

SchoolsFirst Federal Credit Union

SchoolsFirst FCU Achieves Compliancy and Security With ACI's Automated Key Distribution



SchoolsFirst Federal Credit Union (formerly OCTFCU) is a not-for-profit financial cooperative. Founded in 1934, SchoolsFirst FCU is the fifth largest credit union in the United States and currently operates more than 250 on- and off-premise ATMs extending across a 40,000-square-mile area in California.

SchoolsFirst FCU places strong emphasis on delivering outstanding service to its members — whether they visit branches or conduct banking business via SchoolsFirst FCU's Telephone Service Center or its online Internet banking site. SchoolsFirst FCU's day-to-day decisions and strategic objectives are based on the delivery of world-class service to its members.



The Challenge

Traditional ATM key management processes are manually intensive, requiring as many as three or four individuals to be involved in the key generation and key distribution processes. Furthermore, the more characters entered by hand, the greater the chance that the key will be entered incorrectly. The introduction of Triple DES (3DES) has doubled the length of keys and increased the opportunity for error, resulting in a denial of service to customers and possibly downtime and lost transaction fees.

When SchoolsFirst FCU planned the conversion of its ATM network to 3DES compliance, it sought a solution that would help avoid the potential difficulties that can arise during implementation of 3DES compliance. SchoolsFirst FCU recognized that significant resources would be required for 3DES compliance; it also realized that — even with deployment of costly resources for manual key entry — it would probably not meet the industry-mandated deadline set for 31 December 2005.

SchoolsFirst FCU's vast geographical footprint also posed a challenge and made manual key entry and site visits even more costly, so the institution wanted a solution that could reduce these costs. Moreover, after researching the future of ATM security, SchoolsFirst FCU was confident that card associations would enhance their standards to require regularly refreshed ATM keys; SchoolsFirst FCU wanted to make certain that its system could facilitate this change.

The Solution

To convert its ATM network securely and cost effectively, SchoolsFirst FCU turned to ACI Worldwide, an expert in the ATM software industry. SchoolsFirst FCU chose



ACI's automated key distribution component, which operates in conjunction with BASE24® or BASE24-eps™, to automate the otherwise manual process of initializing and replacing ATM master keys. The solution also electronically manages the origination and storage of encryption keys.

Automating the creation and distribution of ATM keys provides significant cost savings by eliminating the manual processes related to key generation, dual custodianship and manual key loading at the ATM. The automated key distribution solution also facilitates compliance with unique key per ATM requirements mandated by networks and card associations.

Challenge

- ▶ To achieve network compliance by converting all SchoolsFirst FCU ATMs to Triple DES (3DES) by the end of 2005
- ▶ To reduce the amount of time and resources required to complete the SchoolsFirst FCU ATM renewal project

Solution

- ▶ ACI's automated key distribution component, a secure solution to automate the process of initializing and replacing ATM master keys

Results

- ▶ SchoolsFirst FCU converted 140 ATMs to 3DES in approximately two weeks and will complete its 3DES project without hiring additional resources for manual key input and site visits.
- ▶ ACI's automated key distribution solution has helped SchoolsFirst FCU eliminate the security risks associated with keys "in the clear" during manual key entry.
- ▶ SchoolsFirst FCU has reduced terminal downtime and eliminated service interruptions associated with on-site manual key loading, also known as manual key entry.
- ▶ SchoolsFirst FCU has redeployed resources typically required for manual key entry to other critical projects.
- ▶ With the automated key distribution solution, SchoolsFirst FCU obtained compliance with all unique key mandates.
- ▶ SchoolsFirst FCU achieved a return on investment within 30 days of deployment of the automated key distribution component.

The automated key distribution component operates with BASE24-atm® for payments processing and is part of ACI's overall security solution that includes Transaction Security Services (TSS).

The Results

With ACI's automated key distribution solution, SchoolsFirst FCU converted 140 ATMs to 3DES compliance in approximately two weeks — without hiring additional resources for manual key input and site visits. SchoolsFirst FCU also achieved a favorable return on investment within 30 days of implementing the automated key distribution component, and the solution has allowed SchoolsFirst FCU to cost-effectively complete its 3DES project and comply with card network mandates.

ACI's automated key distribution solution has also enabled SchoolsFirst FCU to assign resources that would otherwise be needed for manual key entry to other important projects.

In addition to 3DES compliance, SchoolsFirst FCU has achieved unique key per ATM compliance, eliminated the risks associated with keys "in the clear" during manual key entry, and reduced terminal downtime and eliminated service interruptions associated with on-site manual key loading, also known as manual key entry.

All of these improvements help SchoolsFirst FCU ensure that its customers receive the impeccable service and security for which the credit union is known.

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“By implementing ACI's automated key distribution solution, SchoolsFirst FCU is on schedule to meet the industry-mandated deadline for Triple DES compliance. We are also better prepared to address future ATM security requirements, such as periodic comprehensive terminal key refresh.”

David Hanighen,
Vice President of Information Services
SchoolsFirst Federal Credit Union