

◆ Biometric Digest ◆

June 2005

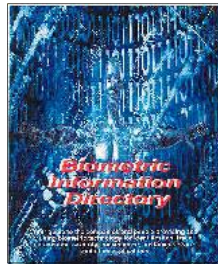
Finger Scan ♦ Fingerprint ♦ Voice Scan ♦ Retinal Scan ♦ Signature ♦ Iris Recognition ♦ Hand Scan ♦ Facial Recognition

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Biometric Information Directory Sold to Grey House Publishing

The Biometric Digest announced it has sold its "Biometric Information Directory" to Grey House Publishing located in Millerton, New York. Bill Rogers, publisher of the Biometric Information Directory said, "The resources of Grey House Publishing will greatly expand biometric information to both the business community and consumers alike. We are pleased to have found a company with a long history of publishing an extensive array of directories focusing on security and identification information."



(Continued on page 2, Col 1 - Biometric Directory)

U.S. Revamps Biometric Passport Standards

The United States scaled back its biometric passport requirements to make it easier for foreign travelers from allied nations to enter the country without a visa.

The new passport standards - requiring digital photographs to match with a person's unique physical characteristics by October and an embedded identification chip later -- would be similar to international biometric guidelines already in place.



A Homeland Security official said the department was expected to unveil the new standards soon. The official spoke on condition of anonymity because the standards had not yet been announced. Initially, the United States considered requiring fingerprinting or iris identification

(Continued on Page 11, Col. 2 - Passport)

Privacy International Announces U.S. Big Brother Awards winners for 2005



Privacy International held the 7th annual U.S. Big Brother Awards to shame the invaders and celebrate the champions of privacy. The ceremony was hosted recently by the 2005 Computers, Freedom, and Privacy Conference, in Seattle. The Nominees for the Worst Corporate Invader were:

- Axiom (for a tradition of data brokering)
- Accenture (for its Government projects)
- Response Unlimited (for trying to sell the list of donors to Schiavo's parents')

(Continued on page 3, Col. 1 - Awards)



Bill Rogers
Editor - Publisher

Biometric Directory

(Continued from page 1)

Richard Gottlieb, publisher of Grey House Publishing said, "This is the most comprehensive resource, in both print and online form, of the companies and products making up one of the fastest growing industries in today's economy. Finger, Voice, Face, Hand, Signature, Iris, Vein and Palm identification systems and manufacturers are all included in this important work. This new Grey House product will join a family of security titles including *The Grey House Safety and Security Directory*, *The Grey House Transportation Security Directory* and *The Grey House Homeland Security Directory*."

Grey House's first edition of the *Biometric Information Directory* will be published in the third quarter of this year.

Rogers will continue working with Grey House Publishing during a transition period. He will continue publishing the "Biometric Digest," a monthly newsletter providing news and information on the biometric identification industry. The company also provides weekly supplemental reports on biometric news. Their 64 issues a year makes the Biometric Digest the leading provider of biometric news and information in the world. To obtain a current copy of the Biometric Digest, visit:

<http://www.mydocsonline.com/pub/wrogers/25May.pdf>

The Biometric Digest is a division of William Rogers & Associates, Inc. The **Biometric Digest** is a monthly electronic newsletter containing original industry-defining content on the implementation and utilization of Biometric technology. Subscribers pay an annual fee of \$290 per year. The weekly supplement,

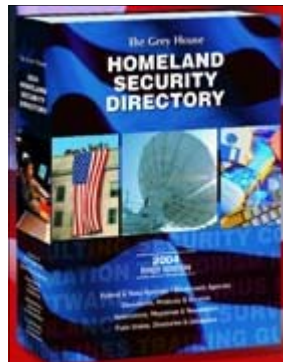
Biometric Media Weekly (BMW), is included at no extra cost.

The target population for the Biometric Digest Newsletter includes anyone who wishes to consider use of a biometric product, invest in the development of biometric technology, support existing marketing and sales efforts by informing customers and prospects about new products, updates, services and partner promotions, enhance customer retention, reduce support calls by providing timely product and support tips and solutions, and ensure VAR's receive timely product and promotion information.

With our website ranking as one of the Top 5 most visited biometric sites in the world, you can increase your visibility and credibility by providing information for and about the Biometric Industry. Distribute to your employees to keep them aware of policies, benefit programs, provide motivation, and reiterate corporate goals and offerings.

It has subscribers worldwide with associated offices in Washington, DC and China. Founded in 1988, William Rogers & Associates, Inc. is headquartered in St. Louis, Missouri, USA. For more information, contact Bill Rogers, Biometric Digest, P.O. Box 510047, St. Louis, MO 63129 USA. Tele: 314-892-8632. Web address <http://www.biodigest.com>.

For information on the publications available from Grey House Publishing, visit their web site at: <http://www.greyhouse.com>. ❖



Chicago officials are cracking down on city workers who try to get paid for time they don't spend on the job. The city will begin using fingerprint technology to track when employees are really at work and when they're not.

Fujitsu Vein Reader

Fujitsu announced that the University of Tokyo Hospital's room access security system will now use their contactless palm vein authentication technology.

Palm veins are unique amongst individuals, and with the exception of size, don't change at all over one's lifetime. They offer more consistent readings throughout different environments and are not much affected by other factors like cold weather, injury and chafing.

Since the unit is also contactless, its deployment makes perfect sense in a hospital, where you obviously want to try to touch as few surfaces as possible. ❖



Awards

(Continued from page 1)

The judges selected **Accenture** for the award. Citing concerned members of the House of Representatives, who raised the fact that the largest contract issued by the Department of Homeland Security was being issued to a company based in Bermuda, the judges felt that Accenture was worthy of the award. The judges were particularly concerned with the plans for the US-VISIT program, including the use of additional biometrics, profiling, and the development of digital dossiers.

The Most Invasive Proposal or Project Nominees were:

- US-VISIT (mass fingerprinting and face-scanning program of all visitors to the U.S.)
- U.S. Passport with RFID (placing a transmitter chip in all new U.S. passports, to be read by anyone, anywhere, from a distance)
- Secure Flight (system to compare all travelers with the terrorist watch lists)
- Brittan Elementary School RFID tagging of students
- Standardized Drivers Licenses (de facto national ID scheme)

The judges selected **Brittan Elementary School** for the award. Citing the principal of the school who enjoyed the idea of spying on all students' whereabouts "because it would streamline the taking of attendance, giving teachers a few minutes more each day to teach and boost accuracy, no small matter given that California school funding is based on how many children attend class each day." Parents of students reacted negatively and organized campaigns against the scheme. The Big Brother Award will be delivered personally to the principal by concerned parents.

Nominees for the Worst Public Department were:

- The Federal Trade Commission (for repeated failures to stand up for privacy rights)
- Department of Education National Center for Education Statistics (for proposing a national database of all students)
- The Department of State (for continual use of diplomacy to promote bad policy abroad, i.e. policy laundering, such as biometric passports)

The judges selected the **Department of Education's** proposed program. This program would collect data on 15 million children across 6000 schools in the U.S., collecting data such as credits earned, degree plan, race and ethnicity, grants and loans received, tax status, etc. to be held by the Federal Government for at least the life of the student.

Finally, the Lifetime Menace Award was issued to **Choicepoint**. Choicepoint has been an abuser and broker of personal information for many years now, collecting information on Americans and foreigners without having to adhere to strict privacy laws. Recently it has admitted that there have been a number of fraudulent uses and loss of this personal information. This resulted in mass apologies, apologies to Congress, and a CEO bonus of 1.8 million dollars.

The U.S. 2005 Big Brother Awards were judged by Beth Givens, Privacy Rights Clearing House; Evan Hendricks, Publisher of Privacy Times; Chris Hoofnagle, Associate Director of EPIC; Wendy Grossman, Conrad Martin, Director of the Fund for Constitutional Government; Ed Mierzwinski, Consumer Program Director of PIRG; Bob Ellis Smith, Editor of the Privacy Journal; and Nadine Strossen, President of the ACLU. ❖

Japanese Banks Seen Using Biometrics By 2006

Such a move would be big jump in revenue for Hitachi's finger vein biometrics business, which was below Y10 billion last fiscal year. The business currently handles mainly security systems used to enter computer systems and offices.

However, the Tokyo-based electronics conglomerate said that revenue from its finger vein biometrics systems, which is comprised of equipment, software and service sales, is expected to rise as Japanese banks are likely to launch automated teller machines using the system as early as this fiscal year ending March 2006.

As unauthorized cash withdrawals using fake ATM cards have become a social problem in Japan, the needs for more secure ATM systems has grown sharply here. Identification systems using finger vein patterns, which differ from person to person, are regarded as more secure than those using other biometrical features such as fingerprints, voice and face.

Japanese banks including Mizuho Bank, Sumitomo Mitsui Banking and Bank of Kyoto have already released plans to use finger vein biometrics systems for their ATMs, according to Hitachi. Hitachi also said it aims to boost revenue in its overall security-related business to Y160 billion this fiscal year from Y120 billion last fiscal year.

In addition to its relatively new biometrics systems, the company is offering various products and services to enhance the security of clients' computer systems, such as those to limit unauthorized access from outside via networks. ❖



Airport Security Still Riddled With Bugs

Four years after 9/11, airport security screening remains a hot-button issue for travelers. A new study by the Homeland Security Department has found that screening methods employed by airport security are ineffective and often not standardized.

As a result, security breaches occur and travelers are subjected to new rules from airport to airport. But efforts are underway to bridge the gaps in airport security. Among the steps being considered are to replace federal screeners with private screeners at some airports; implement pilot programs that use fingerprint and iris-scanning technology to screen out potential terrorists; employ new bomb sniffers and video surveillance; and install Israeli-technology-based security systems that track airport workers and make luggage and cargo loading areas more secure. ❖

Biometric Technology for Milo Marathon

Like any other sport, marathon must be constantly dynamic and innovative to keep up with the changing times.

Starting this year, a state-of-the-art Biometric Technology will be used by the National Milo Marathon in the Philippines to digitally store the identities and vital statistics



of the top finishers in its 14 regional legs as well as the National Finals slated in Metro Manila on October 9.

This is being done to eliminate fraudulent winners who race in multiple elimination legs. Milo Marathon rules state that a marathoner can only compete once in the elimination stages — the place of his or her residence.

Supplied by Biometrics pioneer, E.D.S. innovations, the "Milo's Winners Biometric Identification System" uses fingerprint scanning technology to automatically identify previous winners who are disqualified from joining the succeeding regional elimination races.

The technology also incorporates a camera that automatically captures the pictures of the winners and stores them within its database.

Since information is stored in the database, the system will also weed out those who cheat on their ages in the age category competition.

Last year, the National Milo Marathon broke its own record for number of participants. More than 100,000 runners participated in the 14 regional elimination races and the National Finals in Metro Manila. This year, organizers are expecting to break the 110,000-runner barrier. ❖

Continued from Column 2

was developing the technology as early as 10 years ago but began offering its biometrics services in 2003.

Biometrics technology can simplify life for shoppers, Riordan said. Because fingerprints are linked to loyalty programs that provide customers discounts -- and provide retailers information about shopping habits -- customers can join as many programs as they wish without carrying around extra plastic. They can sign up for Pay By Touch, free of charge, in just a few minutes, and the system can be integrated into any existing register, the company said. When a customer signs up for BioPay or Pay By Touch, that account is valid at any of the company's machines nationwide.

Robinson said in some cases transaction fees are 85 percent less for a BioPay debit transaction than for

(Continued on page 5, Col. 2)

Retailers Testing Biometric Payments

Piggly Wiggly Carolina completed the first phase of a program to equip all 120 of its stores with biometric scanners.

Pay By Touch, the company in San Francisco that is providing Piggly Wiggly with the technology, has developed a system that allows consumers to place their fingers on scanners, which would replace credit cards or debit cards. The machinery scans a fingerprint, converts it to a numerical algorithm, matches that data with information stored in Pay By Touch's database, and presents customers with an on-screen wallet listing their credit and debit accounts.

Recently Pay By Touch installed its 85th Piggly Wiggly unit, and the company said it expects to have all of the stores equipped by year end.

Piggly Wiggly is not the only retailer embracing biometrics technology. The company's oldest customer is Thriftway, a grocery store in Seattle that has used Pay By Touch for more than two-and-a-half years. Today about 15 retailers are using Pay By Touch in 100 locations across the country.

BioPay, a competing biometrics company in Herndon, Va., supplies about 150 merchants using its units, Tim Robinson, the company's president, told UPI.

Originally, biometrics technology was used to collect data on fingerprints, retinas and voice patterns for security purposes such as computer or lock access. Pay By Touch

Continued next column

Biometrics 2005

Conference: 19-21 October 2005

Exhibition: 20-21 October 2005

Westminster, London, UK

Learn from case studies, market analysis and expert opinion about technological developments and new trials in the use of biometrics for citizen identification, transactions, surveillance, physical access control and logical access control for government and commercial applications.

The comprehensive conference program is supplemented by a large exhibition area (free to visitors) housing over 70 developers and suppliers of biometric systems, system integrators and suppliers of smartcard and computer security services and products.

For further details contact:
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Web:
<http://www.biometrics2005.com>



Conference: 19-21 October 2005
Exhibition: 20-21 October 2005
Westminster, London, UK

The Biometric PIN

Don't think we haven't all considered the possibility of that nefarious character stealing our index fingers along with our laptop or other device in order to obtain access (ok, well, we're not that paranoid) where they're not wanted. So what's the most logical, obvious, totally ingenious security countermeasure to falsified or, um, stolen biometrics? Make those scans also correlate to a PIN, or in this case, a pattern of finger taps that only the user knows during print scanning. You know, it's always funny to see what a simple million-dollar idea looks like, isn't it? ❖



**A million
dollar idea?**

Retailers Testing Biometrics

(Continued from page 4, Column 3)

a Visa credit-card fee.

Pay By Touch is courting grocery stores in particular, because that is where consumers shop most, Riordan said. In addition to grocers, BioPay has enrolled some Quiznos sandwich franchises as well as chiropractors, delicatessens and dentists, Robinson said.

Representatives of both companies said smaller businesses are most likely to sign up for biometrics. ❖



In a photo provided by Ingersoll-Rand, Pam Harvey, marketing employee inspects one of diversified industrial company Ingersoll-Rand's biometric security handreaders.

The readers are used at airports, universities and corporations to verify an individual's identity based on the unique physical features of each person's hand.

Look Who's Using Biometric Identification

Recent Biometric Signings

>>> **City will use fingerprints to track employees at work**

Chicago officials are cracking down on city workers who try to get paid for time they don't spend on the job. The city will begin using fingerprint technology to track when employees are really at work and when they're not.
http://abclocal.go.com/wls/news/060305_ns_biometric_id.html

>>> **Memphis International Airport Bolsters Security With Assuretec's I.D.-Validation**

The Memphis International Airport deployed an ID-validation system from New Hampshire-based AssureTec Systems.
<http://biz.yahoo.com/iw/050603/088068.html>

>>> **Hellenic Police Utilize Motorola Fingerprint and Palmprint Technology**

Motorola, Inc. announced that the Hellenic Police, the national police force in Greece under the Ministry of Public Order, has installed Motorola's Printrak Biometrics Identification Solution (BIS) to help identify, process and manage individuals who have committed a crime.
<http://biz.yahoo.com/prnews/050608/cgw019.html?v=11>

>>> **Birmingham City Schools Call On Biometric HandReaders For Employee Attendance**

Recognition Systems announced that Birmingham City Schools in Birmingham, Ala. will be using 159 of its biometric HandReaders to track time and attendance for employees at 61 school district sites. All 6,200 district employees will use the HandReaders.
<http://www.handreader.com/>

>>> **Irish School Tests Biometrics To Cut Truancy**

Nineteen Irish secondary school students from Saint Andrew's College in Dublin are taking part in a pilot expected to see fingerprint biometrics replace daily, manual, roll calls within six months.
<http://www.cardtechnology.com/cgi-bin/readstory.pl?story=20050613CTDN992.xml>

Biometric Calendar—Trade Shows, Seminars, Expositions

>>> **Global Border Control Technology Summit**

Selfridge Hotel, London
 Start Date: 07/11/2005 End Date: 07/12/2005
<http://www.london-business-conferences.co.uk>

>>> **Audio and Video Based Biometric Authentication 2005**

Westchester Marriott
 Tarrytown, New York USA
 Start Date: 07/20/2005 End Date: 7/22/05
http://biometrics.cse.msu.edu/avbpa05_cfp.pdf

>>> **ASIS International 2005**

Orange County Convention Center
 Orlando, Florida USA
 Start Date: 9/12/05 End Date: 9/15/05
<http://www.asisonline.org/education/programs/noframe/2005seminar/default.html>

>>> **Biometric Consortium Conference BC2005**

Hyatt Regency Crystal City
 Arlington, VA USA
 Start Date: 9/19/05 End Date: 9/21/05
<http://www.biometrics.org>

>>> **Biometrics 2005**

Westminster, London, UK
 Start Date: 10/19/2005 End Date: 10/21/2005
<http://www.biometrics2005.com>

>>> **The Fall 2005 BIOMETRICS SUMMIT: Implementing Technologies for Physical Security and Identity Management In Government And Business**

New York, NY
 Start Date: 11/01/05 End Date: 11/02/05
 Call: 888-362-7400, or, 773-695-9400, x1
<http://www.aliconferences.com/conferences.htm>

View more than 35 biometric conferences and expositions worldwide in the Biometric Information Directory
<http://www.biometricinfodirectory.com>

Verbatim

Quotes & comments from within the biometric industry

"Identity cards are only going to work if we have a biometric answer - that may be iris recognition but it is unlikely to be facial recognition because that changes because of diet and beards and everything else. There are a whole pile of logistics that have to be got right."

*Sir Ian Blair
Metropolitan Police Commissioner
UK*

"I find the discussion on biometrics that require physical contact to be amusing. Those persons that report that they have reservations about putting their finger on a scanner or having any physical contact with biometric hardware must be forgetting that they are opening doors, using coins, shaking hands, using the telephone, drinking from beverage bottles or cans, and dozens of other daily tasks that require physical contact with objects that other persons have had physical contact. Sitting in a doctors waiting room and reading one of those magazines that have been touched by dozens of sick people before you is far more of a hygiene problem than physical contact with a sensor."

*John Franks
btbs05@YAHOO.COM*

"Weren't biometrics supposed to eliminate the problems related to remembering a PIN? Now I've got to remember a finger tap sequence? Ah, the sweet smell of technology with an overlay of the odor of paranoia."

Russell

"Historically, fingerprint biometrics has been used as a forensic tool for law-enforcement agencies. However, more commercial applications of biometrics will continue to develop over the next few years. Applications that replace passwords and personal-identification numbers (PINs) will proliferate in the market to a greater degree in 2005."

*Colin Soutar
Chief Technology Officer
Bioscrypt
Canada.*

"MS Software is not good. Their marketing -- some of the best. They have the market share and it is sad to say that this is how I see the Biometrics industry -- a bunch of products that are half assed, don't work, vaporware wrapped up in some mediocre marketing and lots of scare tactics and FUD."

*Steve Manzuik
steve@MANZUIK.NET*

"Doesn't it seem odd to anybody that there are all of these outrageously successful deployments with thousands and tens of thousands of devices and they are all secret? Don't the tens of thousands of users suggest a leak at some point? Who might have signed them up to such secrecy? Does it make sense, or are these others of the more seamy side of our industry claiming big successful implementations without any real program."

*John C. Schmitt, Ph.D
President, ID Solutions
jschmitt@CFL.RR.COM*

"I believe there is an enormous untapped immediate need for biometric assistance within the automotive, home entry, computer network, data center, security, social services, military access and many other markets. I also believe some situations are more favorable for voice and other situations are more favorable iris or fingerprints. No technology can be fairly viewed in the abstract. The need for biometrics ranges from simple convenience to serious security."

*Michael Cherry
mpeg2@OPTONLINE.NET*

"I suspect history will repeat itself... by the back end of [a] 10-year period, my successor will be saying that passports are being mass produced in Bangkok," he told the paper. "All we can do is keep changing the design. We are going to change [the technology] more frequently than every 10 years. Our plan is to keep ahead of the forgers with a faster rate."

*Bernard Herdan
Chief Executive of the UKPS*

Biometric testing of face, eye and fingerprints could soon be used on every resident of the UK to create compulsory identity cards.



People In The News

Liska Biometry Announces VP of Global Solutions

Liska Biometry (OTC BB:LSKA) a biometrics solutions provider, announced the appointment of **Brian E. Walsh** to the position of Vice President of Global Solutions. Brian will oversee the sales and implementation of the Company's customized segment solutions. His responsibilities will include both direct and indirect sales, worldwide field support, field strategy and planning, and sales operations.

OMNIKEY Names New Regional Sales Director

OMNIKEY, one of the world's leading manufacturers of smart card readers, announces that **David Koma** has joined OMNIKEY Americas as regional sales director. In this new role, Mr. Koma will primarily focus on supporting OMNIKEY's strong OEM customer base in the Americas and the development of new OEM opportunities.

Validity Sensors Names Sisto to Board

Albert E. Sisto, chairman, president and chief executive officer of Phoenix Technologies(R) Ltd. has been appointed to the Validity board of directors. Sisto joined Phoenix Technologies as CEO and was appointed to the Phoenix board of directors in 1999. Phoenix develops world-class core system software, platforms, tools and applications that take full advantage of their history of expertise -- BIOS -- at the core of digital devices.

BlueBear Network Nominates New CFO

BlueBear Network International, Inc. announced it is nominating Mr. **Derek Winch**, CPA, CA as Chief Financial Officer beginning June 6, 2005. Mr. Winch has 14 years of broad audit and financial management experience in large accounting firms, start-ups and established companies.

BioPassword Lands Ex-Microsoft Chief Security Officer

BioPassword ®, Inc. announced that, effective June 6, **Greg Wood** - former Chief Security Officer for Microsoft® Corp. - joined the company as Chief Technology Officer and Executive Vice President in charge of expanding the company's intellectual property and new product development. Market-watchers view the appointment as a coup for the emerging-growth company, which competed against a field of established, publicly listed firms to win Wood, who is considered by technology specialists to be one of the nation's foremost experts on network and Internet security. ❖



Steven Brill, the founder and CEO of Verified Identity Pass, Inc. demonstrates the iris scan at the new "CLEAR" kiosk at the departure area at Orlando International Airport, Fla., Tuesday, June 21, 2005.

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Biometric Sites of Interest

<http://www.biodigest.com>

<http://www.biometricinfodirectory.com>

<http://biometricdigest.blogspot.com>

Just click to hyperlink to site.

World Wide Biometrics

Reporting From China - John Mao, fswewi@pub.foshan.gd.cn



New ID Card Issue Speeds Up in China

To meet the demands of the 2008 Olympics in Beijing, this month a national telecommunication meeting held by the Ministry of Public Security asked for local governments to speed up the distribution of a new generation ID card throughout the country.

The new ID card is based on contactless smart card technology. There's no mandatory regulation requiring any biometrics be stored and used. Most local distributions have had the new card associated with biometrics.

The first issue began in early 2004 in five cities as pilot projects. Since the first issue, about 9 millions citizens received their new ID cards. Most of the card-holders have had their fingerprints enrolled in the database. In some cities, the fingerprint templates of the card-holder have been stored not only in the database, but also on the card. The new ID card has a special 2K bytes space specifically for biometric template storage.

From the results of the Meeting and starting next month, the new ID card issued all over the country will have to be sped up. Local governments were asked to call up more resources to concentrate on the New ID card distribution to citizens. The issue of the old version ID card will stop starting the 1st of next month.

The new ID card will be mainly issued to people age over 16. Children under 16 are allowed to apply for the new ID card. This 11 year old girl in Chengdu 11th primary school got her new ID card last month and showed it to reporters.

Each new ID card will cost the applicant



20 RMB (about US\$2.40), not including the expense of taking the color photo and the image processing. It's not yet clear who will pay for this part of the cost, the government or the citizen?

To prepare for use when the Olympic Games begin in Beijing in 2008, the distribution of the new ID card for most Chinese will be completed within four years. That will be a tremendous number from 0.8 to 1 billion cards issued.

Biometric Solution to Protect Children

As we know, the Chinese economy has been growing fast for over twenty years. With the GDP increased, we are also facing some serious social problems. The most challenging problem may be crimes caused from the gap between the rich and the poor. This is a problem from our system design on public wealth distribution and re-distribution, which has severely hurt us.

Kidnapping and abducting has become somewhat common. The hostages were mainly children. To protect the children from these crimes, many solutions, including biometrics, have been accepted by more and more kindergartens and primary schools in China.



The photo to the left is a fingerprint verification system in Tianjin 19th Kindergarten in Tianjin city, Hebei province. The system checks to make sure the adult who

picks up the child is really his/her parent or other close relatives who are authorized to pick up the child.

Every parent and other close relatives have their fingerprints enrolled, and associated with his/her child. Every day when they come to take the child home, they have their fingerprint verified. The system displays both the photos of the adult and the child. The guard will check the system and record all the details.

In my children's primary school, we have a "contact card" as shown below. My photo or my wife's photo along with our child's photo is posted on the same card. If I am going to take her home after school, I have to show the card to the guard when I enter the school. When we leave, the guard will double check the card to verify we are those pictured on the card. ❖



Financial Reports

Saflink to Sell \$15 Million in Shares

Security-software maker Saflink Corp. said Wednesday that it is selling \$15 million in shares in a private placement with plans to use the funds to finance its government contracts and provide working capital for commercial opportunities.

The company's stock dropped 30 cents, or 14 percent, to \$1.80 in morning trading on the NASDAQ.

Under the agreement, institutional investors will buy 8.8 million Saflink shares at \$1.70 per share and receive five-year warrants to buy another 2.5 million shares at \$2.50 apiece.

Rodman & Renshaw LLC served as the placement agent for the transaction. ❖

Deloitte & Touche Opens Biometric Security Services Unit

Deloitte will be setting up a UK-based unit with an international unit to develop its biometrics service line. "We shall be focusing initially on government schemes and airport security, but also on physical and logical security development," said Bori Toth, who heads up the unit. She said the firm has in excess of 50 security specialists to draw on.

Deloitte & Touche



Biometrics has been proposed as an antidote to card fraud for over a decade and has been undergoing testing by many financial services providers. MasterCard began testing fingerprint biometrics 1996. JCB started a biometric authentication trial project in 2003 in Japan, by testing the usefulness of fingerprint authentication for mobile access to its online card member account inquiry service. One of the earliest adopters of biometrics has been

Australia, where fingerprint scanning devices have been used by banks' to unlock ATMs to combat internal fraud since the mid-1990s. The demand for greater accuracy of biometric technology continues to improve as prices come down, Deloitte said, explaining the timing of its announcement. Toth said the firm would offer consulting and advisory services around the areas of database security, systems architecture, RFID and smart cards, as well as core biometrics. The company is pushing its independent stance, saying it would not, however, get involved in systems integration work around technologies that are in any way vendor-specific.

Among the biometric solutions developed especially to combat internet card fraud is electronic signature capture. It is often viewed as the most familiar and the least intrusive of other biometric identifiers. The process works by capturing handwritten samples of signatures on signature pads, where they are stored when the card is first used in the system. All subsequent transactions are then compared to the stored samples using a sophisticated method of analyzing the signature dynamics, rather than just looking at a signature image.

One of the main questions facing the implementers of biometric solutions is the readiness of consumers to accept them. In addition, by their very nature, biometric solutions are constantly evolving in terms of their technological sophistication. It therefore makes little sense to commit to significant long-term investment into one type of technology only to see the next, more advanced and cheaper alternative come along within a few years.

However, some market watchers maintain that the biometrics industry is now worth \$2bn and national schemes such as the UK's proposed Identity Card Bill is expected to add momentum to the market. ❖

How to Recognize a Terrorist

IME FATIMA		KATEGORIJE VOZILA ZA KOJE VRUEDI DOZVOLA:	
PREZIME AYISHA KHOMEINI		A Motocikli	M.
DATUM I MESTO RODENJA 02.12.1972. KIRKUK, IRAK		datum polaganja	
JMBG 0212972335009		B Vozila, osim vozila kategorije A, čija najveća dopuštena masa nije veća od 3.500 kg i koja nemaju više od osam sjedala, ne računajući sjedalo za vozača.	M.P.
PREBIVALIŠTE ZAGREB		datum polaganja	
DUBRAVA 27		C Vozila za prijevoz tereta čija je najveća dopuštena masa veća od 3.500 kg.	M.P.
PU ZAGREBAČKA DOZVOLU IZDAO U		datum polaganja	
POTPIS 07.12.1995. DANA		D Vozila za prijevoz osoba, koja, osim sjedala za vozača, imaju više od osam sjedala.	M.P.
06.12.2035. VRUEDI DO		datum polaganja	
0309123 BROJ		E Skupovi vozila čija vučna vozila spadaju u kategoriju B, C ili D, a prikjučna su vozila najveće dopuštene mase veće od 750 kg.	M.
POTPIS VOZACA <i>Fatima Ayisha Khomeini</i>		datum polaganja	

Elwood Schools Move Toward the Future

Starting next school year, time cards will go the way of the dinosaur in Elwood, Indiana when they become the third school district in Indiana to install biometrics fingerprint readers from software company Komputrol.



All classified employees, meaning anyone who isn't a teacher, will clock in using the system. A bus driver or custodian just lays a fingertip on the clock's small computer screen to start work.

School officials said the upgrade will save the school time and money.

Cicero-based Komputrol makes the software that Elwood schools use for payroll, so the new clocks will "talk" to the computer easily, accounts payable deputy treasurer Leslie Rittenhouse said. She, payroll, insurance manager Regina Collins and other employees now have to tally paper time cards by hand.

"Payroll work that took hours and hours to do will take minutes," Komputrol director of business operations Todd Huston said.

Out of 292 schools in Indiana, his company makes the payroll software for 211.

Why did the software firm decide to start selling biometrics equipment? "You can't lose your finger. You can't give your finger to someone else," he said. And saved time means saved money. ❖

Passport

(Continued from Page 1)

features in biometric passports, making the documents virtually impossible to counterfeit. A 2002 law required visitors from 27 allied nations that are not required to apply for a U.S. visa to carry the high-tech passports.

But the visa-waiver nations, mostly in Europe, failed to meet the October 2004 deadline, prompting U.S. officials to revamp their requirements.

The new rules would allow the visa-waiver nations to comply with less stringent biometric guidelines set in 2003 by the International Civil Aviation Organization, an arm of the United Nations. Those guidelines require digital photos and machine-readable chips to store identifying information in passports.

The changes would come after months of negotiations between the United States and its international allies, and between the Bush administration and Congress.

Visiting Brussels last month, Homeland Security Secretary Michael Chertoff reaffirmed the United States' commitment to biometrics as a high-tech approach to security screening "compatible on both sides of the Atlantic."

"Right now, in many ways we are using the most primitive kind of screening - meaning we screen for names that match lists of terrorists and criminals," Chertoff said during that trip. "And of course, names are not the best way to identify people. They're certainly not as good as biometrics."

Canada's ambassador predicted that the United States would drop a controversial proposal that would require travelers to show passports in order to cross the 4,000-mile border between the neighboring nations.

Discussions with the Bush administration, which introduced guidelines to crack down on potential terrorist travel across borders, indicates that "passports will not be the ultimate requirements," Canadian Ambassador Frank McKenna said in an interview with The Associated Press. Currently, U.S. and Canadian travelers need only driver's licenses to cross the border, although passports are often shown.

Requiring passports, which only 20 percent of Americans have, "would be a big change," McKenna said. "And it's become clear to me that both sides of the border think it would be a very damaging change. ... This would cause real havoc to the economy."

Canada is the largest U.S. trading partner, with \$1.2 billion worth of goods crossing the border daily.

Homeland Security spokesman Brian Roehrkasse said the department was "looking at alternative documents that could be used to enhance security while meeting the intentions of the law." ❖

Northstar provides recruiting services specifically for companies providing or implementing biometric technology.

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*A View From the Rear**Dumb Answers to Dumb Questions*

Sometimes it's best just to sit back and not say much but just listen. It's amazing what people say sometimes or how they interpret a story or an incident. When you look at things from a different perspective - like from the rear of a parade - you often see things differently. With our new "View From the Rear" column, we will try to give you some dumb answers to some dumb situations. Here's one that's been in the press in recent months.

The downside to using a biometric car lock

Turns out there is a very unfortunate downside to using a biometric fingerprint scanner to lock and unlock your car doors: when thieves want to steal your car they'll simply cut off the necessary digit and go to town. Which is exactly what happened to an accountant in Malaysia by the name of K. Kumaran who was accosted by four men who wanted his Mercedes S-Class, forcing him to use his finger to start the car up and then tied him up in the back seat. So far, so good, but later, after they discovered that they couldn't restart the car, they decided to cut off his index finger with a machete and abscond with the vehicle.



Now this situation has scared the you-know-what out of a lot of people mainly by the press, but you can also blame the biometric industry and the car manufacturer. There are too many unanswered questions with this situation. Did anybody tell poor Mr. Kumaran that there is a back-up system called a "KEY"? Would the bad guys have done the same thing if Mr. Kumaran would not give them the key? Did the auto manufacture consider using voice recognition to start the car? (Does this mean they'd cut out his vocal chords?). Has anybody or any organization combated this situation in the press - besides us?

**Thoughts on Airport Security****A Pennsylvania judge is caught trying to sneak a knife aboard an aircraft.**

There are two points worth making here. One - ridiculous rules have a way of turning people into criminals. And, two - this is an example of a security failure, not a security success. Security systems fail in one of two ways. They can fail to stop the bad guy, and they can mistakenly stop the good guy. The TSA likes to measure its success by looking at the forbidden items they have prevented from being carried onto an aircraft, that that's wrong. Every time the TSA takes a pocketknife from an innocent person, that's a security failure. It's a false alarm. The system has prevented access where no prevention was required. This, coupled with the widespread belief that the bad guys will find a way around the system, demonstrates what a colossal waste of money it is.

I'm certain many of our readers have either had a personal experience when traveling or know of someone who has. I had a small knife and fingernail file taken from me. Neither the knife nor the fingernail file had a point. Both were less than 2 inches in length. My sister-in-law had a hair comb removed since the plastic points were "too pointed." What a waste. And we, the taxpayers, are paying for this. ❖

*Bill Rogers***Editor**