

Fraud Free Financial Transaction Method

Provisional Patent US60/634,199

by

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While working for a company intent on monitoring extremely high speed digital communications traffic for indications of financial fraud, I asked myself "What is the core problem. How do we solve the problem rather than treat its symptoms with technology?" The answer was one of those "Wow, that's so simple and obvious, why has no one thought of it before?"

Credit card fraud and Identity theft and are hot topics these days. The motivation for both is money. Once upon a time it was impractical for thieves to covertly gain access to one account for one withdrawal, but the ubiquitous Social Security Number made it easy to access all the accounts of an individual, and rape them for months with impunity, so every thief with a brain is engaged in the plunder. Now banks, insurance companies and doctors are scrambling to revert to unique numbers for each account to frustrate fraud and identity thieves. Two things facilitate credit card fraud and theft and identity theft.

1. The use of the same [account number](#) for both financial withdrawals and deposits.
2. The broad use of [Social Security numbers](#) as account numbers or identification for account numbers.

Account Number

There is a fundamental flaw in the credit/debit card and checking systems that promotes fraud. The solution is simple. The technology needed to implement it already exists. It can easily be added on or integrated into existing telephones.

Your daily financial transactions expose you to risk, because your credit cards, debit cards and checking accounts have only one number for both deposits and withdrawals. Your account number is exposed to clerks, accountants, trash collectors, telephone order takers and Web sites (webmasters, hackers, etc.) to perform either withdrawal or deposit transactions. Its dissemination puts your debit card and checking account balances at risk of theft, and your credit cards at risk of theft to the amount of their credit limits. When verification information is required, like expiration date and address, it is easy to acquire for fraudulent purposes.

Requiring the use of a Personal Identification Number (PIN) helps, but that encourages thieves to get personal, and force you to withdraw money from Automated Teller Machines (ATMs) at the end of a knife for with the threat of harming your family.

Much Like [public key cryptography](#), the solution to this problem is *two numbers for each account, one for deposits and one for withdrawals*. The deposit number can be safely disseminated. The withdrawal number can be kept secret from everyone, including the owner of the account.

I recently secured provisional patent US60/634,199, entitled "Financial Transaction Method," which describes a way to make it impossible for anyone to engage in fraudulent financial transactions via theft or

coercion, and makes it easier to conduct interpersonal and business financial transactions using barcodes displayed on cell phones, PDAs, retail counters, televisions, newspapers, magazines, computer monitors and bills. The proposed Financial Transaction Method can be implemented within the domain of a single cellular telephone provider, but will likely involve the cooperation of conventional banks. Soon you will be able to replace your credit cards and checks with a safer and more convenient financial transaction method.

Abstract

A Financial Transaction Method is disclosed that uses a combination of existing scanning and sensing technologies on a telephony base in conjunction with separate deposit and withdrawal account numbers to provide a means of conducting retail, shipping and personal financial transactions free of fraud and theft.

Complete patent: <http://wtholmes.com/patent/TransactionMethodPatent.pdf> (4.53 MB)

The most favorable bid received before May 25, 2005 and consummated before July 4, 2005 will acquire the provisional patent, and the bidder will have sufficient time to convert the provisional patent to a utility patent before December 7, 2005. Email bids to bill@wtholmes.com.