



ISO/TC 247
ISO/TC 247 - Fraud countermeasures and controls
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Business Plan

ISO/ TC 247

Fraud countermeasures and controls

Executive Summary

Fraud impacts the world's economies

Within the scope of this technical committee, fraud is defined in broad terms as any intentional act of deception that creates human or economic harm. These activities have a social and economic impact on the public and private sectors of the world's economies and may affect any entity. These fraudulent acts take on many forms and are ever changing to provide the greatest economic return or shift social in cultural values. While it is recognized that the elimination of fraudulent activities is impossible, the work of this committee will seek to mitigate the effects of those acts.

By creating international standards in this area it will provide any entity with the standards and best practices to support legitimate activities and curtail the effects of fraudulent attacks. By doing so it should:

- enable the development and creation of trusted global supply partners.
- decrease the risks and cost associated with the procurement of goods and services.
- provide individuals with the means to establish and protect their identities.
- encourage the development and implementation of strong security/authentication technologies for multiple industries.
- support the safety of goods and services.
- create a uniform approach to the issues related to security assurance
- provide a forum of international expertise encompassing, identity fraud, identity management, security assurance, counterfeiting of goods of value, document fraud, and emerging fraud issues.

Scope

Standardization in the field of the detection, prevention and control of fraud, defined as an intentional act of deception that creates human or economic harm. Examples include counterfeiting, identity theft, smuggling or other infringements. This involves establishing standards relating to fraud in the areas such as:

- a) security assurance of operational facilities and organizations, and their related compliance standards
- b) supply chains for security technologies, products and/or material goods of value and service components
- c) interoperability and the performance of security technologies
- d) procedures and/or processes related to the protection of identity and personally identifiable information
- e) procedures and/or processes for identity credentialing, including the securing of identity documents
- f) the securing, controlling, maintaining and track and trace of products and/or material goods through the use of security technologies and systems
- g) information security as a component of operational security assurance
- h) the transmittal of information within and between secure environments
- i) the transmittal of information from public to secure environments
- j) the transmittal of information in support of authentication or verification technologies
- k) the development process of technologies, methodologies and systems related to countering fraud
- l) financial documents and systems that enable secure transactions
- m) risk assessment and treatment
- n) credentialing of individuals in critical or sensitive positions, law enforcement, first responders, government officials, etc.
- o) authentication devices or systems used as countermeasures, prevention or control of fraud in the areas of identity, financial, products and/or material goods protection

The standards developed by this TC may include those in support of both public and private policy. The standards developed should be sensitive to national, regional and cultural issues that affect both the development and implementation of those standards. This TC must also recognize the security sensitivity surrounding the development work of this committee and be prepared to work within secure environments using recognized security protocols and practices.

Explanatory notes: Important

The intent of the items delineated in the Scope of ISO TC 247 is to provide examples of areas of possible standards development. It is important to recognize that the ISO TC247 scope of work is focused upon the physical aspects of fraud prevention. It is not the intent to this Committee to develop standards that are within the primary domain of digital information technology. We do expect that when required to develop a fraud prevention solution that incorporates digital information technology, that we use the resources of

expertise within other ISO Technical Committees. As currently formed, TC247 has not sought or contain sufficient expertise to develop digital information solutions, nor is it the intent to develop such standards within TC247.

Key Terms:

security technologies: are those physical devices created to prevent a physical attack on a product, material good, credential or other item of value. Those devices may include labels. Inks, laminates, foils, optical devices, substrates, etc

protection of identity and personally identifiable information: the characteristics and attributes that defines a person is recognized as their personal identity. The physical protection of this information requires procedures and practices to prevent this information from being used for fraudulent acts. This may include the restriction of physical access, limitations of use, and devices to prevent the alteration of identity information.

identity credentialing: includes those physical process required to establish the identity of a person for the issuance of an identity credential. This process involves the establishment of a level of confidence in the identity that matches the level of privilege or access established by the credential. This may include the process for issuing credentials for access to secure facilities or driving privileges.

identity documents: those physical documents that are issued by an authority that establishes a person's identity for an established level of privilege or access.

information / information security: the primary focus of controlling information is the prevention of fraud attacks enabled by the use of material information. This information may be both in printed format as well as verbal. In the event that the information necessary to be controlled is in a digital format, then the preventative practices shall be those developed within other relevant ISO Technical Committees.

authentication: is the act of establishing whether an item is genuine or not.

authentication device or element: is a tangible object, visual feature or information associated with an item that is used as part of an authentication solution.

the securing, controlling, maintaining and track and trace of products and/or material goods through the use of security technologies and systems: the use of existing track and trace technologies, practices and procedures to develop systems for the prevention of fraudulent attacks on items.

1 INTRODUCTION

1.1 ISO technical committees and business planning

The extension of formal business planning to ISO Technical Committees (ISO/TCs) is an important measure which forms part of a major review of business. The aim is to align the ISO work programme with expressed business environment needs and trends and to allow ISO/TCs to prioritize among different projects, to identify the benefits expected from the availability of International Standards, and to ensure adequate resources for projects throughout their development.

1.2 International standardization and the role of ISO

The foremost aim of international standardization is to facilitate the exchange of goods and services through the elimination of technical barriers to trade.

Three bodies are responsible for the planning, development and adoption of International Standards: [ISO](#) (International Organization for Standardization) is responsible for all sectors excluding Electrotechnical, which is the responsibility of [IEC](#) (International Electrotechnical Committee), and most of the Telecommunications Technologies, which are largely the responsibility of [ITU](#) (International Telecommunication Union).

ISO is a legal association, the members of which are the National Standards Bodies (NSBs) of some 140 countries (organizations representing social and economic interests at the international level), supported by a Central Secretariat based in Geneva, Switzerland.

The principal deliverable of ISO is the [International Standard](#).

An International Standard embodies the essential principles of global openness and transparency, consensus and technical coherence. These are safeguarded through its development in an ISO Technical Committee (ISO/TC), representative of all interested parties, supported by a public comment phase (the ISO Technical Enquiry). ISO and its [Technical Committees](#) are also able to offer the ISO Technical Specification (ISO/TS), the ISO Public Available Specification (ISO/PAS) and the ISO Technical Report (ISO/TR) as solutions to market needs. These ISO products represent lower levels of consensus and have therefore not the same status as an International Standard.

ISO offers also the International Workshop Agreement (IWA) as a deliverable which aims to bridge the gap between the activities of consortia and the formal process of standardization represented by ISO and its national members. An important distinction is that the IWA is developed by ISO workshops and fora, comprising only participants with direct interest, and so it is not accorded the status of an International Standard.

2 BUSINESS ENVIRONMENT OF THE ISO/TC

2.1 Description of the Business Environment

The following political, economic, technical, regulatory, legal and social dynamics describe the business environment of the industry sector, products, materials, disciplines or practices related to the scope of this ISO/TC, and they may significantly influence how the relevant standards development processes are conducted and the content of the resulting standards.

As quality assurance has become a common part of any business structure, the necessity for security assurance is becoming the other half of the business equation. Organizations today are being faced with the necessity to protect not only their own business interest from fraudulent acts, but they also must protect the interest of their customers and consumers. Entities must be able to recognize the threats and risk involved in their business sector. They must also be able to implement recognized and functional solutions to deter the recognized risk. The development and implementation of fraud countermeasures and control standards along with other effective practices provides a means to counter the effects of those acts. By using recognized compliance standards it can build a structure of trusted organizations, as quality assurance has currently provided. It may also provide support in the face of legal actions by establishing an organization's due diligence process to protect clients and consumers.

Standards that address the many issues involving fraud naturally support the efforts of law enforcement and our regulatory and judicial systems. The standards that this TC will address may include issues surrounding:

- security assurance of organizations
- deterrence to the counterfeiting of goods
- national customs support for the recognition of counterfeit goods
- health and safety issues attributable to counterfeit goods
- tax and revenue issues from counterfeit and grey market goods
- the development, distribution, use and interoperability of security technologies
- identity issues surrounding the development of trusted identities, credentialing, birth document fraud, immigration, and identity management
- document fraud as related to financial transactions
- document fraud in the exportation/importation and transportation of material goods
- the protection of intellectual property rights

2.2 Quantitative Indicators of the Business Environment

The following list of quantitative indicators describes the business environment in order to provide adequate information to support actions of the ISO/TC:

The economic impact of the areas under the scope of this Technical Committee is substantial. While an exact estimate is impossible the current estimate on the counterfeiting of goods is approximated at 5%-7% of the world's economies. This does not include the social impact of the safety and health issues related to counterfeit goods.

Identity theft is an act that affects millions of people annually and costs business and individuals billions of dollars. The social consequences of identity fraud and identity management are wide spread including; immigration, employment opportunities, welfare and health systems, national identities and international travel.

Document fraud is used in numerous activities including identity credentials, transportation documents, financial transactions, and travel documents. The cost to legitimate business, law enforcement and regulatory agencies can only be expressed as estimates in the billions of dollars.

3 BENEFITS EXPECTED FROM THE WORK OF THE ISO/TC

The work done under ISO TC 247 should benefit organizations by:

- Reducing an organizations internal and external risk
- Reduce business and individual financial losses
- Protect the interest of an organizations customers and consumers
- Support legal and regulatory actions
- Improve the health and safety of goods and services to the consumer
- Enhance national and international trade of legitimate goods
- Retain the value of branded goods and their associated intellectual property
- Enable trusted identities to be established and credentialed
- To provide industry standards and best practices to mitigate fraudulent acts
- Facilitate financial transactions through secure processes
- Combing standards compliance for efficient and cost effective auditing

Explanation of terms:

trusted identities, those identities that have established the attributes of their identity to a level of trust that meets or exceeds the requirements of the transaction.

4 REPRESENTATION AND PARTICIPATION IN THE ISO/TC

4.1 Countries/ISO member bodies that are P and O members of the ISO committee

4.2 *Analysis of the participation*

The current members and observer national bodies provide a broad spectrum of developed nations. The committee recognizes the lack of developing nations involved in the work of the committee and encourages their participation. Of special interest would be additional participation from Africa, the Middle East, and Latin America.

Liaisons can be categorized by; other ISO technical committees with related interest, and international industry associations.

ISO/TC 247 agrees that fraud affects a broad range of sectors and wishes to be sensitive to the concerns of other ISO and IEC technical committees and subcommittees. It is not the intent of ISO/TC 247 to duplicate efforts but instead work collaboratively with other committees.

5 OBJECTIVES OF THE ISO/TC AND STRATEGIES FOR THEIR ACHIEVEMENT

5.1 *Defined objectives of the ISO/TC 247*

Organizations and individuals are confronted with fraudulent acts on a continual basis. The acts committed and attempted are changing with the opportunities presented to the perpetrators. In many cases the targets are unaware of these threats and are unprepared for the consequences or how to mitigate those threats. These fraudulent acts disrupt business activity, compromise individual economic security, present safety issues for the users of goods and services. It is therefore the intent of ISO/TC 247.

- To assess the needs of the international community for standards to be developed within the scope of this committee.
- Create standards that educate affected organizations and individuals.
- Provide guidance to entities that wish to mitigate the risk associated with fraud.
- Develop standards that enhance national and international trade through the creation of trusted entities.
- Support the interest of public and private sector entities in creating solutions through international standards.

- Create a recognized body of work and expertise in a critical area of world commerce.
- Ensure cooperation with other standardization organizations in developing comprehensive and effective solutions through standards.
- Ensure that work is in conformance with ISO directives guidelines.
- Bring together a forum of international expertise to build consensus focused solutions.
- Establish the use of multiple ISO standards to create combined compliance audits to provide efficient and cost effective solutions.
- Develop an international standard for security assurance that will be the basis for the development of trusted entities and systems for multiple industries.
- Define the terminology for the fraud countermeasures and control industry.
- Create a platform for the development of security technologies and their interoperability.

Explanation of terms:

trusted entities: those organizations that have established the attributes of their organizational identity to a level of trust that meets or exceeds the requirements of the transaction.

5.2 *Identified strategies to achieve the ISO/TC's defined objectives*

ISO TC 247 intends to develop the body of interest around fraud countermeasures and controls and draw from an international community to create standards that are solution driven. To establish a holistic approach to a problem that affects virtually all the economies of the world and the majority of the world's commerce. The problems of fraud are not isolated to one country, one industry, one industry association or one technical committee. The committee intends to use an approach that invites participation from industry organizations, national and international standards bodies, law enforcement, and governmental agencies as well as private industry.

As a committee we intend to draw relevant input from any existing ISO Technical Committees and existing standards to supplement and support the work of TC 247

An international prospective and sensitive must be part of the development process. The TC will draw insights from the international participants to address issues that require solutions that are national, religious or culturally sensitive.

ISO TC 247 is currently developing a framework Security Assurance Management System Standard for the inclusion and basis of other standards. In addition a Terminology working group has been established to develop the vocabulary of the Technical Committee. This

committee is drawing from a variety of resources to create an ISO TC 247 Terminology reference document.

The committee will use all of the existing means available to communicate and draw participation from its members including; emails, teleconference, internet, physical meetings, etc.

6 FACTORS AFFECTING COMPLETION AND IMPLEMENTATION OF THE ISO/TC WORK PROGRAMME

ISO TC 247 is a technical committee with a broad scope and covering a subject that is not well understood and recognized. It is important that the committee continue to define its role as clearly as possible and continue to extend liaisons and cooperation to other committees and organizations to create an understanding of our work.

As a new field of standards development it is important to further engage international expertise to participate. Without the input of the expertise of more ISO members the committee may suffer from a lack of a full international perspective on the problems and solutions.

Industry organizations tend to look at fraud issues as being industry specific. This is not the case. Industry organizations need to begin looking at the problem from the perspective that fraud is prevalent in many industries and the most effective solutions can develop from cross industry cooperation. Being able to work on this issue within an ISO committee provides a forum that is sensitive to industry issues, but can develop standards based solutions with multi-industry expertise.

Implementation Factors

Many organizations tend to ignore the cost and social consequences of fraudulent acts and regard them as a cost of doing business. Consumers look at some of these fraudulent acts as being inconsequential to them until they are directly affected. Governmental, regulatory, private industry and consumer groups need to be proactive in incorporating the standards developed under this committee into their everyday business practices. Countermeasures and control standards need to be recognized as being as vital as any quality assurance standard. Without those controls, quality cannot be assured to the consumer.

7 STRUCTURE, CURRENT PROJECTS AND PUBLICATIONS OF THE ISO/TC

This section gives an overview of the ISO/TC's structure, scopes of the ISO/TCs and any existing subcommittees and information on existing and planned standardization projects, publication of the ISO/TC and its subcommittees.

7.1 [Structure of the ISO committee](#)

7.2 [Current projects of the ISO technical committee and its subcommittees](#)

7.3 [Publications of the ISO technical committee and its subcommittees](#)

Reference information

[Glossary of terms and abbreviations used in ISO/TC Business Plans](#)

[General information on the principles of ISO's technical work](#)