

Testimony  
C. David Shepherd  
Before  
Senate Finance Committee  
August 2, 2006

Chairman Grassley, distinguished members of the United States Senate, Committee on Finance, ladies and gentleman, thank you for the opportunity to testify before this very important committee concerning border security.

Currently I am the Co-Chairman of the Gaming Resorts Sub-council for the Commercial Facilities Sector Coordinating Council (CFSCC), a member of the Partnership for Critical Infrastructure Security (PCIS), a member of the Real Estate Roundtable Terrorism Task Force and a member of the Las Vegas Security Chief's Association. In each of these capacities I represent only a small portion of the private sector and am honored to be a participant.

In the private sector the identification of customers, employees and business partners are important in protecting the property from criminals, terrorists and from individuals who attempt to bypass existing laws and regulations. Because of the possibility of misidentification of those who could do harm to individuals or a business; financial reporting requirements, Securities Exchange Commission, Office of Foreign Assets Control, Sarbanes-Oxley, and Gaming Control Regulations were enacted by those agencies with foresight in protecting the American way of life as a portion of each focuses upon the identification of individuals, regardless if that threat is from within or outside the companies boundaries. Each private sector business has an obligation to its employees, guests and the community at large to know the identity of individuals who interact with a company, as many private sector partners are the cornerstone of an entire community. Thus, safety is the underlying common element for proper identification recognition, not the potential for fines or business restrictions if noncompliance is uncovered by regulatory agencies.

Regardless if a fake driver's license is used by a seemingly innocent underage individual attempting to gamble in a casino or entering a nightclub, that same fake driver's license in the hands of a criminal could have a significant financial impact on a property through fraudulent financial transactions in the forms of extending credit, application for a loan or credit card purchases. However, in the hands of a terrorist the catastrophic events of 911 or London train bombings could be repeated within our borders. The fake identification is a means to an end and the choice of that end is its possessor. Las Vegas has already seen the face of terrorism, as eight of the deadly hijackers visited my city prior to September 11, 2001. Unfortunately, they were never detected by any identification system in place at that time.

Speed and accuracy in recognizing false identification are important elements in the system of protection for a business. Determining if a person is over twenty-one before he or she is served an alcoholic beverage, if the individual is actually John Doe before

extending a line of credit or even offering a position within the company for a seemingly qualified applicant, cannot be left to chance or to an individuals discretion.

Unfortunately, there are over ten (10) million cases of identity theft in the United States and the internet provides instruction to create false identifications. Technology has been used by the criminal element to replicate fake identification regardless of the state or country of origin, thus technology should be employed to keep ahead of those who attempt to circumvent the system.

I have had an opportunity to review various technologies and systems currently available within the private sector, which offer full or partial solutions to security and regulatory challenges under financial, criminal, civil, risk management and terrorism concerns. In the Commercial Facilities Sector many private partners have deployed systems to identify fake driver's licenses, passports and visas offered as proof of identification. I have brought one of those systems for demonstration purposes today. In addition to this system there are other systems available that primarily focus upon driver's licenses or credit cards without referring to reference manuals and without unduly inconveniencing those individuals who are being screened. Thank you Chairman Grassley and members of the Senate Finance Committee for you attention and understanding.