

COMBATING | An FDIC Symposium

COMMERCIAL PAYMENTS FRAUD

L. William Seidman Center ▪ Arlington, Virginia ▪ May 11, 2010

8:00 a.m. – 8:30 a.m. Registration / Continental Breakfast

8:30 a.m. – 8:35 a.m. Welcome Address

Sandra L. Thompson, Director
FDIC Division of Supervision and Consumer Protection

8:35 a.m. – 9:10 a.m. Morning Keynote Address

Howard A. Schmidt, National Cyber Security Coordinator
The White House

9:10 a.m. – 9:15 a.m. Symposium Host/Moderator Introduction

Michael B. Benardo, Chief
FDIC Cyber Fraud and Financial Crimes Section

9:15 a.m. – 10:15 a.m. Current Landscape / Emerging Threats

As criminals become increasingly sophisticated, the number and breadth of fraud schemes directed toward commercial payments have increased. To set the groundwork for this forum, a panel of law enforcement and payments experts will: examine some of the recent cases of commercial payments fraud; provide perspectives on how payments fraud is evolving; and discuss what it means for banks and businesses.

Patrick Carney, Chief (Acting)
Federal Bureau of Investigation (FBI) – Cyber Criminal Section

Bryan Nash, Senior Vice President/CIO
McHenry Savings Bank - McHenry, Illinois

Dennis Simmons, President/CEO
SWACHA – The Electronic Payments Resource

Samuel A. Vallandingham, CIO/Vice President
First State Bank - Barboursville, West Virginia

Moderator:

*Michael Kaiser, Executive Director
National Cyber Security Alliance*

10:15 a.m. – 10:30 a.m. Break

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10:30 a.m. – 11:30 a.m. Costs of Commercial Payments Fraud - Who Pays?

Unlike consumer fraud, the overwhelming cost of commercial payments fraud is borne by businesses; however, banks also can be subject to financial loss and risk losing a valuable commodity — business customers. This panel will explore the legal framework for the allocation of costs associated with commercial payments fraud as well as provide business and bank perspectives on these costs/losses.

Joel D. Feinberg, Partner
Sidley Austin, LLC

Thomas A. Fox, Partner
Schwartz & Ballen, LLC

Dan Salsburg, Assistant Director
Federal Trade Commission, Division of Marketing Practices

Moderator:

*Sara D. Lipscomb, General Counsel
U.S. Small Business Administration*

11:30 a.m. – 1:00 p.m. Luncheon / Keynote

Fatal System Error - The New Crime Lords Who are Bringing Down the Internet
Joseph Menn, Author/Journalist

1:00 p.m. – 2:00 p.m. Challenges in Business Banking Authentication

With criminals utilizing increasingly sophisticated techniques to obtain compromised credentials to access commercial business accounts, existing techniques for authentication may be rendered ineffective. This panel will examine the ongoing battle to provide adequate authentication for online consumer and commercial banking applications that protect payment transactions and satisfy regulatory expectations.

Dr. Mark Bregman, Chief Technology Officer
Symantec Corporation

John Walp, Admin. VP / Corporate Information Security Officer
M&T Bank

George Tubin, Senior Analyst
Tower Group

Murray Walton, Senior Vice President & Chief Risk Officer
FiServ

Moderator:

*Jeff Kopchik, Senior Policy Analyst
FDIC Technology Supervision Branch*

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2:00 p.m. – 2:15 p.m. **Break**

2:15 p.m. – 2:45 p.m. **Afternoon Keynote Speaker**

Understanding the Challenges to Small-Mid Sized Business

Stephen A. Cox, President/CEO

National Council of Better Business Bureaus

2:45 p.m. – 3:45 p.m. **Alternatives for Managing Commercial Payments Risk**

While online criminals are leveraging all aspects of technology to commit payments fraud, a disciplined approach to utilizing operational controls can mitigate the risk posed by sophisticated criminal schemes. A rigorous approach to managing payments activity (e.g., dual-control measures, daily reconciliation, etc.) and the use of available technology (e.g., positive-pay, debit blocks, etc.) serve as the foundation of an effective defense to protect the interests of both banks and their business customers. This panel will examine the critical partnership between banks and businesses needed to ensure that best practices/technology for managing payments risk are utilized.

Larry Clinton, President/CEO

Internet Security Alliance

David Bellinger, CTP, Director – Payments

Association for Financial Professionals

Deborah Shaw, Managing Director - Network Enforcement & Risk Management

NACHA

Moderator:

Richard Oliver, Executive Vice President / Director

Federal Reserve Bank of Atlanta – Retail Payments Risk Forum

3:45 p.m. – 4:00 p.m. **Closing Remarks**

Michael L. Jackson, Associate Director

FDIC Technology Supervision Branch

4:00 p.m. – 5:00 p.m. **Closing Reception**