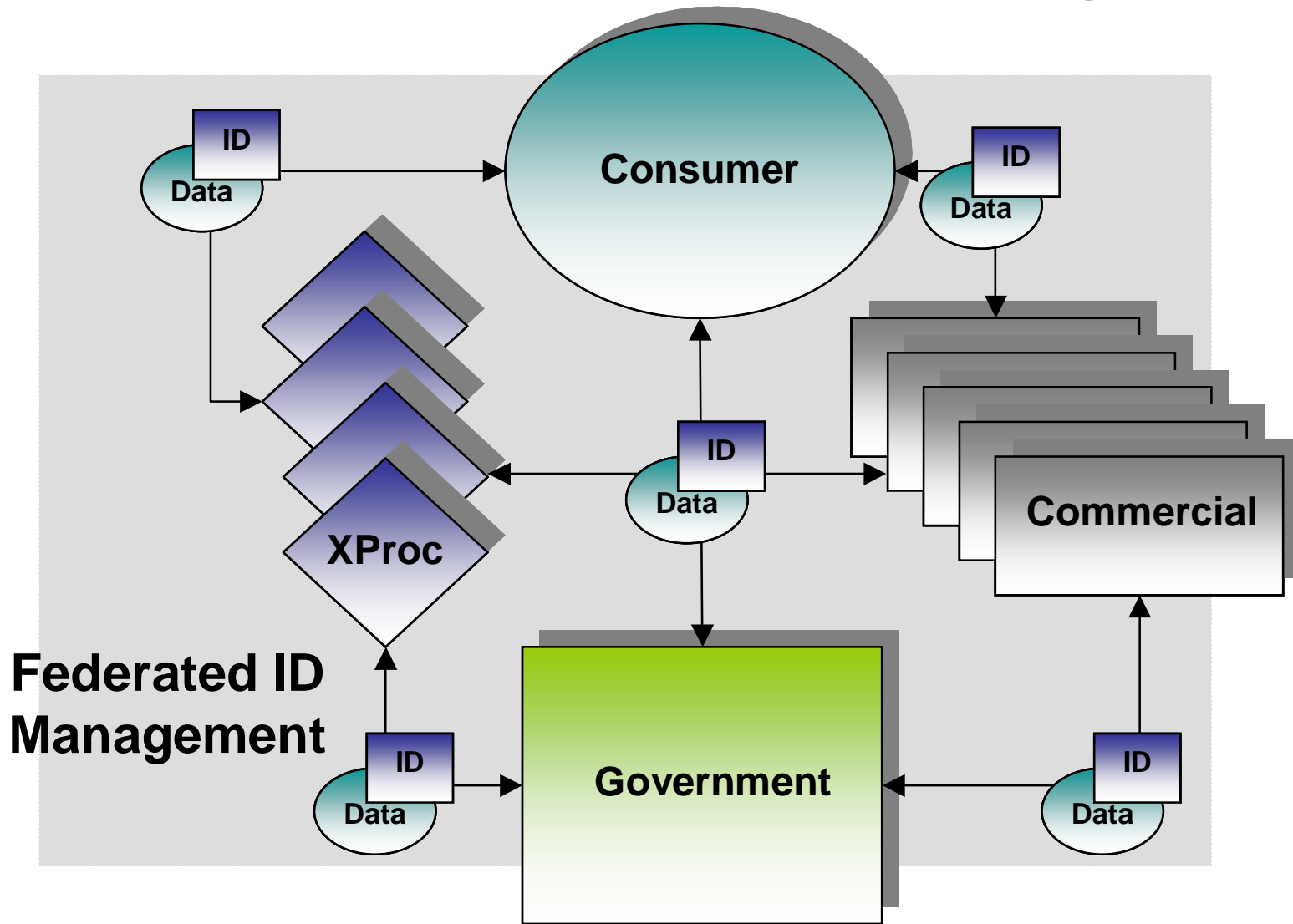
Anonymity versus Privacy

- Network Based Identity
- Federated Identity

Network Based Identity



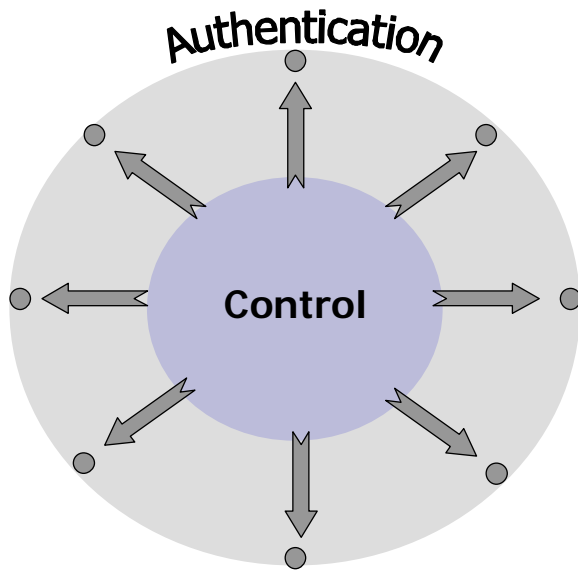
Federated Identity



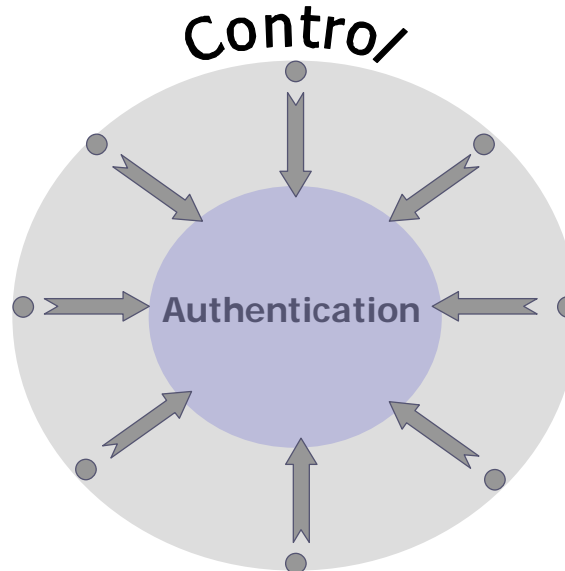
Authentication Models

Evolution of Digital Authentication

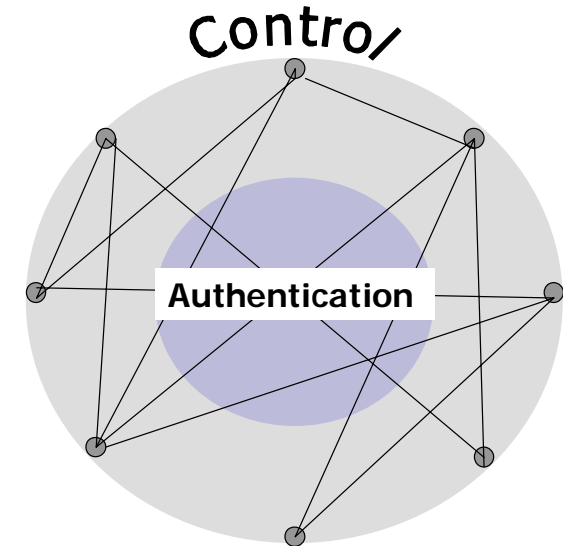
Centralized Control



Centralized Authentication



Virtual Centralized Authentication



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



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