

Identification Security Technology for Mitigating Electronic Transaction Fraud



Thomas Szoke – CEO
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OTCBB: IDGS

CEOCFO: Mr. Szoke, what is the concept behind ID Global Solutions?

Mr. Szoke: The concept behind ID Global is to leverage different identification technologies from its global security solutions, and integrate these solutions into new areas of electronic transactions and fraud protection to address the growing problem surrounding the compromise of individual data and the subsequent use of the data in fraudulent transactions.

CEOCFO: Why use that approach and why has it not been tried before?

Mr. Szoke: Leveraging existing core technologies into new solutions is not a new concept but is an effective way to bring proven technology into new markets. We are confident we have a strong diverse technology portfolio to utilize in this endeavor that results in a very unique approach to addressing the issues of fraudulent electronic transactions.

CEOCFO: What is your process?

Mr. Szoke: Our approach is to proactively mitigate electronic transaction fraud. We do this by making sure that the rightful owner of the data associated with an electronic transaction is involved in the authorization of the transaction as it happens. We refer to this process as a “Person Present Transaction” and it is accomplished using our IDComplete™ solution. What is important in our solution is that it is designed to complement the existing payment transaction process and does not require changes to the Acquiring Networks or Point of Sale terminals.

CEOCFO: Is this in use today? Are you still in development?

Mr. Szoke: A portion of the core elements of the product are in use today. We have completed the initial development of the IDComplete™ product and are in the process of engaging with prospects to set up pilot projects for deployment.

CEOCFO: If I am in a store and making a purchase, what would be different?

Mr. Szoke: The difference would be that you would get a message on your smartphone to either accept or decline the transaction that you just ran. You would use your card the same as you do today however as soon as you your card is swiped on the payment terminal, you would get a message on your smartphone that states the amount of the purchase and the merchant name, with an “Accept or Decline option”. If you “Accept”, it will ask you for a secure pin. If enter the correct pin, the transaction is approved and the receipt prints out and you sign and go away. If you select “Decline”, it will decline the transaction action.

CEOCFO: What if there are people that do not have their phones with them or are not using smart phones?

Mr. Szoke: That is a question that many people ask and I have to be honest with you, I do not think there are many people that go out and shop without having a phone. We can support any kind of phone, so there is not a necessity to have any specific model. This is a very simple and convenient solution for consumers to adopt. It traverses all the phone types. Assuming there is a circumstance in which your phone is not with you or it is not functioning at the time of a purchase, the IDComplete™ solution is configurable to allow for transaction approval with or without the requirement of the smartphone approval process. This could include, but is not limited to connectivity, amount of purchase, or type of purchase (online versus card present, etc.) As an example today, if you go to a store and the point of sale terminal is not functioning, they can use the old carbon paper method and call up the credit card company and get authorization. There are different approved ways that allow for transactions to be manually processed but it requires the consent of the parties involved, the cardholder and the merchant.

CEOCFO: Are the cardholders looking and willing to accept methods like this or are the issuers insisting, or both?

Mr. Szoke: I believe people are becoming very concerned about their personal data being stolen. This is because over the past couple of years massive breaches involving personal data including credit card information has affected millions of people. I think issuers are also concerned with this situation and are looking for new and better ways protect their customers. We believe our method will resonate very well with both cardholders and issuers because they know the best protection of personal data is accomplished by its owner. However unfortunately when this data is used in electronic transactions today no matter how much it is protected by sophisticated security solutions it is always going to be vulnerable to attack. That is why our solution of having the owner of the data always know and control its use will be rapidly adopted and heavily utilized.

CEOCFO: You have several divisions. Are they all converging in this one offering or do you have stand-alone offerings as well?

Mr. Szoke: ID Global has core technology and associated products in identification, security, card production, credit card processing and multi-functional payment gateway solutions. We took all these core technologies and combined them into our IDComplete™ product. However, each of those core technologies and products can individually provide solutions to the market in their respective areas. As a result, we do offer different solutions for the Global Security market through a network of indirect distribution partners located around the World.

"We have the solution for deterring electronic transaction fraud at a time when it matters the most, with a strong team to execute its introduction into the market, and the corporate focus to ensure long-term success."- Thomas Szoke

CEOCFO: Is it easy to get an audience with the appropriate people to introduce ID Global?

Mr. Szoke: You have to have the right approach to that. It is sometimes challenging. I think we are fortunate to have a strong team that has good access to decision makers in the industry. Yes, it is a challenge but that is the challenge every company faces, making sure you have the right people and right approach. I'm confident in our team's ability to get to the right decision makers within our target accounts and demonstrate the value to drive adoption of our solutions.

CEOCFO: Are you funded for the steps you would like to take next?

Mr. Szoke: Yes, we have completed a couple of rounds of funding recently and as a result have been able to do the necessary product development as well as setup the sales and marketing organization to rapidly move ahead with our strategy. We will be looking for additional funding going forward as we grow the business.

CEOCFO: What surprised you as the product developed and the companies has evolved?

Mr. Szoke: What surprised me was the tremendous excitement and interests our company and our IDComplete™ product has received. In addition, the more we discussed this solution with people from the market it was surprising to see how much it can be utilized in a number of different vertical applications beyond what was originally envisioned.

CEOCFO: Why pay attention to ID Global Solutions today?

Mr. Szoke: Because we have the solution for deterring electronic transaction fraud at a time when it matters the most, with a strong team to execute its introduction into the market, and the corporate focus to ensure long-term success.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

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