



**NORTH AMERICAN
SECURITY PRODUCTS ORGANIZATION™**

The Standard for Security™

Security risk management standards
and certification for users and
providers of security technologies,
products and services.

CONSEQUENCES OF FRAUD:

- Economic and social impact on consumers
- Direct financial loss
- Diminished or destroyed brand image
- Warranty and service claims
- Possible legal liabilities
- Lost tax revenues to government
- Downward price pressure
- Loss of confidence in our identity documents and financial instruments

BENEFITS OF SECURITY ASSURANCE:

- Enhances product value
- Fulfills regulatory requirements
- Increases customer confidence
- Increases security confidence in documents and products
- Boosts customer loyalty
- Advances consumer safety
- Reduces liability and warranty issues
- Supports price differentials
- Provides market differentiation
- Supports higher profits
- Deters crime and criminal organizations

THE NEED FOR SECURITY ASSURANCE

Protecting brands and documents from fraud is one of the most difficult challenges in today's economy. By some estimates, over 15 percent of branded products sold worldwide are counterfeit.

Thousands of illegal copies of identity documents and financial instruments such as driver's licenses, passports, checks and securities are created daily by hordes of counterfeiters. Counterfeit inventories of pirated branded goods are created every day for a wide range of product categories, including pharmaceuticals, electronics and clothing to name a few. These knock-off consumer brands and fraudulent documents cost billions of dollars each year in lost revenue.

The victims of this fraud go beyond corporations and governments to include countless individual consumers whose lives can be tragically impacted from the economic loss of compromised documents and information, and the poor quality of counterfeit goods. In response to this economic and security threat, and to maintain the value of products and services, effective security risk management policies that assure security are a must for every government and business organization.





NASPO MISSION STATEMENT

NASPO is a not-for-profit standards organization that defines, documents and maintains relevant security risk management standards for reducing:

- financial fraud
- identity document fraud
- dilution of brand integrity

NASPO educates, audits and certifies security products providers and users to the appropriate level of those standards.

NASPO participates in organized industrywide anti-fraud initiatives.

NASPO focuses on North America, but certifies users globally.

REDUCING RISK AND ASSURING SECURITY

NASPO combats fraud by establishing standards that enable organizations to ensure that their purchasing, manufacturing, distribution, issuance and sales channels are secure — thus assuring higher delivered value for their products and services to end users.

By providing a recognized and credible security framework, NASPO offers an authoritative set of standards and auditing practices based upon the principles of security risk identification and management. NASPO's standards help organizations define and reduce risks associated with the fraudulent acquisition, circumvention, mimicry or subversion of their products or information.

NASPO enables firms to classify and validate their ability to deliver security assurance at the appropriate level throughout their operations. NASPO certifies that government and business organizations providing identity documents, financial instruments and branded products operate under these accepted standards and practices. Through its standards, NASPO helps preserve, protect, promote and assure the integrity and authenticity of both products and services.

An Emphasis on Security Products and Technologies

Security products and technologies are specifically designed to prevent fraud and preserve public confidence by deterring counterfeiting (duplication) and forgery (alteration). NASPO emphasizes the need and benefit of NASPO certification among organizations providing these security products and technologies.

Because of the unique role security products and technologies play in preventing fraud, and because of the trust and confidence users place in them, maintaining and controlling security products and technologies within a secure supply environment is critical to assuring their security value. It should be noted that security products or technologies that get into the wrong hands, or become available in the public domain, quickly lose their security and market value.



BRAND OWNERS REDUCE FRAUD AND ASSURE PRODUCT AUTHENTICITY

- By specifying NASPO-certified suppliers
- By becoming NASPO-certified themselves

In almost all instances, a brand owner is both a user/purchaser AND a producer/supplier (*a user/purchaser of raw materials or components and a producer/supplier of a finished product or service*).

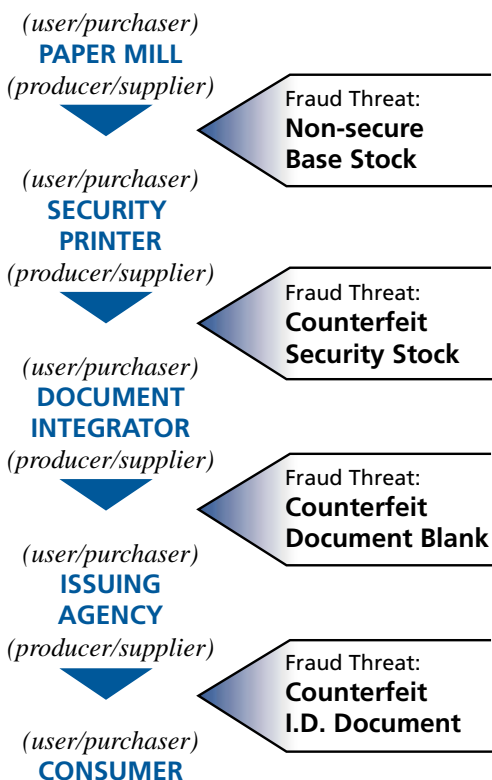
In their role as a user/purchaser, brand owners can reduce fraud and assure product and component authenticity by specifying that their suppliers are NASPO certified — thus enhancing the security value of the products and materials purchased and used in the production of their products. This also eliminates the need and expense for developing individual, narrowly-defined standards and/or performing separate audits.

In their role as a supplier/producer, brand owners can further reduce fraud and assure product authenticity by being NASPO certified themselves — thus enhancing the security value of the products and materials purchased and used or sold by their customers.



NASPO Certification Verifies that Risks are Being Managed Along the Supply and Custody Chain

Example:



Most security products face numerous threats of fraud as they or their components travel along a chain from one supplier and producer to the next.

When every link in the supply chain is comprised of NASPO-certified producers and users, the likelihood rises to near certainty that an end user will receive an authentic product.



NASPO CERTIFICATION

NASPO certification is an audit process that verifies compliance with the new ANSI/NASPO Security Assurance Standard. The process begins with an assessment of vulnerability followed by the identification of risks (if any) that are being taken. The degree to which those risks must be reduced to assure security is driven by the end use of the security product and the consequences of its failure.

Operations that deliver a very high degree of risk reduction are awarded a NASPO Class I Certificate, medium to high risk reduction operations receive a Class II Certificate, or a Class III Certificate for those delivering basic security.

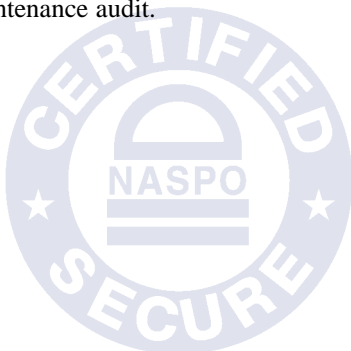
NASPO Certification provides a means for end users and brand owners to protect themselves from insecure providers by requiring compliance with the ANSI/NASPO Standard, and by certifying the chains of possession of *sold* products once they leave the custody of the end user or brand owner's factory floor. Certification assures end users and brand owners that potential producers and suppliers have taken responsibility to ensure that their materials, components and products are produced and distributed in secure operations.

Like other proven accreditation programs, NASPO Certification provides suppliers and producers with a common set of standards from a highly credible, independent organization. The resulting recognition also makes it easier to identify suppliers and producers committed to this security standard.



HOW TO OBTAIN & RETAIN NASPO CERTIFICATION

- Purchase a copy of the ANSI/NASPO Security Assurance Standard. Read and fully understand the risk management requirements.
- Contact NASPO at info@naspo.info to initiate certification.
- Establish a suitable certification Class and carry out a compliance gap analysis. (Request the services of a certified NASPO consultant if help is required).
- Close the gaps and then request a “Readiness for Audit” review.
- Prepare for audit.
- Carry out audit and correct any shortfall.
- Upon a successful audit, certification is awarded by NASPO’s Board of Directors.
- Retain NASPO certification each year by completing a NASPO certification maintenance audit.





NASPO'S ANSI STANDARD

“Security Assurance Standards for the Document & Product Security Industries”

NASPO's ANSI Standard (ANSI/NASPO-SAv3.0P-2005) identifies broad areas of security risks and specifies what must be done to reduce them to an acceptable level by high (Class I), medium (Class II) and basic (Class III) security operations. It is the most holistic approach available today to address security assurance issues that every government or business organization faces. This Standard addresses the protection of security products by providing a framework to certify that suppliers and brand owners form a secure supply chain — from suppliers to producers to distributors to consumers.

This Standard is the *only* security standard of its type in North America and is available to all organizations, end users and brand owners for use in requisition and procurement specifications. By selecting the specific security classification level and/or requirements necessary to deliver security assurance at that level, brand owners can prequalify potential bidders and contractors, thereby saving time and eliminating the need for unnecessary audits.

**The Standard is available for purchase at
www.naspo.info.**



THREE CLASSES OF CERTIFICATION

NASPO has established three Classes of Certification under the new ANSI Standard that correspond to the different levels of risk — and required security — associated with different industries and product types.

- **NASPO Class I Certification™:**

Appropriate where a very high level of security assurance, or barriers to fraudulent action, are both expected and required.

- **NASPO Class II Certification™:**

Appropriate where the consequences of fraudulent action are less serious than Class I, but still require a high level of security assurance.

- **NASPO Class III Certification™:**

Appropriate where consequences of fraudulent action cause relatively smaller economic loss and more limited consequences than in Class I and II.

Contact NASPO headquarters for more information about the Classes of Certification and to learn which one is right for your operation.



NASPO FAQ'S

1. WHAT IS NASPO?

NASPO is a standards organization that has developed the *only* Standard for security risk management for reducing financial and identity document fraud as well as reducing the dilution of brand integrity.

2. HOW DOES NASPO COMBAT FRAUD?

NASPO combats fraud by establishing industrywide standards to help ensure that security products and services are securely controlled throughout all production, supply chains, custody chains and distribution channels.

3. IN WHAT WAY DOES NASPO HELP SECURITY TECHNOLOGY USERS AND BRAND OWNERS?

NASPO certification provides security technology end users and brand owners with hard evidence that the providers of those technologies have invested in and are making effective use of special security infrastructure, systems and procedures that prevent their technology from getting into the wrong hands and losing its security value.

4. WHY IS NASPO'S EMPHASIS SPECIFICALLY ON SECURITY PRODUCTS AND TECHNOLOGIES?

Prior to NASPO's formation, there were no standards in place to affirm that security product and technology providers were secure and protected from fraud and other illicit activities. As such, NASPO was formed to focus on developing a Standard by which all security product providers and technology developers could be objectively classified, judged and certified.



NASPO MEMBERSHIP OFFERING

The first step in joining NASPO is to download the “NASPO Application for Membership” form from the NASPO web site at www.naspo.info.

For questions concerning membership or NASPO services, contact:

NASPO Administration
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***For more information about NASPO
certification and membership, visit
www.naspo.info***