

ATM Fraud Is Growing, but Thieves Can Be Foiled by Technology from Elephant Talk Communications Subsidiary, ValidSoft

SCHIPHOL, THE NETHERLANDS--(July 27, 2010) - Using the ATM at your bank or supermarket seems like a safe way to get your money, but it's not. Someone may be watching, stealing the information on your card and your PIN number. The thief then uses the information to drain your bank account.

This type of fraud is called "ATM skimming." It's been around for at least a decade, but now it's on the rise based on thieves having more sophisticated technologies. "ATM skimming" accounts for a reported loss of over \$1 Billion per year.

Now there is an effective way for banks and card companies to fight back. Technology from ValidSoft (www.validsoft.com), the wholly-owned subsidiary of Elephant Talk Communications, Inc. (OTCBB: ETAK) (www.elephanttalk.com), allows banks to spot a thief's attempt to use your ATM card information to withdraw money -- and do it in a split second while the transaction is being processed. That way, a bank can prevent the withdrawal and foil the theft. "Our technology can help put ATM skimmers out of business," says ValidSoft CEO Patrick Carroll. "It enables banks to identify legitimate transactions, so that your own withdrawals aren't blocked by mistake."

Here's how the scam works: thieves use two devices; one is a small magnetic card reader placed unobtrusively near the ATM. As you insert your card into the real ATM slot, the device picks up the information embedded in your card's magnetic strip. The device then transmits it to the criminal who may be sitting nearby. The second device is a small camera carefully placed by the thief so that it focuses on the ATM's keyboard. When you put in your PIN number, the digits are captured by the camera.

Another approach used by ATM skimmers is to put an official-looking screen and card reader over ATM's real one. Customers trying to withdraw money get their information stolen by the device (<http://www.bankrate.com/finance/checking/video-atm-rip-offs.aspx>). The thief then burns the stolen information on a blank card and starts withdrawing your money.

"Consumers aren't aware of ATM tampering," warns Robert Vamosi, a fraud expert at Javelin Strategy & Research. "ATMs have 40 years of trust." (<http://finance.yahoo.com/news/4-tips-to-protect-you-from-brn-569297724.html?x=0>).

According to Carroll, a more effective solution is ValidSoft's system called VALid-POS®: "Our software taps into information about the location of your cell phone. It anonymously compares the proximity of your phone to the location of the attempted withdrawal. If your cell phone is miles away from the ATM machine, then thieves are probably at work with your card information. Banks and card companies that have the VALid-POS® software can thus thwart the attempted theft."

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About Elephant Talk Communications

Elephant Talk Communications, Inc. (OTCBB: ETAK) is an international provider of business software and services to the telecommunications and financial services industry. The company enables both mobile carriers and virtual operators to offer a full suite of products, delivery platforms, support services, superior industry expertise and high quality customer service without substantial upfront investments from clients. Elephant Talk provides global telecommunication companies, mobile network operators, banks, supermarkets, consumer product companies, media firms, and other

businesses a full suite of products and services that enables them to fully provide telecom services as part of their business offerings. The company offers various dynamic products that include remote health care, credit card fraud prevention, mobile internet ID security, multi-country discounted phone services, loyalty management services, and a whole range of other emerging customized mobile services. For more information visit www.elephanttalk.com

About ValidSoft

ValidSoft is a member of Elephant Talk Communications, Inc. (OTCBB: ETAK), and is a market leader in providing solutions to counter electronic fraud relating to card, the internet, and telephone channels. ValidSoft's solutions are at the cutting edge of the market and are used to verify the authenticity of both consumers and institutions (Mutual Authentication), and the integrity of transactions (Transaction Verification) for the mass market, in a highly cost effective and secure manner, yet easy to use and intuitive. For more information please visit www.validsoft.com

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