

Fraud ShieldSM

Intelligent defense against application fraud

No company provides a more powerful fraud detection solution than Experian, the global leader in information solutions. Fraud Shield from Experian draws its strength from Experian's File One,SM our relational consumer credit database that provides timely and accurate information on nearly every credit-active consumer in the U.S.

Application fraud:

A growing threat

Financial losses stemming from application fraud are profound and far-reaching. Each year in the United States, application fraud costs banks, credit card companies, retailers and other businesses an estimated \$35 billion. Far more damaging than delinquent or bankrupt accounts, fraud losses are three times higher than normal charge-off rates.

Most of today's fraud is the work of highly-organized and sophisticated international crime organizations. Because application fraud is a low-risk, high-reward crime, fraud rings operate with little fear of getting caught. They pose a real and constant threat to the profitability of your company.

When it comes to protecting your earnings stream from the increasing threat of fraud, Experian leads the way with Fraud Shield. Focusing on Social Security number, address and telephone number information, Fraud Shield delivers a systematic and intelligent approach to fraud prevention.

The result is more powerful fraud prediction that saves you time and money, decreases your outsource rates and provides highly-flexible customization.

Fraud Shield:

A new industry standard

At your inquiry, Fraud Shield launches a comprehensive series of checks, searches and counters to screen every credit application. It instantly recognizes warning signs and critical discrepancies, such as:

- Social Security numbers recorded as deceased, non-issued, out of range or invalid
- Counters that track the number of times Social Security numbers and addresses have been used for previous inquiries
- Year of issuance for each Social Security number
- Cautious and high-risk addresses
- Business addresses, including alerts of addresses where multiple businesses are located



Business addresses

Experian has business address and telephone number information on over 14 million businesses. Fraud Shield checks the consumer's current and on file addresses against this data.

Commercial business address	Public utility
Agricultural production service	Wholesale trade business
Agricultural service	Retail trade business
Forest/Fish/Hunt/Trap service	Finance/Insur./Real est. service
Mining service	Lodging facility
General building contractor	Personal service
Trade contractor/special trade	Business service
Food products mfr.	Automobile service
Tobacco products mfr.	Miscellaneous repair service
Apparel/Textile mfr.	Amusement/Recreation business
Wood/Lumber products mfr.	Health/Medical service
Printing/Publishing company	Legal service
Chemical/Petroleum service	Education/Social service
Leather/Clay/Stone/Glass mfr.	Cultural attraction
Metal products mfr.	Membership organization
Machine/Equipment mfr.	Engineering/Management service
Electronics/Electrical mfr.	Miscellaneous service
Transportation equipment mfr.	Public admin. office business
Technical instrument mfr.	
Transportation service	

High-risk addresses

Experian has isolated 31 high-risk address profiles having potential for fraudulent activity. Research has shown fraud occurs at a higher rate at these business addresses than at other business addresses. Fraud Shield checks the consumer's current and on file addresses against this information.

Business complex	Disco	Secretarial service
Delivery service	Cocktail lounge	Rental storage
Courier service	Night club	Telephone answering service
Parcel delivery	Money order service	Mail boxes retail
Possible mail drop	Check cashing service	Packaging service
Post office	Safe deposit box service	Federal prison
Packing service	Executive suite	State prison
Fax service	Temporary residence	County corrections
Telegraph service	Massage parlor	City jail
E-mail service	Mail receiving service	
Bar	Letter shop service	

Credit Profile report

TCA1
RTS 3122250X1J CONSUMER, JONATHAN QUINCY 999999990;
CONSUMER/NANCY CHRISTINE 123456789;
CA-10655 NORTH BIRCH STREET/BURBANK CA 91502; PH-714.555.1111; DL-CA N2345678;
PA-1314 SOPHIA LANE APT #3/SANTA ANA CA 92708-5678; Y-1951, T-04048060;
E-AJAX HARDWARE/2035 BROADWAY SUITE 300/LOS ANGELES CA 90019;ID

PAGE 1 DATE 6-30-00 TIME 10:37:16 PHP26 V306 TCA1

JONATHAN QUINCY CONSUMER 10655 N BIRCH ST BURBANK CA 91502-1234 RPTD: 11-93 TO 3-00 U 3X LAST SUB: 2390446	SSN: 999-99-9990 234-56-7891* 123-45-6789* DOB: 1/10/1951	E: AJAX HARDWARE 2035 BROADWAY SUITE 300 LOS ANGELES CA 90019-1234 RPTD: 4-00 I
1314 SOPHIA LN APT3 SANTA ANA CA 92708-5678 RPTD: 7-93 U 1X	*2600 BOWSER ST #312 LOS ANGELES CA 90017-9876 RPTD: 2-91 I	E: BELL AUTOMOTIVE 111 MAIN STREET BURBANK CA 91503 RPTD: 10-89 TO 2-00 I

*JACK CONSUMER, JOHN SMITH, JONATHAN SMITH, JONES JR

----- FRAUD SHIELD SUMMARY -----

1 INPUT SSN RECORDED AS DECEASED	INQ: PHONE ANSWERING SERVICE
2 DOB: 1-10-1951 DOD: 3-30-1996	ABC ANSWER-ALL
3 INPUT SSN ISSUED 1965-1966	10655 N BIRCH ST
4 TELEPHONE NUMBER INCONSISTENT W/ADDRESS DRIVER'S LICENSE INCONSISTENT W/ON FILE	6 818.555.1212 BURBANK CA 91502
5 FROM 3-01-00 INQ COUNT FOR SSN=8	FILE: COMMERCIAL BUSINESS ADDRESS:
FROM 3-01-00 INQ COUNT FOR ADDRESS=15	J&J INVESTMENTS
	7 2600 BOWSER ST #312
	LOS ANGELES CA 90017
	213.111.2222

The easy-to-read Fraud Shield summary on Experian's Credit Profile report conveniently highlights information that indicates possible fraud.

- 1 Deceased Social Security number message
- 2 Date of Birth and Date of Death
- 3 Social Security number issue date
- 4 Fraud Shield indicators
- 5 Social Security number and Address counters
- 6 High-risk, cautious or non-residential address
- 7 Business address and telephone numbers

Cautious addresses

Fraud has been perpetrated at the consumer's inquiry or on file address and has been reported to Experian by credit grantors, fraud victims and industry/law enforcement bulletin boards.



Fraud Shield indicators

Fraud Shield launches a series of checks, searches and counters to instantly recognize the warning signs of fraud.

Fraud Shield indicator	What does it mean?	Suggested course of action
01 Inquiry/On file current address conflict	The address used on the inquiry is different than the address Experian has as the consumer's best, most current address	<ul style="list-style-type: none">• Verify input address• Contact consumer using application information• Use Checkpoint to further verify consumer's information
02 Inquiry address first reported <90 days	The address used on inquiry was first reported for the consumer within the last 90 days	<ul style="list-style-type: none">• Verify input address• Contact consumer using application information• Use Checkpoint to further verify consumer's information
03 Inquiry current address not on file	The inquiry address does not match an address File One has for this consumer	<ul style="list-style-type: none">• Verify input address• Contact consumer to verify address• Use Checkpoint to further verify consumer's information
04 Inquiry Social Security number has not been issued	The Social Security number on the inquiry has not been issued by the Social Security Administration	<ul style="list-style-type: none">• Verify applicant Social Security number• Contact consumer using application information• Use Checkpoint to further verify consumer
05 Inquiry Social Security number recorded as deceased	Social Security Administration reports death benefits are being paid on the Social Security number used on inquiry	<ul style="list-style-type: none">• Verify applicant Social Security number• Verify survivor of consumer is not using Social Security number of deceased• Ask for a copy of another form of identification (i.e. driver's license, credit card number)• Use Checkpoint to further verify consumer
06 Inquiry age younger than Social Security number issue date	The age used on the inquiry is younger than the Social Security number issue date; possible case of identity theft	<ul style="list-style-type: none">• Verify consumer's age• Ask for a copy of the consumer's Social Security card
07 Credit established before age 18	Consumer established credit before the age of 18; possible identity theft with Date of Birth	<ul style="list-style-type: none">• Verify consumer's age• Ask for a copy of the consumer's Social Security card
08 Credit established prior to Social Security number issue date	Consumer's first trade was opened prior to the Social Security number issue date	<ul style="list-style-type: none">• Verify consumer's age• Ask consumer for a copy of Social Security card• Ask for a copy of another form of identification
09 More than 3 inquiries in the last 30 days	More than 3 inquiries have been posted to the consumer's profile within the last 30 days	<ul style="list-style-type: none">• Contact consumer and verify he/she is shopping for credit or service• Use Checkpoint to further verify consumer
10 Inquiry address: High-risk	Inquiry address is a business address having a potential for fraudulent activity	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer using application information• Use Checkpoint to further verify address



Fraud Shield indicator	What does it mean?	Suggested course of action
11 Inquiry address: Non-residential	The inquiry address is a business address	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer using application information• Use Checkpoint to further verify address
12 Security statement present on report	This consumer has been reported as a fraud victim	<ul style="list-style-type: none">• Verify consumer• Contact consumer and verify he/she is shopping for credit or service
13 High probability Social Security number belongs to another	According to File One, the Social Security number used on the application is more closely associated to another consumer	<ul style="list-style-type: none">• Verify accuracy of input• Look for Fraud Shield indicators 04, 05, 06, 14• Ask consumer for copy of Social Security card
14 Inquiry Social Security number format is invalid	The Social Security number provided is not a valid number as reported by the Social Security Administration	<ul style="list-style-type: none">• Verify accuracy of Social Security number• Ask consumer for copy of Social Security card
15 Inquiry address: Cautious	Fraud has been perpetrated at the inquiry address	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer using application information
16 On file address: High-risk	One of the consumer's on file addresses is a business address having a potential for fraudulent activity	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer using application information• Use Checkpoint to further verify address
17 On file address: Non-residential	One of the consumer's on file addresses is a business	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer using application information• Use Checkpoint to further verify address
18 On file address: Cautious	Fraud has been perpetrated at one of the consumer's on file addresses	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer using application information
19 Current address reported by new trade only	The consumer's current address on the credit report has only been reported by the most recently opened trade	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer to verify application
20 Current address reported by trade open <90 days	The consumer's current address has been reported by a trade opened within the last 90 days; new accounts can be an indication of identity theft	<ul style="list-style-type: none">• Verify consumer's address• Contact consumer to verify application• Use Checkpoint to further verify address and telephone number
21 Telephone number inconsistent with address	Telephone number used on inquiry doesn't correlate to the consumer's current address	<ul style="list-style-type: none">• Contact consumer to verify application address• Use CheckPoint to verify telephone number
22 Driver's license number inconsistent with on file	Driver's license number used on inquiry doesn't match consumer's drivers license number on file	<ul style="list-style-type: none">• Ask consumer for a copy of driver's license• Verify accuracy of driver's license number• Use Checkpoint to further verify license number



A real-world solution for real-world problems

Fraud Shield safeguards you against even the most sophisticated fraud attempts. Following are some actual examples of the most common types of consumer fraud and how Fraud Shield can prevent them from happening in your organization.

identity theft

Problem: Identity theft

A couple arrested used a stolen Social Security number to open multiple fraudulent credit card accounts and two mortgage loans.

Solution:

Fraud Shield identifies the high probability that a Social Security number belongs to another consumer and instantly tracks the number of times a specific Social Security number has been used on previous inquiries. A high inquiry rate can be an indication of fraud.

false ID

Problem: False ID

Attempting to cover up her high-risk credit history, a woman submitted numerous retail credit card applications with a fabricated name and a postal box address. In addition, she used a relative's Social Security and driver's license numbers.

Solution:

Fraud Shield automatically uncovers inconsistencies in an applicant's identifying information, such as address, driver's license and Social Security number mismatches.

false address

Problem: False address

A man stole a preapproved credit card offer from an apartment complex mailbox and submitted it with an address and working telephone number established specifically to commit application fraud.

Solution:

Fraud Shield instantly recognizes addresses that have never been associated with the consumer on the credit application. It screens for 31 high-risk address profiles and provides 12 other address checks. Fraud Shield's powerful ZIP code and telephone cross reference database automatically flags telephone numbers that don't correlate with the listed address.



Fraud Shield gives you the power to:

- Accurately predict fraud
- Save time and money by reviewing fewer potentially fraudulent applications
- Receive only the output you want
- Easily monitor fraud indicators on your applicant base
- Compare your fraud statistics with industry peers

Through these advanced fraud detection features:

- Conducts complete check of Social Security numbers, cautious and high-risk addresses, driver's license and telephone number alerts
- Proprietary "Fuzzy Match Logic" reconciles address variations
- Customizable—you establish the parameters and application review criteria
- Detailed month-end summary reports show distribution of fraud indicators at the branch and company levels
- Aggregate industry statistics are accessible through Experian's Web site

Focus on prevention

Don't wait until fraudulent accounts have eroded your profitability—make prevention your first line of defense. Fraud Shield helps you reduce fraud losses and account acquisition costs by identifying the true threat of fraud. In addition, Fraud Shield is fully customizable so you can select the most relevant warnings to your business.

To find out more about

Fraud Shield, contact your local Experian sales representative or call

800 333 4930.

505 City Parkway West
Orange, CA 92868
800 333 4930

Credit should not be granted or denied based on a Fraud Shield message, but rather on the results of additional research.

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