

# ID Proofing & Credentialing: Postal Networks in an ecommerce world

World Mail and Express Americas- February 2012

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# Postal ecommerce Objectives & Authentication Needs

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- Postal ecommerce can be defined as:
  - ◆ A subset of ecommerce activities that Posts can facilitate through their geographic reach, supply chain capabilities and trusted brand names.
  - ◆ An unique solution tailored to the strengths and competencies of each Post.
  - ◆ A progression from a Postal Operator focusing on traditional core services into a complete ecommerce provider offering customer-focused ecommerce solutions to small, medium and large businesses.
  - ◆ An opportunity for Posts to partner with the private sector to facilitate such activities. This presentation will focus on the ability to identify in a secure environment and confirm an individual and business is legitimate in order for the commerce activity to occur.

## Where do Postal Operators have a “footprint” in ecommerce today?

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- The largest area today is the Postal eMall, which encourages a secure, hosted and targeted shopping environment for small to medium sized businesses to increase sales.
- Operators that have offerings are: **Australia Post** (ecommerce site with OfficeMax Australia), **China Post** (online mall via Ule.com.cn), **La Poste** (Online shops on cloud computing), **Deutsche Post** (online shopping portal via MeinPaket.de), **Swiss Post** (secure email and online shopping website), **Saudi Post** (online mall with foreign and domestic merchants), **Canada Post** (Border-free online shopping comparison site with a “landed cost” calculator) and **Postitaliane** (Posteshop online shopping portal).
- From this brief list, it is clear postal operators are operating in a virtual ecommerce environment where it is necessary to know much about the sender and receivers of merchandise and activities.

## What do Postal Operators need to consider for secure transactions with the general public and Internet based companies to take place?

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- **Cross Border transactions are risky to BOTH the seller and buyer.**
  - ◆ **Does the business really exist?**
    - ▶ **Does it have a credit history?**
    - ▶ **Does it have a physical presence (i.e. brick and mortar location?)**
    - ▶ **Is it a home based business (i.e. an e-Bay power broker?)**
  - ◆ **Is the consumer who the consumer says he-she is?**
    - ▶ **Can this be done in mass volume without seeing the consumer?**
    - ▶ **What happens when the consumer moves or provides new details for a transaction (new email address, new credit card, new physical address)?**

# Risk Based Authentication

An immediate need

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Cybersecurity threats  
and crimes

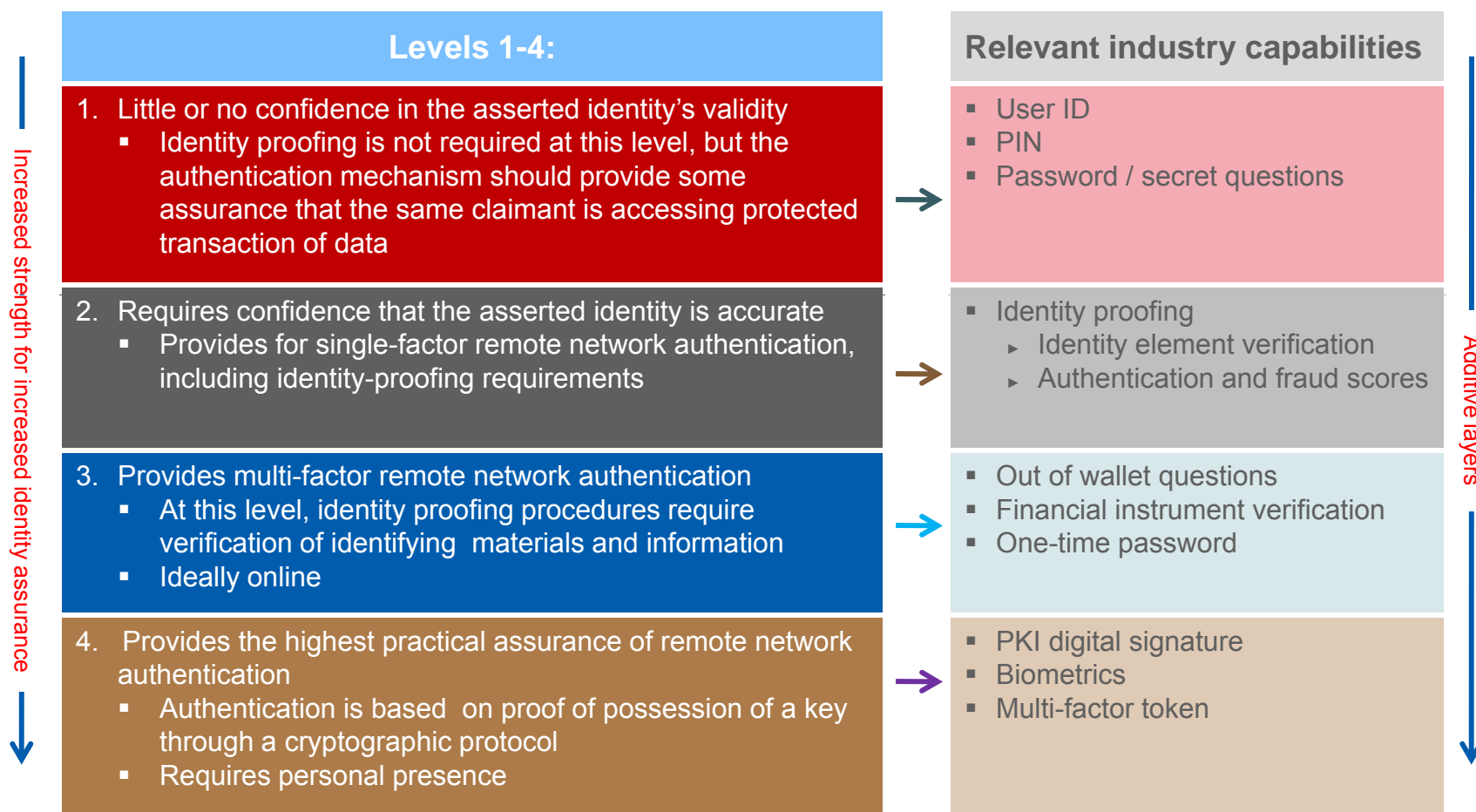
Presidential  
focus

E-government demand  
and opportunity

Increased effectiveness  
and efficiency



# NIST SP 800-63 - four levels of assurance defined by OMB



# Global Credit Bureau's capabilities and components



Identify proofing

Public and private data sources

Customized business rules

Use primary data to verify

Risk-based authentication

Risk-based score – minimum input

Real-time identity verification

Cross-industry identity information

Out-of-wallet data

Knowledge-based authentication

Out-of-wallet data questions

Progressive questioning

← Seamless integration →

## So, where is the Postal Authority Opportunity?

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- As shown on the previous slides, Credit Bureaus can identify individuals electronically.
- The question is, where is the opportunity for a Postal Operator?
- The answer will be seen in the next slides on a Public Private Partnership concept.
- Postal Authorities are recognized as “trusted entities” by the public.
- Postal Authorities have a physical presence all over the country they are operating in as the “Designated Operator”.
- Some Postal Authorities already do in person proofing for services such as Passports by collecting documents and providing them to a centralized department (in the US these documents go to the US Department of State for review).



## Quick case study: How a Postal Operator (in this example the USPS) can play a key role in a Private sector business opportunity with social implications

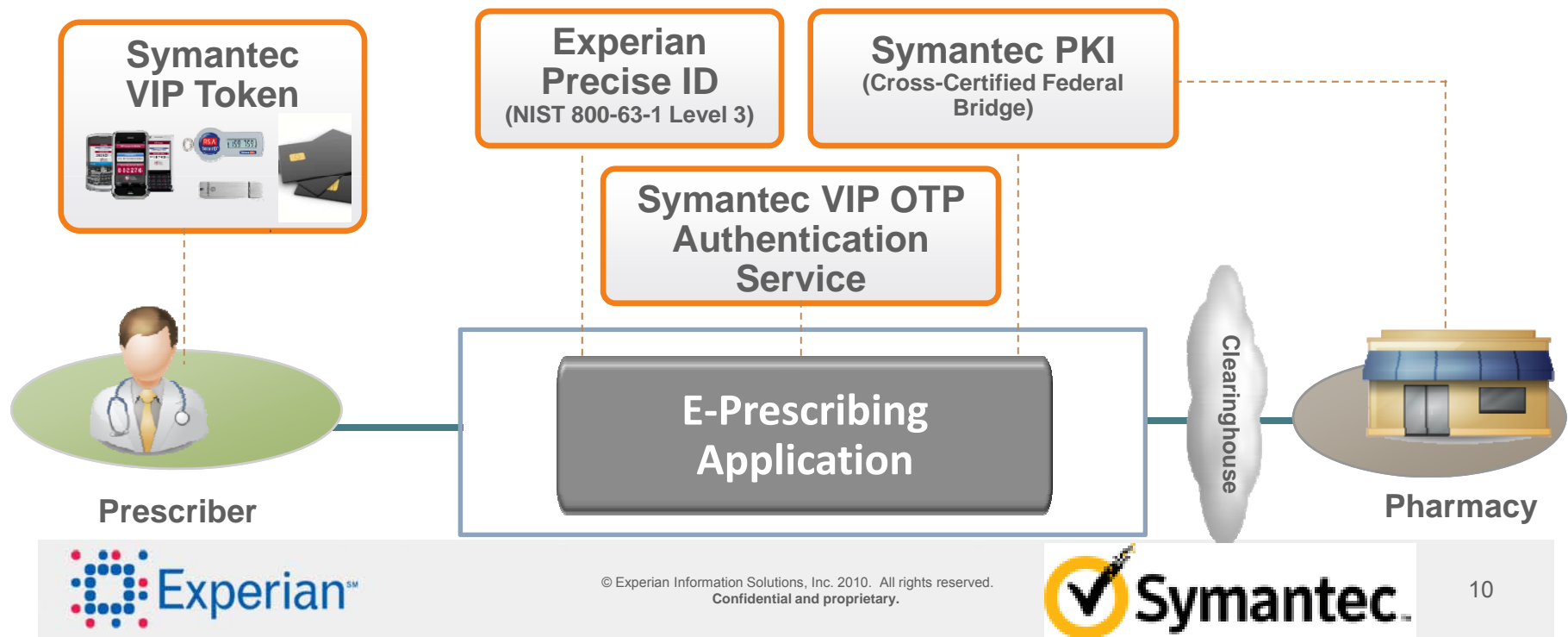
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- The DEA on March 24, 2010 issued the 334-page [Interim Final Rule on Electronic Prescriptions for Controlled Substances](#).
- The new interim final rule maintains two factors (authentication) while adding the possibility of a biometric.
- In the new regulation, users of e-prescribing systems for controlled substances would have to prove their identities with two of the following three factors: something you know (password); something you have (token) or something you are (biometric).
- A Post can play a vital role with its footprint to collect one factor of authentication with limiting fraud since it is a Federal Police agency, already collects documents that prove identity (passport business in the USA) and can partner to mail the token, thus reducing the costs and skepticism of biometrics and increase mail volumes and profits.

# Current e-Prescribing Solution

## Experian/Symantec Service summary

- NIST Level 3 Remote Identity Proofing using Experian Precise ID and Symantec VIP.
- Multiple form-factors for OTP tokens for multiple platforms (PC, Workstation, and Mobile).
- Two-Factor Authentication with PIN, OTP and in-the-cloud validation service supporting authentication of prescribers at time of prescription approval.



# In-Person ID Proofing Need

## USPS Retail locations

Citizens unable to pass online process need additional in-person process:

- ◆ Need for national network to allow for citizens geographic proximity
- ◆ Similar to Passport process, citizen will need to provide US issued ID and other to verify identity
- ◆ USPS employees access to ID Proofing tools so that authentication can take place in retail location
- ◆ ePrescribe (DEA requirement) and government agency two-factor demand
- ◆ UK has considered the Postal Service as central credentialing agency as well



# What Opportunities are available in a Public Private Partnership? How about the USPS becoming the— Central Government Credential/Authentication Agency?



**Federal Agencies**



# CONTACT

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