

PAST PERFORMANCE LISTING

Request for Proposal (RFP): 23-14-REC-01

PREPARED FOR:

**COCHISE COUNTY PROCUREMENT DEPARTMENT
ON BEHALF OF THE COCHISE COUNTY RECORDER'S OFFICE**

1415 Melody Lane, Building C
Bisbee, AZ 85603
procurement@cochise.az.gov



Authentix, Inc.
Corporate HQ
4355 Excel Parkway, Suite 100
Addison, Texas 75001
Office: +1 469.737.4400
www.authentix.com



Kent Mansfield
Chief Sales and Marketing Officer
Kent.Mansfield@authentix.com
Office: +1 469.737.6422



Proposal issued: May 11, 2023
Proposal valid for: 120 days

Table of Contents

Past Performance Summary	3
Chronological Listing of Previous Experience	3
Secure Government Document Case Study	4
Pakistan Tax Stamp Program	5
Medical Prescription Program Case Study	7
Egypt Tax Stamp Program	8
Ghana Revenue Authority Tax Stamp Program	9

*The information contained in this document is **STRICTLY CONFIDENTIAL** and any recipient of this document shall not disclose or divulge directly or indirectly, this document or the information or material contained herein without prior written consent of Authentix, Inc. Since Authentix delivers government security systems, our technology, processes, and management information are considered sensitive—as they are a matter of national security.*

Past Performance Summary

Authentix supplies technologies as well as implementation and operational support for over 20 major security programs. We produce **more than five (5) billion secure tax stamps, 12 million certificates, and 110 million government documents per year**. The map below highlights the clients we serve across the world.

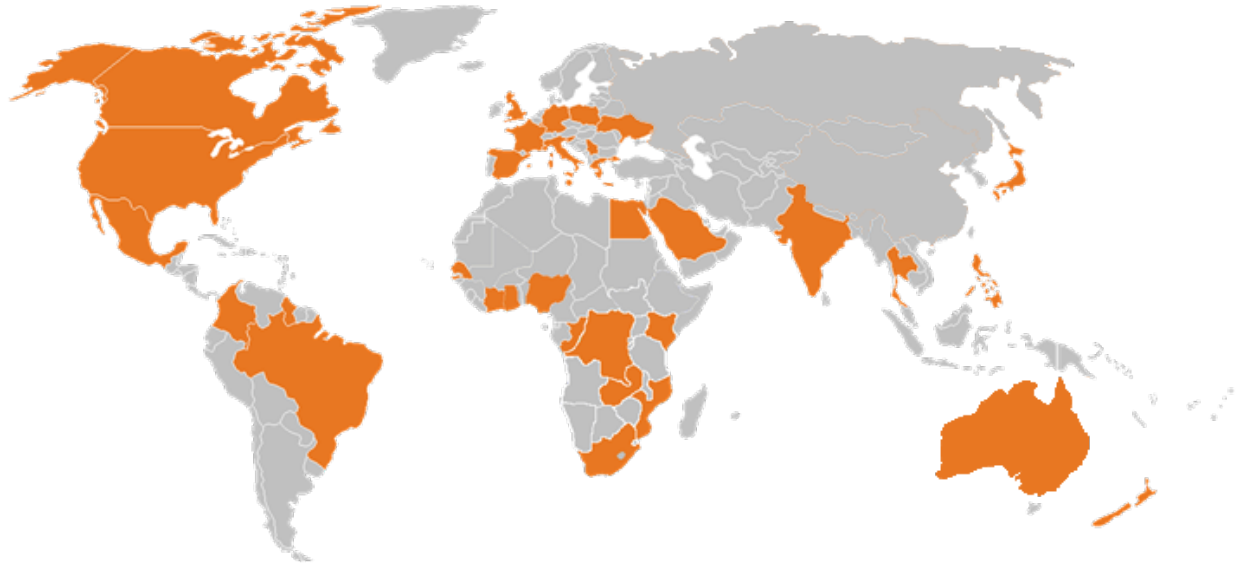


Figure 1. Authentix’s global reach extends beyond borders. We are proud to serve clients around the world with meaningful security solutions.

Chronological Listing of Previous Experience

Project Name	Name of Client	Project Overview	Date of Execution
Secure Document Program	Unable to name client due to Non-Disclosure Agreement (NDA)	Customized secure government documents.	2022 – Present
Pakistan Tax Stamp Program	Federal Board of Revenue of Pakistan	Customized end-to-end tax stamp solution to collect excise taxes.	2021 – Present
Medical Prescription Program	Unable to name client due to Non-Disclosure Agreement (NDA)	Customized printed security solutions for medical client.	2016 – Present
Egypt Tax Stamp Program	Excel Systems	Customized end-to-end tax stamp solution to collect excise taxes.	2013 – 2021
Ghana Excise Tax Stamp Program	Ghana Revenue Authority	Customized end-to-end tax stamp solution to collect excise taxes.	2012 – 2021

On the following pages, we’ve included case studies with additional program details.



GOVERNMENT BOND

Secure Government Document Case Study

A Non-Disclosure Agreement prohibits us from revealing the customer's identity.

In 2022, Authentix signed a four-year contract for the supply of secure government documents.

The integrity of the government's checking process relies on the document being impossible to counterfeit or alter; Authentix included many security features within the document design to achieve this. The base security paper is supplied by an approved mill and includes UV fibers, anti-tamper chemical sensitization and a high-quality cylinder mold watermark. Using our unique one-pass lithographic printing process, we add additional protection by printing onto the base stock with high-quality security inks, including invisible UV, using superior security designs and methods that are virtually impossible to replicate.

Preventing any blank documents or document materials from getting into the hands of counterfeiters is also key to protecting the government's process. Authentix is proud to have achieved ISO 14298 (Management of Security Printing Processes); raw materials and finished goods are stored in secure warehouses with restricted access and complete CCTV coverage. Base paper and finished documents are transported using secure CVIT transport exclusively.

We have invested in the latest technology to provide a high level of production automation to ensure that we consistently produce documents of the highest quality at a competitive price. For this project specifically, we introduced a cutting-edge optical recognition system which can check the documents for print defects at high speed, print a serial number, and then record data on numbers of good and waste certificates. Data is fed into a sophisticated production tracking sheet, meeting our requirement from the customer for complete traceability of every printed document.

Feedback from our customer has been excellent, but Authentix is committed to continually identifying opportunities to improve the service that is provided. Recent improvements include developing a

process of providing the serialized production data to the customer in CSV format, saving significant time on data entry vs PDF reports. We have also introduced an SAP-based batch tracking system for complete traceability of raw material and finished reels of certificates, including an automated weekly inventory report for the customer.

Pakistan Tax Stamp Program

According to the World Bank, production and importation of tobacco, sugar, cement, and fertilizer products in Pakistan are subject to widespread illicit trade practices such as smuggling, counterfeiting and production volume non-declaration, and related underreporting. This illicit trade and lack of proper production reporting causes a massive loss of tax revenue for the Pakistan state budget. In fact, a key industry source reports that in the segment of tobacco products alone, the amount of tax evasion adds up to more than PKR77 billion (USD 481 million) per year, which is more than three (3) times the amount currently allocated for annual federal government spending on healthcare. When all four (4) industries are considered, the total annual losses exceed \$750 million USD per annum.

In March 2021, Authentix signed a five-year contract with the Federal Board of Revenue of Pakistan (the “FBR”) to supply an IT based track & trace monitoring system for the tobacco, sugar, cement, and fertilizer industries. The scope of the project is to assist both domestic manufacturers and importers with the capability to apply secure and digitized tax stamps to each product to be sold in the country.

Authentix has begun implementation for this meaningful program. In just four months, the solution allowed the government to recover over US \$580 million worth of taxable goods (which would have otherwise gone unreported). Over the contract’s duration, the solution is expected to generate hundreds of millions (USD) in return on investment.

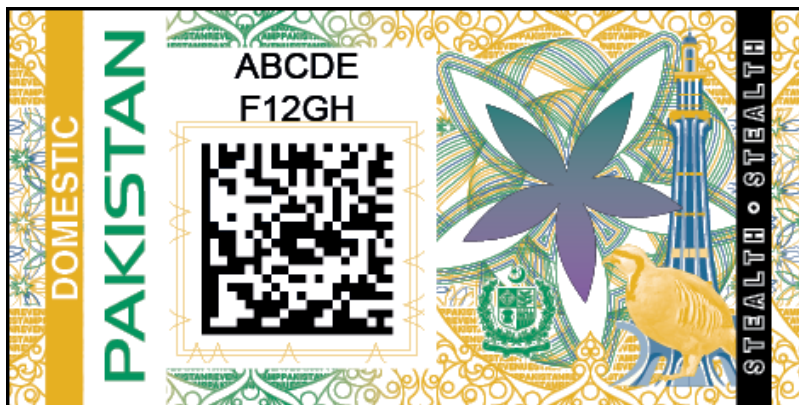


Figure 2. Pakistan Tax Stamp Design for Tobacco

The Nation

Zilhoj 1, 1443
FRIDAY,
July 1, 2022

Twitter Facebook LinkedIn YouTube



PHILIP MORRIS
(PAKISTAN) LIMITED



Tariq Sheikh
Project Director
Track and Trace, FBR



Asim Ahmed
Chairman FBR



Qaiser Iqbal
Member Operations,
Inland Revenue



Roman Yazbeck
Managing Director Philip Morris
(Pakistan) Limited (PMPKL)

Philip Morris (Pakistan) Limited (PMPKL) **thanks and congratulates** the Government of Pakistan and the Federal Board of Revenue on the implementation of the **Track and Trace System** for the tobacco industry. We are confident that this initiative will go a long way toward curbing illicit trade in tobacco by combatting non-tax-paying tobacco manufacturers and traders who are selling cigarettes significantly below the minimum price mandated by law and are causing an estimated annual loss of PKR 80 billion to the national exchequer.

PMPKL appreciates the government's efforts to curb illicit trade in the country and the work towards Pakistan's economic prosperity for the betterment of the country and its people.

We believe, Track and Trace system will benefit Pakistan in the long run by increasing tax revenue, reducing counterfeit, creating a level playing field for the tax-paying industry, and raising investor confidence which will directly translate into increased FDI in Pakistan.

Pakistan is a resilient country, a land of opportunities, and PMPKL is committed to working towards its prosperity by supporting the government's initiatives on curbing the issue of illicit trade.

Figure 3. News article highlighting the Pakistan program

Medical Prescription Program Case Study

A Non-Disclosure Agreement prohibits us from revealing the customer's identity.

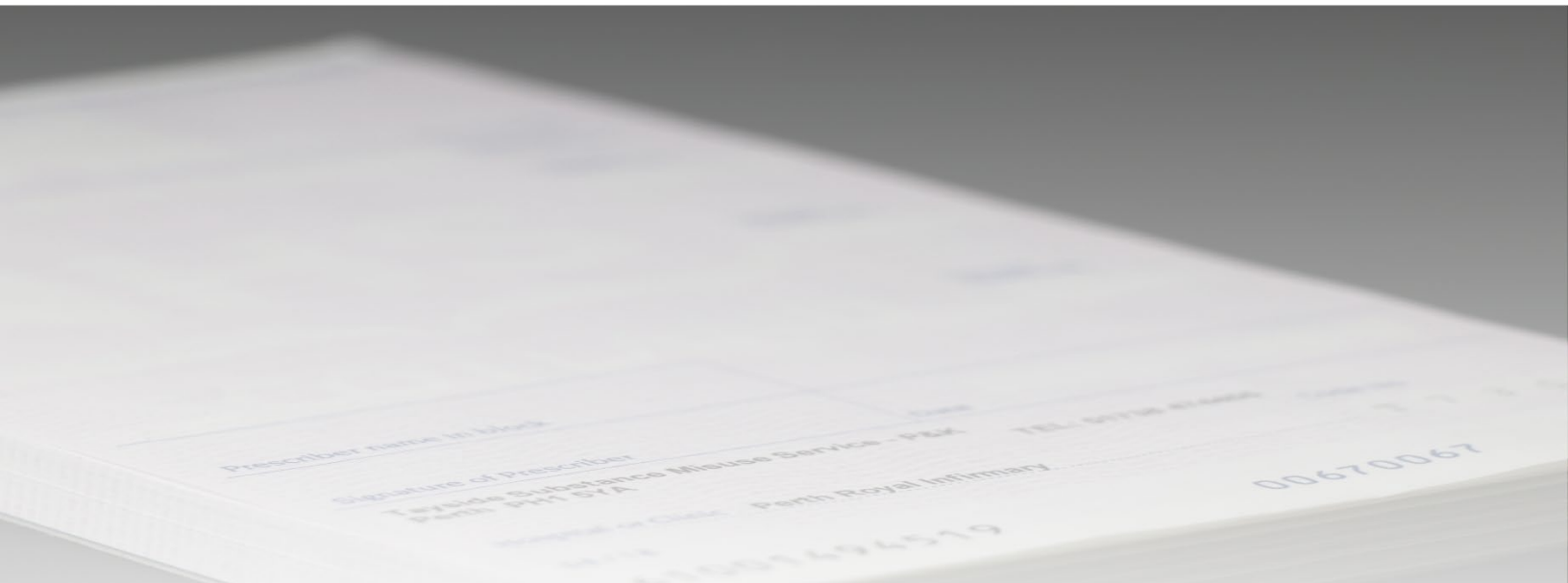
Prescription drug fraud and misuse is a significant and growing problem. The most common tactics attempted are forgery and alteration of prescriptions. Medical prescription papers have an obvious value to the patient, but also have a financial value to the government. In many countries, the costs of medicines prescribed are met by the government and need to be protected accordingly. Some prescribed medications are also controlled drugs, and criminals will attempt to access these through counterfeit prescription forms.

While prescription drug fraud can take many forms, our technologies are positioned to deter such attempts, and make them very easy to detect.

In 2016, Authentix signed a multi-year contract to produce a significant volume of medical prescriptions for a customer. This contract requires Authentix to manage both large volume manufacturing and small volume personalization and control the direct distribution of the forms to end users, based on the requirement of the customer. With our manufacturing capabilities and experienced staff, we provide the customer with high quality secure medical prescription forms to meet the technical requirements and excellent service in distribution and on-time delivery.

This significant contract involves:

- Production of multiple secure document designs with numerous overt and covert security features to protect against counterfeiting.
- Production of multiple secure forms in different formats, including large volume manufacture, small volume personalization, boxed forms, and glued pads.
- Efficient one-pass lithographic production by highly skilled printing operators.
- In-line serial number application for customer traceability.
- Dedicating experienced staff working exclusively on controlling the distribution of stock on behalf of the customer.



Egypt Tax Stamp Program

Authentix assisted in implementing a comprehensive track and trace system for tobacco and alcohol products in Egypt. This solution includes the production of more than six (6) billion tax stamps per year with full traceability, protecting tax revenue.



Figure 4. Egyptian tax stamp for tobacco (sheets and on product)

The system involved:

- Official tax stamps which cannot be counterfeited and can be tracked to tobacco/alcohol manufacturers;
- Secure track and trace system hardware and software installed in the tax authority's offices (maintained remotely by Authentix) that allowed ordering and payment of stamps via a secure online portal;
- A unique pseudo-random code included on each stamp for tracking via the customized system; and
- Ability for authorized government inspectors to check cigarette packets with ultraviolet light and other security devices to verify authenticity and ensure that the duty has been paid.

Data from the Egyptian finance ministry shows that since implementing the tax stamps produced by Authentix, **their revenue grew by ~120% to reach \$3.3 billion, compared to \$1.5 billion prior to the initial program implementation.**

Ghana Revenue Authority Tax Stamp Program

Prior to 2012, the Republic of Ghana suspected that they had a problem. Numbers were not adding up. Tax receipts for tobacco, spirits, beer, soda, and bottled water were less than expected, based on consumption numbers. However, the Revenue Agency lacked the ability to confirm that taxes had been paid on items sold in the country. And the government did not have the necessary legislation to allow for proper enforcement of any excise tax transgressions.

Through the Program, the GRA:

- ✓ Increased custom duties by 130% since the program's inception (with less than one year of enforcement);
- ✓ Obtained visibility into the widespread counterfeiting of spirits products; and
- ✓ Realized a 310% ROI from its excise tax stamps program annually.

It Takes a Village: Collaborative Approach to Program Design and Implementation

Authentix thoroughly analyzed Ghana's economic situation to uncover how they may substantially increase revenue collections from implementing an excise tax stamp program. Although the measures required to establish a national program appeared daunting, we worked with the Ministry of Finance and the GRA every step of the way. Together, we designed, built, and implemented a national excise tax stamp program that included:

- A secure hybrid tax stamp with an encrypted, 2D bar code for traceability;
- Multiple levels of overt and covert stamp security features that cannot be reproduced by counterfeiters;
- Various stamp designs driven by tax amount, product type, application method, and cost considerations;
- A tax stamp information system with web portal access for program stakeholders;
- An e-commerce module for ordering stamps, approving orders, and tracking order status; and
- A reporting module that provided full visibility of the program status, as well as the ability to access specific details related to the confirmation of fraudulent activity.

Furthermore, we provided technology training for product manufacturers and stakeholders; assisted with executing a national public relations campaign to promote the benefits of the tax stamp program; and helped GRA establish enforcement strategies and baseline measurements to ensure program success.



Overt Security Features
(as seen on product)



Covert Security Features
(as seen under UV light)

Figure 5. Ghana excise tax stamp example. The designs above represent the tax stamps affixed to wine and spirits sold in Ghana. Approximately 3.6 billion tax stamps applied to goods such as tobacco, beer, wine and spirits, water, and carbonated beverages contained a blend of overt and covert security features that cannot be reproduced by counterfeiters.

About Authentix

As the authority in authentication solutions, Authentix thrives in supply chain complexity. We provide advanced authentication solutions for governments, central banks and commercial companies, ensuring local economies grow, banknote security remains intact, and commercial products have robust market opportunities. Our partnership approach and proven sector expertise inspires proactive innovation, helping customers mitigate risks to promote revenue growth and gain competitive advantage.



CORPORATE HEADQUARTERS

4355 Excel Parkway, Suite 100

Addison, TX 75001

info@authentix.com

NORTH AMERICA | EUROPE | MIDDLE EAST | AFRICA | ASIA