

WEBINAR

gemalto[✦]
security to be free

Combating the Newest Attack Method – ACH Fraud



► PRESENTER: **Adam Dolby**, eBanking Channels Manager of the Americas

CO-PRESENTER: **Christy Serrato**, IdenTrust

Combating the Newest Attack Method

ACH Fraud – Webinar agenda

- ACH fraud: The problem
- Why ACH?
 - Attack methods
 - Dynamics of ACH
- Why now?
 - Action taken
 - Weakness exposed
- Security evolution
- How to protect ACH

ACH fraud in the news, everywhere



- [ACH fraud: Why Criminals Love this Con](#) “Simply defined, ACH fraud is any unauthorized funds transfer that occurs in a bank account. ACH fraud, unfortunately, is very easy to execute”
- [Top Trends in ACH Fraud](#) “There are 25 billion ACH transactions occurring annually. With these numbers growing every year, ACH fraud is also growing, criminals are finding it more enticing ‘to follow the money’”
- [Everyone is Learning to Love ACH – Including the Crooks](#) Long a virtually fraud-free exclusive banking club, the ACH is paying a price for popular programs”
- [ACH fraud: Why Criminals Love this Con](#) “Simply defined, ACH fraud is any unauthorized funds transfer that occurs in a bank account. ACH fraud, unfortunately, is very easy to execute”
- [On the Backs Of Mules: An ACH Fraud Scheme](#) A community bank based in the Midwest recently intercepted an elaborate ACH fraud scheme involving unwitting mules and multiple financial institutions
- [ACH Fraud Sparks Another Suit](#) “Corporate bank account raided over a six-day period last May by cyber thieves who were able to move over \$588,000”
- [Bank Settles Suit Against Customer](#) “Dispute began last fall, after cyber criminals transferred more than \$800,000”
- [Five Indicted in Californian City ACH Fraud Case](#) “Theft of \$450,000 from a bank account belonging to the City of Carson, CA, ACH fraud has become a preferred method for cybercriminals to steal large sums of money”
- [ACH fraud scams total \\$100 million, FBI says](#) “Criminals stealing the online banking credentials of small and midsize businesses has resulted in approximately \$100 million in attempted losses, with several new cases opened each week”

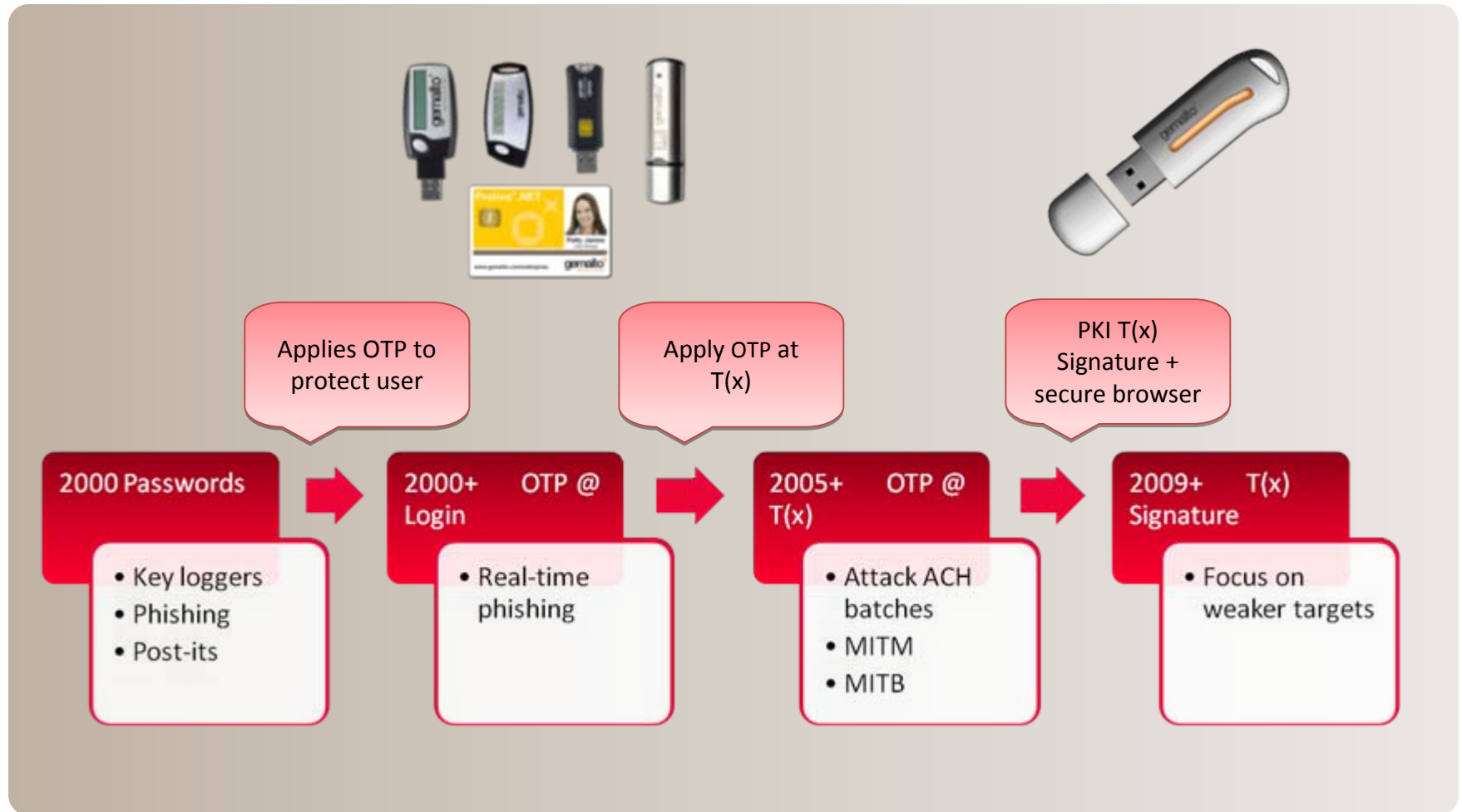
Why ACH fraud?

- Attacking ACH is a combination of the following:
 - Technology
 - Stealing credentials (including OTP) and logging into the system(s)
 - Accomplished with MITM, MITB, real-time phishing...
 - The Nature of ACH
 - A [often] large database of information where it is not practical to verify all details each time it is executed
 - More like a database than protecting a transaction

Why Now?

- Protecting the “other stuff” (wires, account transfers, etc.) is relatively simple
 - As an industry it has been done for years
 - Call-backs, pass-phrases, etc.
 - Different dynamic when it’s 1:1 transfers
- We’ve done a *relatively* good job at protecting the “other stuff”
 - If you’re the weakest link in the security chain, you get exposed
- ACH is complex, large amounts of data
 - Only totals are verified, not the individual data points

The security industry is evolving

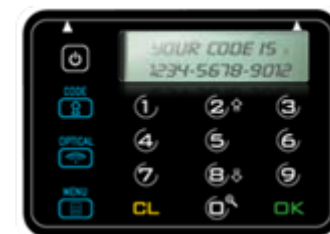


How do you protect ACH?

- The complexities of ACH require a new approach to protecting ALL financial transactions
 - The solution must address:
 - Wire transfers (single and batch)
 - ACH (database at rest, batch transmission)
 - Account transfers
 - The solution should/can address:
 - Account changes (email address, user creation)
 - Document management (contracts, signature cards)
 - Secure correspondence (encrypted email, statements)
- There is only one solution that can achieve all of the above: PKI
 - Designed to protect large amounts of alpha-numeric information
 - This distinction is critically important
 - Dramatically simplified in past several years

Simple, Secure Solutions from Ezio Suite

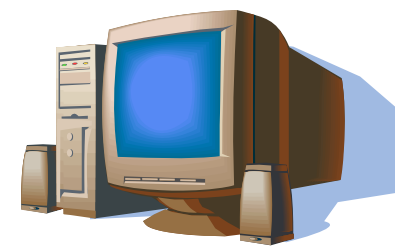
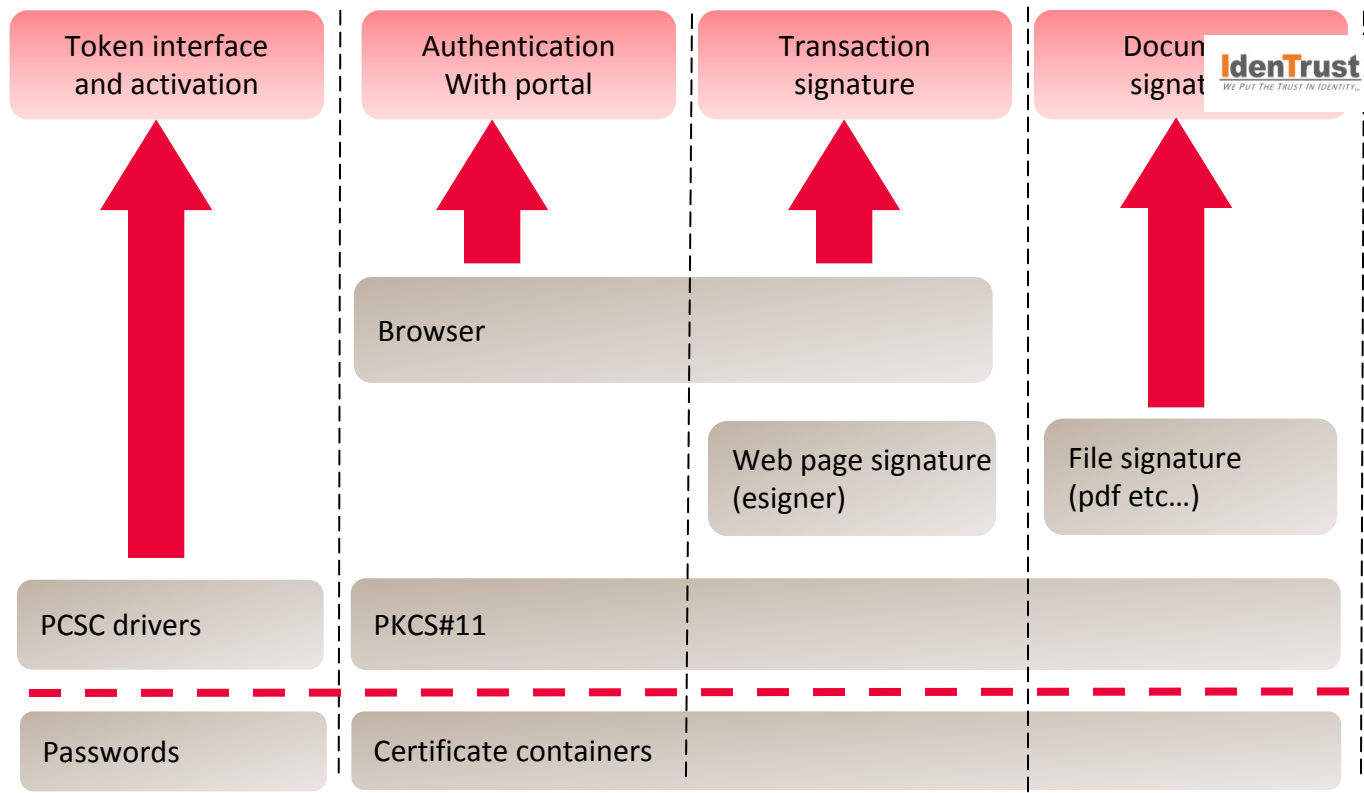
- Plug & Sign
 - Usable across all transaction types
 - Eliminating all transactional fraud
- Ezio Mobile
 - Improves ROI and enables new channels
 - Simplifies user experience
- Display Card
 - Industry revolutionizing technology
 - MasterCard approved and certified
- Optical Reader
 - Credit card sized token for true transaction signing
 - Does not require user to re-enter transaction data – it is read from the screen



Ezio Plug & Sign

Simplifying PKI Rollouts Through Innovation

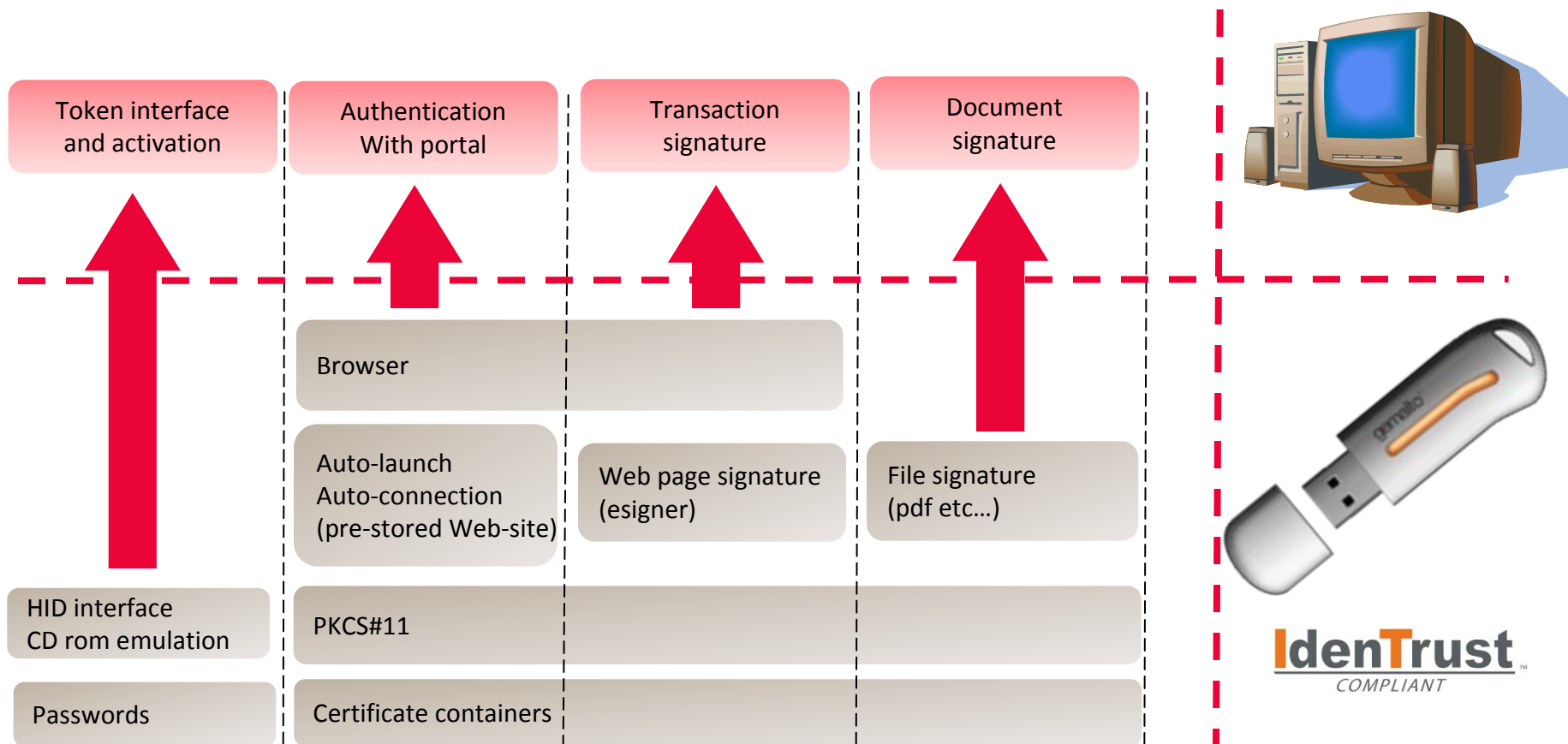
- Quest for zero footprint device is over...



Ezio Plug & Sign

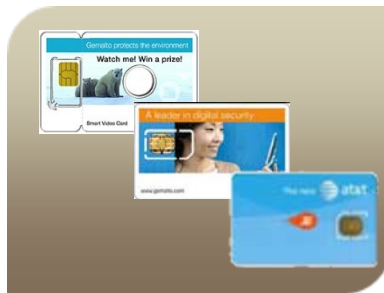
Simplifying PKI Rollouts Through Innovation

- A device that is a smart card & a reader & has all the software inside it



Gemalto's secure personal devices are in the hands of billions worldwide

- **1.5 billion secure devices** – Produced and personalized in 2009
- **200 million citizens** – Received a Gemalto produced e-Passport
- **500 million people** – Carry a Gemalto produced credit card
- **400 mobile operators** – Connecting **2 billion subscribers**
- **€1.65 billion in 2009 revenue**
- **Innovation**
11 R&D sites worldwide | 1,400 engineers | 103 invention in 2009
4,500 patents/patent applications
- **Global footprint**
18 production sites | 30 personalization centers | 85 sales/marketing offices
- **Experienced team**
10,000 employees | 90 nationalities
40 countries | 30 years experience

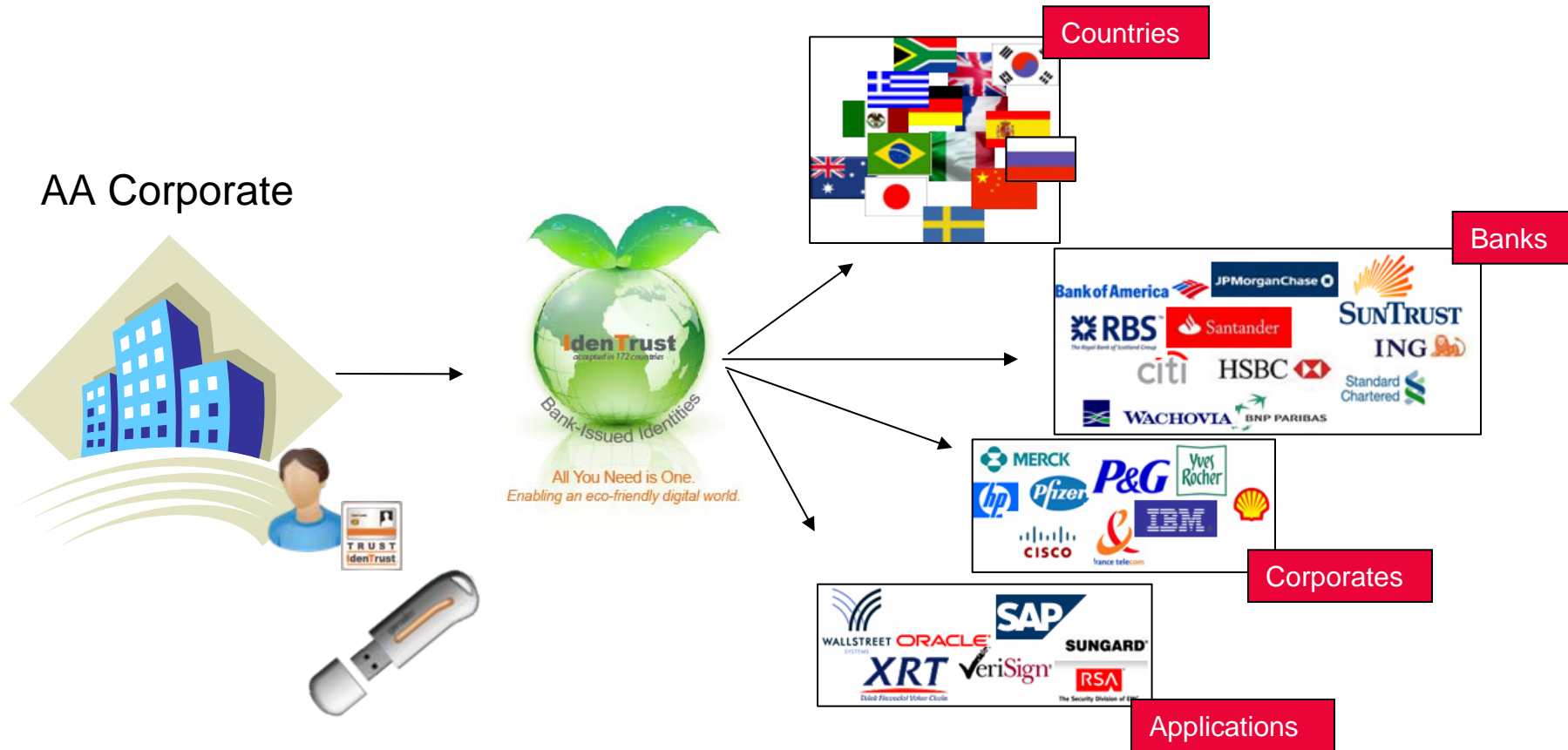


Identity – The IdenTrust Model

- **Built by banks, for banks**
 - IdenTrust identities are issued and usable in 175+ countries
 - IdenTrust acts as a “utility”, reducing costs, improving knowledge sharing, delivering scale
- **Global interoperable identity scheme**
 - User-level non-repudiation, legally enforceable
 - Single identity, multiple uses, any form-factor
- **Proven record of delivering bank-grade strong authentication**
 - Used across 6+ billion transactions annually with aggregate annual values of \$7+ trillion
 - No data or infrastructure compromise in the ten years of platform operation
 - A scalable, self-routing, real-time, highly secure global identity network
- **Used by many of the world’s leading financial institutions and multinational corporations**
- **The foundation: P.L.O.T.**
 - Common global standards
 - A global and scalable network, not dependent on bi-lateral contracts



What makes IdenTrust Identity unique



Single trusted identity - multiple applications, multiple banks, network independent

Questions?

- For additional information on ACH fraud and Gemalto's product offering, please email:
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