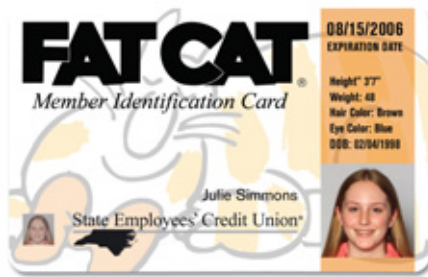


## OVERVIEW



**CUSTOMER:** With \$13 billion in assets, 1.3 million members and 200 branch offices, SECU is the second largest credit union in the United States.

**CHALLENGE:** Alleviate members' growing concerns about the credit union's member identification policy, which was seen as overly intrusive.

**SOLUTION:** Create member ID cards and add member photos to credit and debit cards at all branches using Datacard® CP60™ card printers, Datacard® ID Works® Enterprise identification software, the Datacard® Tru™ Photo solution, the Datacard® Tru™ Signature solutions and Datacard® ViaNet® identity information software.

**RESULTS:** SECU significantly improved security for all members without compromising personal privacy.

### Increasing security, maintaining privacy

The State Employees' Credit Union (SECU), based in Raleigh, North Carolina, is a nonprofit financial cooperative owned by its members. With \$13 billion in assets and more than 1.3 million members, SECU is the second largest credit union in the United States. The organization has branch offices in 88 of North Carolina's 100 counties and more than 900 ATMs located statewide, and has provided employees of the State of North Carolina and their families with consumer financial services for more than 65 years.

SECU's top priority is retaining members through outstanding service. So when Leanne Phelps, Senior Vice President of Card and Record Services for SECU, heard that members were becoming unhappy with the credit union's member identification process, she knew SECU had to take action. "When the PATRIOT Act went into effect, we began validating each member's identity for every transaction," Phelps said. "It became customary for tellers to ask for the member's driver's license. Members were also asked to confirm their account number or social security number. Soon, we started hearing that members thought the policy was too intrusive, and wanted us to find a more convenient way to protect them against fraud."

Phelps' first step was contacting Smith's Addressing Machine Services (S.A.M.S.), a Datacard Authorized Dealer serving the greater North Carolina area. The S.A.M.S. team had recently made a presentation to SECU about central issuance of their debit cards. After a more detailed presentation, S.A.M.S. recommended installing Datacard® photo ID systems at every branch office. SECU could use the systems to issue member IDs, as well as add member photos to credit and debit cards.

### The Datacard® solution

Every SECU branch has been equipped to capture digital photos and electronic signatures from members, as well as scan member driver's licenses into a centralized member ID database. Images are also stored in the SECU image repository for access by any employee throughout the organization. Specifically, each branch has a Datacard® CP60™ card printer, Datacard® ID Works® Enterprise identification software for card design, Datacard® Tru™ Photo and Datacard® Tru™ Signature solutions for digital image capture, and Datacard® ViaNet® identity information software for remote connectivity. Other components include a driver's license scanner and scanning software.

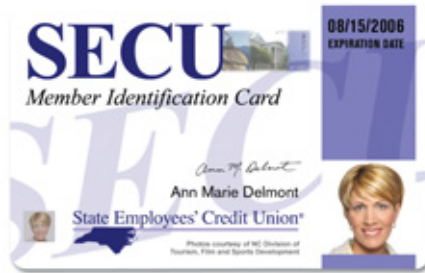
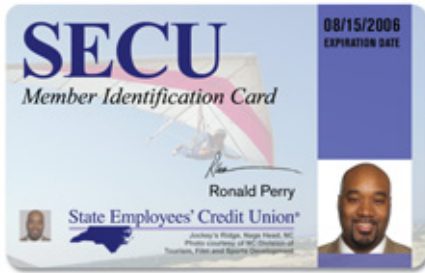
Each member ID card includes the member's name, a digital color photo, a digital signature and a magnetic stripe that

contains a reference number for access to a secure SECU database and the member's personal information. There is no personal data stored on the card's magnetic stripe, which helps ensure member privacy. All SECU members can also have their photo and signature added to new or existing debit and credit cards. When any of the three cards are swiped at the teller counter the teller system will bring up the member's record on screen, including the electronic photo, enabling tellers to confirm a member's identity without requiring the member to recite any sensitive information. "We believe this solution will help increase security for our members and improve efficiency in our branches," Phelps said. "It will help assist in fraud prevention, as well as speed transaction time in the teller line and improve service. Most important, it will help alleviate member concerns about information privacy and make life easier for members and tellers."

Member ID cards are provided at no charge and are available in several different styles, including unique designs for retired members ("Golden Circle" members) and children under the age of 12 ("FAT CAT" members). Cards for children can also include vital statistics and parent contact information for additional security.

### Enterprise-wide implementation

With rollout complete in all 200 branches,



SECU is well on its way to issuing member IDs for all members. All new members (as well as current members who apply for a loan) automatically receive a new member ID card. SECU is also using a variety of promotional events to encourage existing members to visit a branch and get a new ID card.

The entire process takes just five to seven minutes to complete. The member sits down, chooses a card design, and has a digital photo taken. Then an employee captures the member's demographic details and signature, scans the driver's license, and prints a finished ID card on the spot. At this point, any member visiting any branch can swipe their ID for confirmation with a teller.

"Now that employees are trained on the Datacard® software, they can complete the member ID process quickly and easily," Phelps said. "Training has been a challenge, because every branch environment is slightly different. Also, PC skills vary among our employees. Overall, however, rollout is going very well. The Datacard® photo ID solution is very adaptable to our needs."

Adapting the solution for SECU required representatives from Datacard Group and S.A.M.S. to perform custom integration work in order for branches to upload member images to an FTP server for credit and debit card issuance.

"The S.A.M.S. and Datacard Group team did a great job for us," Phelps said. "They figured out the specific technical requirements for our network and did what had to be done to make the photo ID software work well in a distributed environment."

## Measurable results

According to Phelps, feedback from branches and members about the new ID program is overwhelmingly positive.

"Members are always pleased when we take steps to help protect their accounts," she said. "Members are eager to get the cards, and we expect these cards to help us retain current members and attract new ones. In North Carolina, one out of every eight residents is a member. So we expect the cards will be well recognized across the state very soon."

Response from branches and merchants is upbeat as well.

"Now that they are comfortable with the software, our branch employees are excited about issuing these cards," Phelps said. "It makes their life easier, because they no longer have to ask members for their social security or account number. We have also received feedback from local merchants who appreciate that we have added photos to our debit and credit cards, because it helps them reduce the risk of fraud too."

Today, SECU is working to develop a new solution component that will allow members to swipe ID cards at drive-through teller windows. Development is also underway to enable the acceptance of email photos for insertion into the ViaNet software.

"It is very exciting to be one of the first credit unions in the nation to offer this kind of solution to our members," she said. "It helps increase security and addresses our members' privacy concerns at the same time, so it is truly the best of both worlds."

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