



Identity Theft Costs American Businesses Tens of Billions of Dollars Annually. And Since 9/11, It Has Revealed Security Flaws with Catastrophic Results.

**Legislating New ID Cards and Passports
Will Do More Harm Than Good.**

World DLA Has the Solution.

World DLA has developed an online knowledge-based authentication system that immediately determines whether identity information is accurate. If fully utilized, this unique system will:

1. Reduce the likelihood of terrorists entering the United States or boarding an airliner,
2. Decrease the number of undocumented workers entering the labor force, and
3. Save the American retail industry billions of dollars.

Everything Is Forgeable

Studies indicate that false or stolen identification documents are an integral part of criminal and terrorist activity. Fake passports, birth certificates, social security cards and driver's licenses can be purchased on the black market in virtually any major American city, as well as on the Internet.

Even the REAL ID card, a 2008 federally-mandated harmonized state driver's license that embodies biometric data, is at risk from terrorists and sophisticated counterfeiters.

According to experts, a knowledge-based identity verification system is the most difficult to beat since it requires information only the true individual would know. Unless this type of system is implemented,

1. Billions of dollars will continue to be lost each year at America's retail and rental counters to thieves with stolen credit cards and matching phony driver's licenses,
2. Millions of undocumented workers will continue to enter the U.S. workforce by presenting forged papers to unsuspecting employers, who are at increasing risk of penalties for hiring "illegals," and
3. Terrorists will continue to tamper with and compromise the integrity of even the most ironclad identification documents, gaining entry to the United States with potentially devastating consequences.

Without an instantaneous knowledge-based identity verification system, retailers, employers and border agents will continue to be duped. Thus, a REAL ID or the future requirement that Canadians present passports to U.S. Border agents will not solve the problems at hand. However, they may create new ones.

For example, REAL ID will cost billions of dollars to implement and require the aggregation of personal data that would be at risk from hackers. Plus, REAL ID raises state sovereignty and civil liberty issues that are likely to bog down any national debate for years. And finally, IDs perceived as "counterfeit proof" are likely to create a false sense of security that sophisticated criminals and terrorists could exploit.



World DLA Has the Practical Solution

World DLA developed an online knowledge-based authentication system that instantly verifies identity documents of individuals renting cars, cashing checks, applying for jobs, crossing the border, boarding airplanes, or conducting virtually any activity that requires proof of identity.

Here's how it works. A border agent, employer, retail clerk or airline agent simply asks the individual to provide one or more identity documents commonly found in a wallet, or specific identification information such as the individual's last three social security digits. This information is then entered into the World DLA secure web-based system.

Instantly, the authentication process determines whether or not the data provided is accurate. If the information is incorrect, the data will not match records accessed by World DLA. Even if the photo on a stolen passport has been replaced or closely resembles the impersonator, it is unlikely the impersonator will know the passport owner's last three social security digits, home address or other personal information.

The process is simple, inexpensive and immediate — eliminating the inconvenience and insult experienced by individuals required to wait for results. Plus, World DLA does not retrieve or store data and therefore poses no vulnerability to hackers.



Border Issues

According to the PBS Frontline report, *Crossing Borders: How Terrorists Use Fake Passports, Visas and Other Identity Documents*, terrorists steal valid passports and physically alter them by changing the photo or biographical data, or they make counterfeit documents.

Importantly, PBS research reveals “there may be specialized Al Qaeda terrorist cells in the U.S., Canada and Europe whose only job is to supply Al Qaeda with passports and other documents that can be used by its operatives.”

It is clear: passport requirements and “better” ID cards are unlikely to prevent terrorists from entering the United States. Plus, there are severe unintended consequences. For example, many Canadians currently without passports are unlikely to obtain them.

As a result, the Conference Board of Canada estimates Canadian visits to the United States will decrease by 3.5 million annually. At stake is the \$12.5 billion Canadian tourists spend each year in the U.S. And surprisingly, the entire United States will share the loss, not just the border states. For instance, in 2004, Florida, California and Nevada were the top three recipients of Canadian tourism dollars.

Unfortunately, a new Canadian passport requirement is unlikely to prevent terrorists from entering the country. Instead, it will stop legitimate visitors. In fact, confusion regarding U.S. border policy and document requirements already has caused a decline in Canadian visits.

Employer Issues

According to the Center for Immigration Studies, there are 33.1 million foreign-born people living in the U.S. representing 11.5 percent of the population. Of this total, the U.S. Bureau of Census estimates 8-9 million are illegal immigrants. Other estimates put the number at 11-12 million, while still others range up to 20 million.

Regardless of the actual figure, one fact is certain: the number of illegal immigrants, as well as the number of undocumented workers, continues to rise while efforts to reduce the flow have failed.

For example, the 1986 Immigration Reform and Control Act implemented penalties for employers who hire illegal aliens. In turn, the demand for and availability of counterfeit social security cards, immigration documents and other false documents increased. World DLA’s knowledge-based identity authentication system will allow employers to immediately determine if the information provided by a prospective employee is accurate.



Retail Issues

Identity fraud — which often leads to personal financial account information and theft — has become the nation's fastest growing financial crime, according to the U.S. Department of Justice. The actual costs and number of victims are unknown since no single hotline or database exists, according to a United States General Accounting Office report. However, based on survey results published by the Council of Better Business Bureau, identity fraud affects approximately 10 million Americans at a cost of nearly \$60 billion annually.

In turn, consumers are spending more time (40 hours up from 33) to resolve fraud cases and are enduring problems such as credit denial, harassment by debt collectors, criminal investigations, civil suits and employment loss.

The brunt of the financial losses, however, is not incurred by consumers but by their financial institutions. To reduce these costs, as well as curtail problems associated with consumer victimization, retail organizations would be wise to implement an identity verification policy.

Knowledge-based Authentication Is Most Effective

In the studies *Identity Theft: Authentication as a Solution-Revisited* and *Identity Fraud: Providing a Solution*, authors Norman Willox, Chairman of the National Fraud Center Inc., and Thomas Regan, a former commercial fraud prosecutor, demonstrate that knowledge-based identity authentication is the most effective method for proving a person's ID.



Plus, anecdotal information reveals that honest people are neither inconvenienced nor do they object if the ID verification process does not exceed a minute and is administered equally. In fact, people often feel empowered by cooperating in efforts to prevent fraud and terrorism.

World DLA's instantaneous, knowledge-based authentication system is available online — providing solutions to identity theft anywhere. It empowers businesses and government to reduce ID fraud, without placing personal information at risk or inconveniencing consumers.