



# **Using Promontory's RADAR™ to Develop and Maintain an Identity Theft Prevention Program and Risk Assessment**

*2009*



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# Steps to Develop a Robust Program

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1. Identify “covered accounts”
2. Identify red flags that are relevant to covered accounts
3. Determine controls to identify relevant red flags
4. Determine appropriate response when a red flag is identified
5. Assess control effectiveness
6. Identify and implement any enhancements as required
7. Document the program, including supporting policies and procedures
8. Approve the program
9. Keep the program current over time

*Even if you already have an Identity Theft Prevention Program in place, keeping it current over time without the right tools is challenging. Promontory’s RADAR™ provides those tools.*



## Identify “covered accounts”

- Identify:
  - “account[s] that a financial institution or creditor offers or maintains, primarily for personal, family, or household purposes, that involves or is designed to permit multiple payments or transactions, such as a credit card account, mortgage loan, automobile loan, margin account, cell phone account, utility account, checking account, or savings account; and
  - “any other account[s] that the financial institution or creditor offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation, or litigation risks.”
- Reasonably foreseeable risk depends on factors such as:
  - methods used to open accounts
  - methods used to access accounts
  - previous experience with identity theft
- RADAR™ helps financial institutions make risk-based determinations of covered accounts and track them over time.

- Admin
- Dashboard
- Inventories
- Risk Assessments**
- Consolidated Ratings
- Risk Notes
- Log
- Monitoring and Testing
- Reports
- Glossary

## Risk Assessments

Obligation: FACTA / 12 CFR 222.90(c) / FACTA - Identification of "Covered Accounts"  
Reporting Unit/Entity: First ABC Bank

General Related Items Evaluations Annotations

### Reporting Unit/Entity

Name: First ABC Bank

Entity Category: Commercial Bank

Immediate Parent: Global Parent Corporation

Primary Operations Location: New York, United States

### Obligation

Citation:

### Selected Obligations

FACTA / 12 CFR 222.90(c) / FACTA - Identification of "Covered Accounts"

### Related Products

Product Name:

### Selected Products

Business Deposits

Business Loans

Select the obligation from the inventory.

Select products with common methods of opening, access, and common identity theft loss histories.

- Admin
- Dashboard
- Inventories

## Risk Assessments

Obligation: FACTA / 12 CFR 222.90(c) / FACTA - Identification of "Covered Accounts"  
Reporting Unit/Entity: First ABC Bank

Conduct risk assessment, include "high risk accounts" as covered accounts.

- ms
- Evaluations
- Annotations

Residual Risk Rating: **Low** ⓘ ⊕

Inherent Risk Rating: **Medium** ⓘ

Method of Breach: **Medium** ▼

These products present a medium inherent risk of identity theft, particularly given the low

Volume of Activity: **Medium** ▼

These products represent a medium portion of

Nature of Activity: **High** ▼

These products may be opened through non-

Change in Activity/Obligation: **Low** ▼

The customer base is stable. There has been

History of Problems: **Low** ▼

First ABC Bank has had low experience with

### Impact

Impact Guidance Text Here

Impact of Violation: **Medium** ▼

Identity theft in connection with these products would have a medium impact on

### Control Effectiveness

QRM Guidance Text Here



## Identify relevant red flags

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- RADAR™ helps financial institutions
  - Map relevant red flags to covered accounts;
  - Document controls to detect red flags;
  - Document the response to red flags;
  - Document an assessment of control effectiveness; and
  - Record any remedial action necessary to enhance controls.

- Admin
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## Risk Assessments

Obligation: ID Theft Red Flag 5 / Supp. A.5 to APPENDIX J TO PART 12 CFR 222  
Reporting Unit/Entity: First ABC Bank

- General
- Related Items
- Evaluations
- Annotations

### Reporting Unit/Entity

Name: First ABC Bank

Entity Category: Commercial Bank

Immediate Parent: Global Parent Corporation

Primary Operations Location: New York, United States

### Obligation

Citation:

### Selected Obligations

ID Theft Red Flag 5 / Supp. A.5 to APPENDIX J TO PART 12 CFR 222



ID Theft Red Flag 6 / Supp. A.6 to APPENDIX J TO 12 CFR 222



### Related Products

Product Name:     

### Selected Products

Consumer Savings Account



DDA Consumer



Map relevant red flags to . . .

Covered accounts with common controls for the relevant red flags.



- Admin
- Dashboard
- Inventories
- Risk Assessments
- Consolidated Ratings
- Risk Notes
- Log
- Monitoring and Testing

General Related Items Evaluations Annotations

Residual Risk Rating: **High** ⓘ ⊕

## Inherent Risk

Inherent Risk Rating: **High** ⓘ

### Likelihood

Likelihood of Breach: **High** ▾

Explain your selection here.

Volume of Activity: **Medium** ▾

Explain your selection here.

Nature of Activity: **High** ▾

Explain your selection here.

Activity/Obligation: **Low** ▾

Explain your selection here.

Category of Problems: **High** ▾

Explain your selection here.

Impact of Violation: **High** ▾

Explain your selection here.

### Effectiveness

Management: **Needs Improvement** ▾

Explain your selection here.

Standard of Review: **Compliance Obligation** ▾

Explanation:

## Recommendations

Document quality of risk management, including controls, response, and effectiveness. Specify remedial actions.

- Admin
- Dashboard
  - [View by Category](#)
  - [View by Product](#)
  - [Log](#)
  - [Monitoring and Testing Org. Chart](#)
- Inventories
- Risk Assessments
- Consolidated Ratings

## Risk Assessments By Product (Residual Risk)



### + Consulting and Advisory

High	Medium	Low	Pending
2	16	16	1

### - Financing

#### Lending Products

Consumer Loans

1	15	49	0
---	----	----	---

Home Mortgages (Consumer)

1	15	49	0
---	----	----	---

Import/Export

1	8	4	0
---	---	---	---

Stand-by

0	5	17	0
---	---	----	---

Cash/Marketable Securities Collateral)

0	2	11	0
---	---	----	---

Investments

0	1	7	0
---	---	---	---

Credit Card Loans (Corporate)

0	1	6	0
---	---	---	---

Credit Card Loans (Consumer)

0	1	2	0
---	---	---	---

Commercial Mortgage

0	1	0	0
---	---	---	---

Lines of Credit

0	0	13	0
---	---	----	---

### + Investment

0	0	3	0
---	---	---	---

### + Administrative Services and Other Fee Business

1	14	21	0
---	----	----	---

### + Other

0	20	21	0
---	----	----	---


### + Payments

0	11	32	1
---	----	----	---

0	11	14	0
---	----	----	---

See the results in inter-active dashboards.

# Generate user-friendly reports



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**Assessment of  
Dealing with Customers Risks**

at  
**First ABC Bank**

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and Subcategory


Medium

by the low volume

Medium

Medium

These products would  
mers as identity theft  
opening of a deposit  
erial damage to the  
In the rarer case of  
take over, financial  
significant.  
ds to an overall  
.



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## Keep program current over time

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- Robust security, user permissioning, and audit trails help you keep the program current over time.
- Avoids problems that arise when institutions try to maintain their Identity Theft Prevention Program in excel files or word documents.



## Integrates with other risk assessments

- Although institutions can purchase RADAR™ for use only with their Identity Theft Prevention Program, the system is modular and can be used for other compliance risk assessments, including AML risk assessments.



## RADAR™ - technological overview

- RADAR™ combines a web-based front end developed using ASP.NET (and C#) with the power of a SQL Server 2005 database on the backend.
- The application is an enterprise system that is highly scalable to accommodate users in the world's largest financial institutions.
- The web interface leverages Ajax to provide a friendly, responsive user experience.
- The system keeps user credentials secure by storing them in an encrypted format.
- Most financial institutions can readily install RADAR™ on their own servers.
- Some institutions, however, choose to host the application on Promontory's servers during initial implementation.



## Contact information

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