

BANKER & TRADESMAN

THE REAL ESTATE, BANKING AND COMMERCIAL WEEKLY FOR MASSACHUSETTS

ESTABLISHED 1872

Voice Verification Banking Is Sound Wave of the Future

By Andrea Gregory

WHEN GERMANO DI MAMBRO MET WITH A Lithuanian forensic scientist at a symposium in New Hampshire, something sparked: A business plan formed in his mind and his instincts told him that the Lithuanian man held the power to take remote banking to a new level. Di Mambro decided he and his business partner could deliver this technology to the masses.

Shortly after meeting with Dr. Bernardas Salna, director of the Lithuanian Forensic Institute, Di Mambro and Chris Shepler formed their company, Porticus, in 2003.

"From the beginning, our flagship product has been our voice verification system where, from the sound of your voice, it can tell who you are," said Shepler. "It is a security system to prove the right person is on the phone. That's been the focus of the company since the beginning."

Shepler and Di Mambro both spent years in the financial services industry before entering their partnership.

The two of them believed it was possible to turn this forensic-based technology into a commercially viable product.

"We concluded he could adapt it for banks," said Di Mambro.

The name of Porticus' software is "Ver-sona" which in Latin translates into "Who I am" or "I truly am who I say I am."

Di Mambro admits the concept seems a bit futuristic, but assures that it is just a matter of time before there is widespread acceptance and use of voice verification. He compares it to the evolution of ATMs breaking into the banking scene. In the early 1980s, ATMs debuted in the market. However, many consumers were unsure about how reliable the machines were, and they were first only found directly outside bank branches, he said. Today, there is an ATM on almost every corner, and the machines are

not only widely accepted but have become an integral part of retail banking, he added.

"We are at the stage where the ATMs were in the early 80s," said Di Mambro. "It's just starting. It's in its infancy."

According to a report titled "World Voice Verification Biometrics Markets," published December 2005 by Pal Alto, Calif.-based Frost & Sullivan, a growth consulting firm, the voice verification biometrics market is expected to rake in \$533.7 million in 2011, growing at a compound annual rate of 49.8 percent from 2004 to 2011.

Robert Allen, a research analyst with Frost & Sullivan, said there is a growing interest in voice verification in the financial services sector. He said several large banks and credit card companies are showing an interest, and some have already begun to test or implement some form of voice verification.

From a financial service provider's point of view, there is a tremendous amount to gain, since it is believed voice verification systems could have a significant impact on combating fraud, said Allen.

The Porticus team believes the voiceprint could replace the personal identification number when it comes to telephone banking, since the system will be able to determine right away if the person on the other line is the account holder. They said the software is expected to become widely adopted by banks and possibly other financial service providers, such as credit card companies,



Germano Di Mambro and Chris Shepler founded Needham-based Porticus with the mission of bringing extra security to remote banking through their new voice biometric software Ver-sona.

who have call centers.

"We think there is such a big problem with the telephone banking [system]," said Di Mambro.

Di Mambro and Shepler say they feel Porticus was created at a crucial time in banking when technology is reaching new levels and security concerns are on the rise.

Several banks nationwide have been adopting extra security measures beyond the usual PIN or password. Di Mambro and Shepler say extra layers of protection are becoming a necessity when it comes to protecting consumer information in a time of fraud and identity theft.

On Oct. 12, 2005, the Federal Financial Institutions Examination Council put out new guidance to help federally chartered banks comply with an upcoming requirement for multi-factor authentication in all forms of electronic banking.

Interactive voice response, a popular mechanism for self-service telephone banking, is run through a computer-based system, and is therefore a form of electronic bank-

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ing, said Shepler.

Creating systems that hackers and thieves can't tap into is something all industry professionals strive to attain, they said. And as technology evolves, so does the public's idea of what it takes to keep their information safe.

"The technology is able to do things it wasn't able to do before, and the public perception is ready," said Shepler.

"In the next 12 to 18 months, we think there's going to be a big lift and widespread acceptance of this," said Di Mambro.

While there are other forms of authentication being developed and tested in the marketplace, the Porticus team believes voice authentication will be the way to go. Fingerprint recognition and facial recognition both

require additional hardware. Shepler and Di Mambro are presenting a strictly software solution that could cut costs and be easier to implement for financial institutions.

"You've already got a phone," said Shepler.

Porticus has a half dozen or so competitors attempting to develop a voice authentication system in hopes of having their products be the popular choice for financial institutions tightening security measures. Although voice authentication has been around in some form for years, the systems commonly face two major problems: background noise, and trouble verifying that the actual person is speaking, rather than a tape recording of that person's voice. Without giving away trade secrets, Porticus claims to have overcome these hurdles, making them a frontrunner in the voice authentication field.

"It puts us in a unique position," said Di Mambro.

It is also a time when mobile wallets are expected to enter the market. The idea is that a cell phone would have credit card, bill-paying and money-transferring capabilities.

"That's where we come in," said Di Mambro, adding that the Porticus system would provide another layer of protection. If a phone was lost or stolen, no one but the specified user would be able to access and use the m-commerce, or mobile-commerce, phone functions.

Porticus is talking to a major cell phone provider about its future role in the m-commerce industry, said Di Mambro, who declined to say exactly which companies it may be doing business with in the near future. ■

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