



Proposal Outline

for a new ISO Technical Committee on Fraud Countermeasures & Control

July 8, 2008

A proposal by the North American Security Products Organization (NASPO) to the
American National Standards Institute (ANSI)

Background and Introduction

Development of the ANSI/NASPO security assurance standard for the document and product security industries began in 2003. In November 2005 it became an American National Standard (ANS) identified as ANSI/NASPO-SA-v3.0P-2005. Coincident with the establishment of this standard, as an ANS, NASPO was encouraged by ANSI and the ANSI Homeland Security Standards Panel (HSSP) to tender it to the International Organization for Standardization (ISO) for consideration as the basis of an International Standard. To this end, copies were provided to members of the ISO Strategic Advisory Group on Security (SAG-S) for their consideration. As a result, in 2006 both staff of the ISO Central Secretariat (ISO/CS) and members of the SAG-S attempted to identify a suitable ISO technical committee (TC) having sufficient interest and competence to address the need and subject matter. The result of these consultations was some consensus that the standard did not fall neatly within the scope of an existing TC and that a new TC likely would need to be formed that has the interest and competence to address standards that combat fraud.

Since that time, NASPO's active participation in several projects related to identity and product fraud have given rise to renewed impetus to form this committee. Those projects include:

- The (US) Food and Drug Administration Revitalization Act has requested information regarding the existence of, or the creation of standards, that support the pharmaceutical industry in the areas of secure supply chains, secure serialization and authentication.
- A CEN/ISS Workshop has been launched on Anti-Counterfeiting: Protocols for Detection of Counterfeits. The intent of this group is to establish standard procedures which contribute to corroborative evidence in court.
- The ANSI/NASPO Security Assurance standard has undergone revision and is scheduled for release in 2008.
- A NASPO/Document Security Alliance (DSA) Standard is currently under development that intends to standardize methodologies for the evaluation of security technology effectiveness.
- A Semiconductor Equipment and Materials International/Semiconductor Industries Association (SEMI/SIA) Standard is under development for the creation of a system for the use of secure authentication codes for the prevention of counterfeiting, diversion and fraud in the semi conductor industry.
- A standards development project has been proposed by NASPO with the Department of Homeland Security, the American Association of Motor Vehicle Administrators, and state jurisdictions, to establish criteria for the secure issuance of driver's licenses.
- A standards project proposal is in development under the ANSI Identity Theft Prevention and Identity Management Standards Panel (IDSP) to develop criteria for personal identity verification.

Other initiatives known to NASPO include:

- The ISO Technical Management Board (TMB) has approved a Standards Council of Canada (SCC) proposal that ISO establish a task force to explore the potential for ISO standardization in the area of privacy, including credentialing and identity management.

- ISO has circulated for voting by its member bodies a new work item proposal (NWIP) from AFNOR, the French member body to ISO, on “Performance requirements for purpose-built anti-counterfeiting tools.”

Recognizing that fraud is an international issue, we would suspect other countries and organizations would be in the process of developing similar standards, or interested in participating in the work.

All of the projects and initiatives listed above may be candidates for international standardization and hence their referral to the new TC, proposed below, would appear to be appropriate.

The NASPO Proposal

As a result of the foregoing introduction, NASPO would like to propose the formation of a new ISO TC entitled “Fraud Countermeasures and Control Committee”. The purpose of this committee is to review and evaluate proposals for International Standards that are related to the detection, prevention and control of identity, financial, product and other forms of social and economic fraud. The members of this committee should include experts in the areas of criminology, social engineering, forensic psychology and international law enforcement as well as the more traditional security risk management disciplines (exemplified by ISO 27000, 28000 and the ANSI/NASPO Security Assurance Standard etc.) to ensure a proper balance between preventative and curative (control) countermeasures in the formulation and evaluation of anti-fraud strategy and standards. Appropriate representation from the regulatory community also should be sought.

Justification

The prime justification is the lack of a committee that is focused on standards dedicated to both countering and controlling fraud. The lack of such a committee was noted during the earlier advancement of the NASPO Security Assurance standard to the SAG-S. In addition, the AFNOR NWIP noted earlier originally was submitted to ISO/TC 184 on Automation Systems and Integration, presumably because of the lack of a more appropriate committee for the work. While the TC 184 business plan does express expertise in the area of fraud and anti-counterfeiting, it is our view that the proposed new TC described herein would be a more appropriate venue within which to consider the French NWIP. Liaison would be established with TC 184, and potentially other TCs.

Existing committees (such as JTC-1 which created the ISO 27000 Information Security Risk Management Standards) all aim at reducing the risk of adverse consequences to an individual or organization as a result of threats posed by dishonest and damaging people. Risk management seeks to avoid or lessen the effect of becoming a victim but it makes no attempt to prevent the threats or strike back with countermeasures – it assumes that the threats will always be there and focuses on detection and control. Preventative countermeasures, on the other hand, seek to exploit the vulnerabilities of the dishonest and damaging people who perpetrate fraud such that they assume the risk and ultimately no longer pose a threat. The old axiom that an ounce of prevention is worth a pound of cure remains true. The axiom suggests that a wise anti-fraud strategy is one that seeks to balance investment in preventative (risk reversal) measures and curative (risk management) measures. To achieve such balance within ISO means the

formation of a new committee made up of people whose collective expertise is able to address standards that prevent fraud as well as control it.

Benefits of the New Committee

- It will fill the vacuum that exists for a committee devoted to combating social and economic fraud.
- It will immediately bring together “under one roof” several organizations who are dedicated to the development of standards aimed at combating global fraud (see list below) It provides a natural “home” for addressing anti-fraud related standards and avoids the inability and inefficiency of standard developers having to find a “surrogate” committee willing to address matters that are totally unrelated to their area of expertise.
- It will attract representatives involved at all levels of providing solutions to fraud problems. Hence, it is unlikely that standards established and maintained by this committee will suffer from the wrong level or wrong combination of levels of solutions being applied to specific fraud problems.
- It will be able to address the challenge (faced by all countermeasure standards) of how to specify requirements without reducing the deterrent value of the reverse risks that fraudsters will perceive.
- It will enable international consideration of the ANSI/NASPO security assurance standard and the relationship of this standard to existing ISO risk management standards such as ISO 27000 and 28000 that address Information and Supply Chain risk management respectively.
- It enables consideration to be given to the establishment of an international standard for secure authentication coding based upon the draft SEMI standard.

International Support - Interest in the formation of an ISO committee as outlined above has been expressed by:

- NASPO
- SEMI
- The CEN/ISSS Workshop on Anti-Counterfeiting: Protocols for Detection of Counterfeits (WS/CPF)
- Numerous international companies and organizations in the security assurance industry