

# Secure Payments Task Force

## June 1, 2016 Call Summary

### Welcome and Restated Participation Agreement<sup>1</sup>

Todd Aadland, Payments Security Strategy Leader, opened the Secure Payments Task Force (SPTF) call and reviewed the meeting agenda. In addition, he highlighted several news articles on recent high-profile cyberattacks that resulted in payments fraud. Although Mr. Aadland challenged SPTF members to assess how these security incidents fit into current and future task force work efforts, he cautioned them to resist standing up new work efforts – particularly ones that do not align with the mission of the task force – in reaction to the latest media coverage.

### Work Group Updates

Work group chairs provided an update on their respective work groups, including a summary of accomplishments to date and planned activities for the June 21-22 in-person SPTF meeting:

- Reed Luhtanen, Wal-Mart Stores, Inc., stated that the sign-up period for the Data Protection work group is open through June 3 and encouraged SPTF members to join the group, emphasizing the opportunity to help address the recent high-profile data breaches by developing best practices for protecting payments data. He noted that the group will hold a kick-off call on June 16 and its initial in-person meeting during the June 21-22 SPTF meeting.
- Nancy O'Malley, MasterCard, stated that the Payment Identity Management (PIM) work group has made significant progress to date, highlighting that Subgroup 1 has developed a template to map out key PIM processes and plans to apply the template to four use cases: credit cards, debit cards, ACH, and Fedwire.<sup>2</sup> In addition, she stated that Subgroup 2 is currently developing a matrix to evaluate PIM methods. Ms. O'Malley noted that during the June 21-22 meeting, Subgroups 1 and 2 will obtain feedback from the full work group on their work efforts, and subgroup 3 will kick off work efforts. In response to questions regarding the scope of the use cases prioritized by Subgroup 1, Ms. O'Malley clarified that the subgroup intends to focus on both next-day and same-day transactions for ACH and to initially focus on card-present transactions for credit and debit cards.
- Glen Ulrich, U.S. Bank, emphasized that the recent cyberattacks in the news underscore the importance of the work efforts underway in the Information Sharing for Mitigation of Payment Risk Fraud work group. He noted that the group's efforts are advancing nicely, highlighting that Subgroup 2 has developed a template to inventory the type of payment data currently shared in the industry.<sup>3</sup> In addition, Mr. Ulrich highlighted that the work group recently held a call with members of the Federal Reserve's Payment Study team to discuss potential collaboration opportunities, during which the group agreed to provide input on information to be collected for the 2017 Federal Reserve Payment Study. He noted that the group has set aside time during the June 21-22 meeting to advance this collaborative effort as well as the deliverables of the subgroups.
- Stephen Mott, BetterBuyDesign, stated he is happy to report that more than 10 SPTF members are participating on the Standards Assessment Team (SAT), including a few from leading standards

---

<sup>1</sup> Nick Billman, Federal Reserve Bank of Kansas City, reminded those in attendance to participate in a manner consistent with Anti-Trust and other applicable laws.

<sup>2</sup> The PIM work group has divided its work efforts into three subgroups. Subgroup 1 plans to inventory and understand the relative adoption rates of the existing processes by which identity is established, verified, and subsequently authenticated. Subgroup 2 plans to develop and complete a matrix to assess the strengths and weaknesses of those existing processes. Subgroup 3 plans to explore possibilities to bridge gaps in PIM practices and to develop a framework to establish, create and propose PIM policies, practices, and protocols to guide the industry.

The work group prioritized the four use cases during the March in-person working session.

<sup>3</sup> Information Sharing for Mitigation of Payment Risk Fraud work group has divided its work efforts into three subgroups. Subgroup 1 plans to identify key information sharing terms and document applicable reporting standards and metrics. Subgroup 2 plans to identify and inventory the types of information currently shared within the payments industry. Subgroup 3 plans to develop information sharing best practices.

organizations with substantial subject matter expertise. He noted that the SAT has begun to identify and inventory applicable payment security standards for the active work groups and plans to engage with and further develop a shared work plan for each active work group during the June 21-22 meeting.

### **Efforts to Foster and Support an Effective Task Force**

Ed O'Neill, Federal Reserve Bank of Chicago, provided an update on three initiatives intended to support SPTF work efforts. First, Mr. O'Neill provided an overview of a new report – to be published on Task Force Knowledge Central on a bi-monthly basis – that will summarize Task Force updates and progress on work group efforts, noting that the inaugural report was published on May 19. Second, he provided an overview of the recently-finalized Work Group Guidelines, which provide a common framework under which work groups will operate. He noted that the Guidelines address several topics, including work group composition, roles and responsibilities, deliverables, decision making, annual assessments, and dispute resolution. Third, Mr. O'Neill presented the voting results for the SPTF Decision-Making Framework (DMF), stating that the SPTF approved the DMF with a 100 percent consent rate and a 63 percent participation rate.<sup>4</sup> In addition, Mr. O'Neill reviewed comments provided by SPTF members during the DMF vote and corresponding responses from the Federal Reserve. He noted that the final version of the DMF will be posted to [FedPaymentsImprovement.org](http://FedPaymentsImprovement.org) at the end of June. In response to a question, Mr. O'Neill stated that a few SPTF members decided to cast 'stand aside' votes because they were not authorized to vote on behalf of their respective organizations.

### **June 21-22 SPTF Meeting**

Mr. Aadland provided a preview of the activities scheduled for the June 21-22 SPTF meeting. He highlighted that, in response to feedback provided by SPTF members on previous meetings, the upcoming meeting will include additional time for work group breakout sessions and industry speakers. Mr. Aadland reminded SPTF members to sign and submit the revised participation agreement by June 3, underscoring that a completed revised agreement is a prerequisite for future meeting attendance. In addition, he encouraged SPTF members to consider sending subject matter experts from their respective organizations – particularly those who can contribute to active work groups – to the meeting as delegates. In response to a question, Mr. Aadland clarified that organizations are permitted to send multiple individuals to Task Force and work group meetings but emphasized that each organization is permitted to cast only one vote when the DMF is deployed to approve a decision proposal.

### **Closing Comments**

Mr. Aadland thanked those on the call for their participation and stated that he looks forward to seeing SPTF members in Chicago at the June 21-22 meeting.

---

<sup>4</sup> In addition, majority consent was achieved from all eight stakeholder segments. Three SPTF members casted a 'stand aside' vote. Full voting results will be posted to [FedPaymentsImprovement.org](http://FedPaymentsImprovement.org) at the end of June.