

# **A Tale of Two Investigations: When Seemingly Unrelated Investigations Converge Into a Lengthy Court Battle**

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# Agenda

## ***The Web Patrol Process – Cary Straw, Caveon***

- Typical Exposure
- “A day in the life”

## ***Case Study – A Tale of Two Investigations – Alana Chamoun, CSBS***

- CSBS / SAFE MLO Test
- The First Investigation
- The Second Investigation
- The Convergence
- The Lawsuit

## ***Lessons Learned – Benjamin Hunter, Caveon***

- What processes contributed to success?
- What changed as a result of this discovery?

## ***Q/A – All Participants***

# The Web Patrol Process

## ***CSBS Use of Web Patrol***

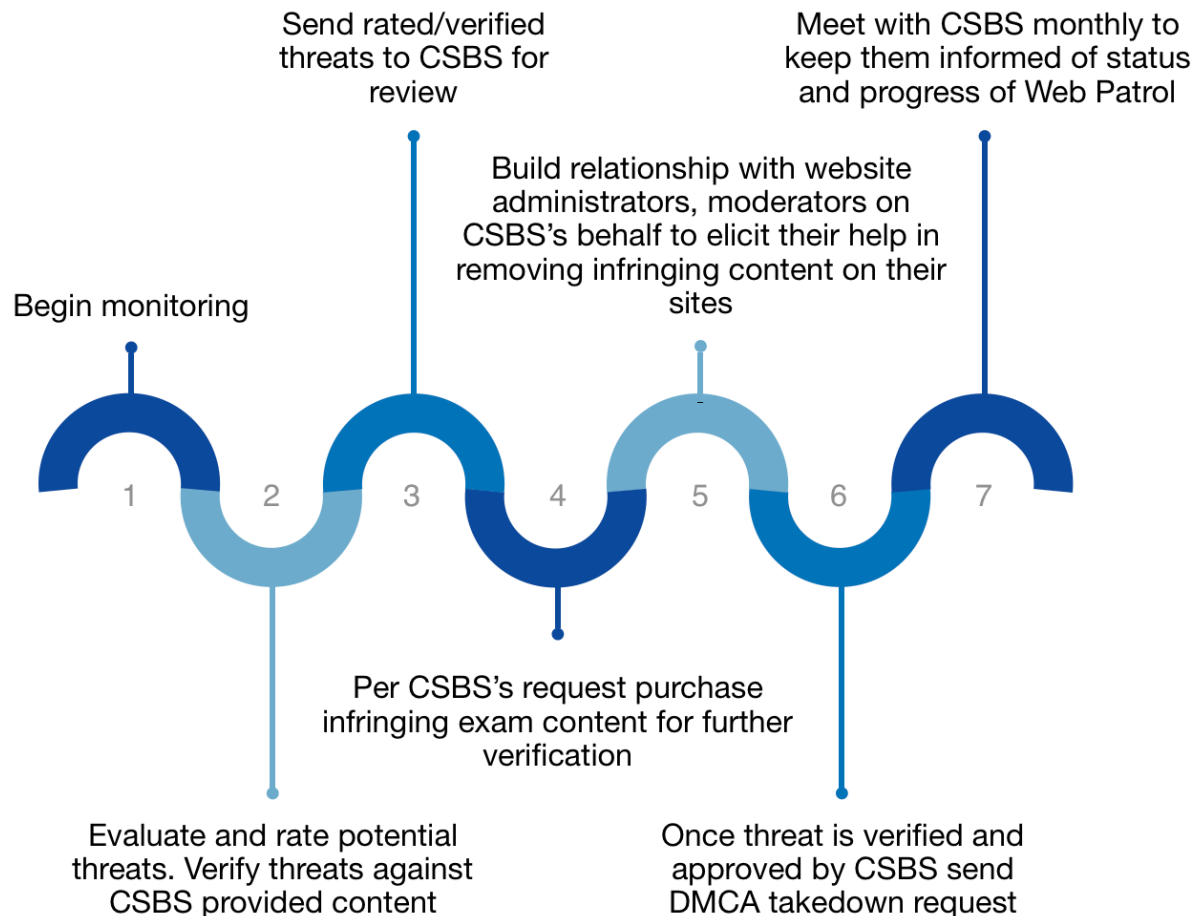
- Mature Program (~10 years)
- Changes in content are due to regulation
- CSBS Uses WP to monitor for exam content, but also to inform on Educator Approval status

## ***Web Patrol Typical Exposure***

- Social Media
- Flashcard/homework help sites
- Test Prep Providers
- Document Archives
- Consistent with other Financial Services Clients

# The Web Patrol Process - cont.

## *A Day in the Life of a Web Patroller for CSBS*



# Conference of State Bank Supervisors

## *The SAFE MLO Test*

- Nationwide Licensing Examination for Mortgage Loan Originators
- Mandated by Congress (SAFE Act 2008)
- CSBS approves Education Providers (not test prep)
- ~50,000 exams delivered annually
- CBT, LOFT – Prometric (US & territories)
- Test maintenance conducted virtually
- Well-established test security program (copyright, agreements, incident response plans, web patrol, etc.)

# The First Investigation



## *The Test Prep Provider:*

- Originally found via Caveon Web Patrol in 2015
- Purchased & reviewed course (found nothing actionable)
- A year later, received a marketing email advertising updated practice test questions
  - “recalled from actual test”
- Updated practice tests contained actual items from SAFE MLO test

# The First Investigation



## *The Test Prep Provider:*

- Opened investigation, notified TP provider, requested removal of infringing materials and inquired where items came from
- Originally stated items came from memory during his test session in 2013
- Phone Interview stated practice questions came from another provider's course

# The Second Investigation



## *The Subject Matter Expert*

- Virtual maintenance committee meeting (WebEx)
- Meeting organizer saw the SME was broadcasting video
- Observed SME taking pictures of his computer screen with phone
- Ended committee meeting citing "technical difficulties"



# The Convergence



## *Two Become One:*

- SME is instructor for approved education provider, Provider ABC
- Test Prep Provider used questions/materials from Provider ABC
- Purchased test prep course from Provider ABC
- Provider ABC's Practice questions matched:
  - Our actual test items
  - Overlap with Test Prep Provider's practice questions
  - Items the SME had access to during maintenance meetings

# The Lawsuit



## *Deciding Factors:*

- Long history with both SME and Provider ABC
- Each well aware of security measures, agreements CSBS has in place
- Determine scope of breached items
- Public notice to Test Prep / Approved Provider / SME communities

# Lessons Learned – What went well?

## *What Specific Processes and Procedures allowed CSBS to successfully bring suit?*

### ***Deterrence:***

- Copyright
- Work Assignment
- NDA/Confidentiality Agreements

### ***Detection:***

- Web Patrol - Ongoing
- Tip-Line/Complaints investigation process
- Detailed Maintenance, SME & Item records

### ***Response:***

- Security is an assigned responsibility
- Investigations are followed to completion
- As a matter of practice, CSBS uses all of the legal tools in their toolbox to pursue claims against offenders

# Lessons Learned – What Changed?

## *What Specific Processes and Procedures allowed CSBS to successfully bring suit?*

### ***Deterrence:***

- Added prohibition on participation for employees of approved education providers
- Adding in-person committee meetings to foster relationships, buy-in among SMEs

### ***Detection:***

- Instituted active test prep material review process for materials published by well known test prep organizations, and approved education providers

### ***Response:***

- Presumed publication of sanctions upon resolution of the case



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**Thank You!**

