

“Commercial LSSI”

Note: This summary is a follow on from the two-page executive summary of LSSI (<https://hvl.net/pdf/LSSIExecSummaryMar92021GH.pdf>). It dives a bit deeper into the “weeds”.

Obvious Commercial Opportunity

The lack of a solid legal human identity, biometrically tied to a person, creates a significant opportunity for companies to fill the gap left by jurisdictions sticking to their old, flawed, physical legal identity systems, upon which are built digital identities. The deck, “Digital Banking & Legal Identities” speaks to this - <https://hvl.net/pdf/DigitalBankingIdentityDeckMar92021.pdf>. However, it’s not just any newco which can fill the gap. Why?

Identity Registration versus Identity Authentication

The actual underlying physical identity has to be legally ascertained. In today’s world, with the lack of a good legal identity framework, it requires people to come to a physical location, to not only present their legal identity documents, **BUT ALSO TO SUBMIT THEIR BIOMETRICS IN PERSON**. This is different than a person supplying their biometrics online to be used in an identity registration system to have them used to authenticate with.

Thus, it requires enterprises either with existing physical locations or, have access to them, which are easily accessible by the person. It’s also hypothetically possible to have someone come to your door to obtain them.

However, the associated underlying governance and business processes used for the people obtaining the information and biometrics from a person are as critical as the technology used. There is LOTS of potential room for fraud in the business processes, e.g. a corrupt administrator, etc.

Infants

To mitigate the risk of someone stealing your child’s legal identity and maliciously using it as described in this post (https://www.linkedin.com/pulse/synthetic-identity-fraud-1-million-kids-year-guy-huntington?trk=portfolio_article-card_title) means the newco has to be able to address obtaining biometrics from infants. This means obtaining their fingerprints with technology like http://biometrics.cse.msu.edu/Publications/Fingerprint/Jainetal_ChildFingerprintRecognition_TechRep_MSU-CSE-16-5 or this <http://kidprint.ucsd.edu/> (both of which haven’t been widely scaled to date).

Anonymous Biometrics & Not Storing Biometrics in Systems

This executive summary paper, “Rethinking Biometric Identification” (<https://hvl.net/pdf/RethinkingBiometricIdentificationMar92021GH2PageSummary.pdf>) lays out the potential possibilities and challenges in doing this. As an interim step, it’s likely a commercial system will write the actual biometric to a person’s Toda file ,and also store it within their data systems.

Large Population Data Sets Required

Everyday retailers deal with customers from many different locations around the planet. They want to limit their fraud losses. Therefore, any newco system must have a large global data set to draw upon. That’s one of the reasons I was targeting traditional banks. They have physical and electronic presences in all countries, and are wanting to mitigate the risk of customer and revenue loss to the global tech and fintech companies now trying to eat some of their lunch.

Identity Collisions

Given today’s widespread fraud, it’s highly likely identity collisions will occur, i.e. Sally Smith, who’s been successfully masquerading as Jane Doe, will now have her fake legal identity being questioned when the real Jane Doe comes into newco to register. As the banking deck states, I advise newco (in this case the banks), to step back and not get involved. Simply refer Jane to the local authorities. Over time, not overnight, the databases will become slowly cleaned up.

Neutral Third Party Required

In the banking deck, I have newco, who’s acting as the independent third party, who uses different anonymous identifiers to deal with incoming and outgoing identity verification requests. THIS TYPE OF ARRANGEMENT IS ESSENTIAL in establishing trust between the different parties supplying an identity for identity verification.

Newco Requires Significant Resources – Rate of Change

As the LSSI exec summary indicates, the entire system is under constant attack. Thus, newco requires significant resources, both human and AI, IT, biometric, security, et al to address this. This limits the abilities for others to do it – which is a competitive opportunity for newco and its partners.

What I’m Looking For...

The best- case scenario, is to find a jurisdiction to work with, within which Newco can also do its first pilot. The system would be designed to leverage both government LSSI’s if available or, if not, leveraging say bank identity systems, as per the deck. Failing this, then I’m on the hunt for global partners who have the physical reach and abilities as described above.