

# FFIEC Risk Management Seminar

## October 11-12, 2001

**Location:** The Westin St. Francis Hotel  
335 Powell Street  
San Francisco, CA 94102-1875  
Ph 415-397-7000

**Conference Times:** Registration begins **Thursday at 7:30 a.m., October 11, 2001**  
Opening Address begins Thursday at 8:30 a.m.  
Conference ends **Friday at 12:00 p.m., October 12, 2001**

**The 2001 FFIEC Risk Management Planning Seminar will focus on  
"Identifying and Managing Technology Risks."**

**Conference Overview:** The 2001 program has been developed primarily for the Community bank and thrift CEO and other senior managers to provide an executive level understanding of the costs, benefits, and new risks associated with the evolving technology available to the banking industry. The FFIEC Examiner Education office has built the program based on many of the topics being discussed in FFIEC conferences by the regulators responsible for the examination functions of bank data centers and Internet banking operations. Each of the speakers has been a presenter or instructor in one of the many examiner education programs provided by the FFIEC. Regulators from the FFIEC Information Systems (IS) Subcommittee working group will provide an overview of the work the Subcommittee is doing to update the interagency IS examination procedures. This working group includes the authors of several recently published interagency guidance documents that will also be discussed.

### Thursday, October 11, 2001

8:30 **Administrative/Opening Remarks**  
**Tuck Ackerman**, Sr Program Administrator, FFIEC Examiner Education

8:40 **Technology Risk Framework - a Primer for Senior Bank Management**  
**Mr. Henry J. Becker**, Senior Consultant, MIS Training Institute.

Mr. Becker specializes in telecommunications and networking, including the areas of strategic planning, business recovery, network design, audit, and fraud prevention. Mr. Becker's has more than 30 years of experience in the industry and serves as an instructor for several of the FFIEC member agencies technology training courses for Information Systems examiners. Mr. Becker's segment will provide basic explanations of the evolving technologies and emerging risks as identified by the industry and bank regulators.

10:00 Break

10:15 **Regulator Panel - "Information Technology Trends and Risks and Recent FFIEC IT Guidance"**

#### **Panel Members:**

**Bob Engebret**, Director, Technology Risk Management, OTS

Mr. Engebret is currently serving as the Chair of the FFIEC IS subcommittee. Mr. Engebret will present a segment on ongoing IS Subcommittee activities and the status of the FFIEC IS handbook update process.

**John Carlson**, Senior Advisor, Bank Technology Unit, OCC

Mr. Carlson is one of the principal authors of the FFIEC Risk Management of Outsourced Technology Services booklet. Mr. Carlson will provide highlights of the issues raised and the guidance available in this document.

**Jeff Kopchik**, Senior Policy Analyst, E-Banking Technology Branch, DOS, FDIC

As a senior member of the FDIC's E-Banking group, Mr. Kopchik has participated in the drafting of numerous examination policy issues. Mr. Kopchik will speak specifically about the recently issued Authentication in an Electronic Environment position paper.

**Cindi Bonnette**, Assistant Director, Bank Technology Group, FDIC

Ms. Bonnette will provide insights on bank technology trends and potential new risks as identified by the Bank Technology Group of the FDIC.

12:00 LUNCH

12:45 **Luncheon Address**

**The Honorable Donald E. Powell**

Chairman, Federal Deposit Insurance Corporation

1:30 **Managing Evolving Privacy Risks in Financial Institutions**

**Gary Clayton**, CEO, The Privacy Council Inc.

Mr. Clayton is an expert on privacy laws and has served as an instructor in numerous FFIEC examiner conferences. Mr. Clayton will share his insights of both the current regulatory environment and the evolving legislative and judicial issues he has encountered in both the state and Federal governments. The safeguarding of privacy information (GLBA sec 501b) will also be discussed.

3:00 BREAK

3:15 **Fraud in the New Economy - the Emerging Risks of Electronic Commerce**

**Jeffrey S. Grange**, Vice President Global Manager, Financial Fidelity Products  
Department of Financial Institutions, Chubb Group of Insurance Companies

Mr. Grange will provide a detailed explanation of the fraudulent activities arising with the increase in electronic commerce. A discussion of standard blanket bond coverage and mitigating technology risks with cyber insurance will be included. Mr. Grange served as a presenter for the 2001 FFIEC Information Systems and Technology Conference for IS examiners on this evolving topic.

4:45 ADJOURN

**Friday, October 12, 2001**

**8:30 A Banker's Perspective on High Tech Banking**

**Kirk A. McLaughlin**, Vice Chairman and CEO, Security Bank, Ralls, TX

Mr. McLaughlin is a community banker and considered an e-banking pioneer. Mr. McLaughlin will provide a cost benefit perspective on in-house servicing versus outsourcing services that are required for transactional web banking. Mr. McLaughlin is a regular speaker in the FFIEC Payment Systems Risk Conference for examiners. Included in his presentation will be candid lessons learned and experiences with regulators.

10:15 BREAK

**10:30 Automated Valuation Models in Mortgage Lending**

**Lewis Allen**, Business Technologist

The conference concludes with an overview of the emerging technology that provides automated values for real estate property. This new technology in banking has the potential to serve as an anti-fraud tool as well as mitigate collateral loss risk and reduce operational costs. This technology is one of several targeted in a report to Congress due in November 2001 that will be listing examples where existing regulations may hinder the use of new technologies in banking. Mr. Allen is a leader in the development of automated valuation models and an instructor in the FFIEC Real-Estate Appraisal Review school.

12:00 Noon - Adjourn