

Experian Fraud ShieldSM

Intelligent Defense Against Application Fraud



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 \$8 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, address and phone 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 with minimal system changes.

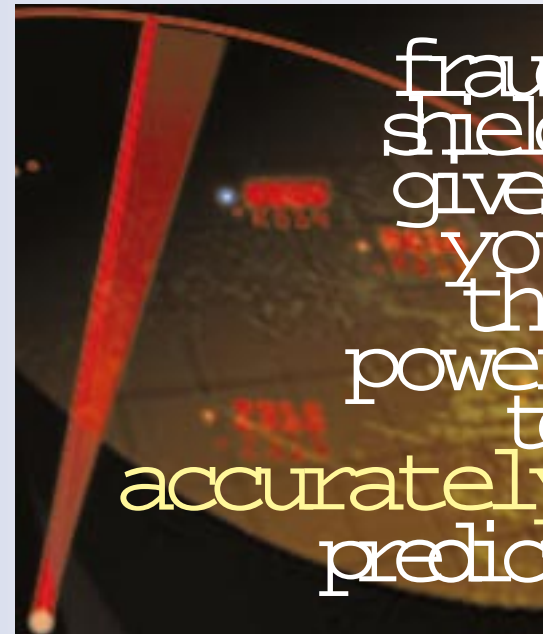
Experian Fraud Shield: A New Industry Standard

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 for other reasons
- Counters that track the number of times SSNs 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.

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 identify the true threats of fraud. In addition, Fraud Shield is customizable so you can set your own application review criteria.



Real-World Solutions for Real-World Problems

Experian 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 to you.

identity theft



PROBLEM: Identity theft

A couple arrested in Delaware 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 SSN belongs to another consumer and instantly tracks the number of times a specific SSN number has been used on previous inquiries. The higher the inquiry rate, the greater likelihood of fraud.

false id

PROBLEM: False ID

Attempting to cover up her high-risk credit history, a Colorado 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



In Texas, a man stole a pre-approved credit card offer from an apartment complex mailbox and submitted it with a drop address and working phone number established specifically to commit application fraud.

SOLUTION: Experian 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 phone cross reference database automatically flags phone numbers that don't correlate with the listed address.



Experian Credit 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 9876543:
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 6-30-96 TIME 10:37:16 PHP26 V306 TCA1

JONATHAN QUINCY CONSUMER SSN: 999-99-9990 E: AJAX HARDWARE
10655 N BIRCH ST 234-56-7891* 2035 BROADWAY
BURBANK CA 91502-1234 SUITE 300
RPTD: 11-93 TO 3-96 U 3X DOB: 1/10/1951 LOS ANGELES CA 90019-1234
LAST SUB: 2390446 RPTD: 4-91 I

1314 SOPHIA LN APT3 *2600 BOWSER ST #312 E: BELL AUTOMOTIVE
SANTA ANA CA 92708-5678 LOS ANGELES CA 90017-9876 111 MAIN STREET
RPTD: 7-93 U 1X RPTD: 2-91 I BURBANK CA 91503
RPTD: 10-95 TO 2-90 I

*JACK CONSUMER, JOHN SMITH, JONATHAN SMITH JONES JR

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

INPUT SSN RECORDED AS DECEASED INQ: PHONE ANSWERING SERVICE
DOB: 1-10-1951 DOD: 3-30-1996 ABC ANSWER-ALL
INPUT SSN ISSUED 1965-1966 10655 N BIRCH ST
TELEPHONE NUMBER INCONSISTENT W/ADDRESS BURBANK CA 91502
DRIVER'S LICENSE INCONSISTENT W/ON FILE 818.555.1212
FROM 3-01-96 INQ COUNT FOR SSN=8
FROM 3-01-96 INQ COUNT FOR ADDRESS=15

RPTD: 2-91 I

RPTD: 10-95 TO 2-90 I

CONSUMER, JOHN SMITH, JONATHAN SMITH JONES JR

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

- 1 INPUT SSN RECORDED AS DECEASED
- 2 DOB: 1-10-1951 DOD: 3-30-1996
- 3 INPUT SSN ISSUED 1965-1966
- 4 TELEPHONE NUMBER INCONSISTENT W/ADDRESS
- 5 DRIVER'S LICENSE INCONSISTENT W/ON FILE
- 6 FROM 3-01-96 INQ COUNT FOR SSN=8
- 7 FROM 3-01-96 INQ COUNT FOR ADDRESS=15

INQ: PHONE ANSWERING SERVICE
ABC ANSWER-ALL
10655 N BIRCH ST
BURBANK CA 91502
818.555.1212

FILE: COMMERCIAL BUSINESS ADDRESS:
J&J INVESTMENTS
2600 BOWSER ST #312
LOS ANGELES CA 90017
213.111.2222

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

- 1 Deceased SSN message
- 2 DOB & DOD
- 3 SSN issue date
- 4 Fraud Shield indicators
- 5 SSN & Address Counters
- 6 High-risk, fraudulent or non-residential address
- 7 Business address and phone numbers

Fraud Shield Indicators

- 01 Inquiry/onfile current address conflict
- 02 Inquiry address first reported <90 days
- 03 Inquiry current address not onfile
- 04 Inquiry SSN has not been issued
- 05 Inquiry SSN recorded as deceased
- 06 Inquiry age younger than SSN issue date
- 07 Credit established before age 18
- 08 Credit established prior to SSN issue date
- 09 More than 3 inquiries in last 30 days
- 10 Inquiry address identified as high risk*
- 11 Inquiry address identified as non-residential*
- 12 Security statement present on report
- 13 High probability SSN belong to another
- 14 Inquiry SSN format is invalid
- 15 Inquiry address identified as cautious*
- 16 Onfile address identified as high risk*
- 17 Onfile address identified as non-residential*
- 18 Onfile Address identified as cautious*
- 19 Current address reported by new trade only
- 20 Current address reported by trade open <90 days
- 21 Telephone number inconsistent with address
- 22 Driver's license inconsistent with onfile

High-Risk Addresses

Business Complex
Delivery Service
Courier Service
Parcel Delivery
Possible Mail Drop
Post Office
Packing Service
Fax Service
Telegraph Service
E-mail Service
Bar
Disco
Cocktail Lounge
Night Club
Money Order Service
Check Cashing Service

Safe Deposit Box Service
Executive Suite
Temporary Residence
Massage Parlor
Mail Receiving Service
Letter Shop Service
Secretarial Service
Rental Storage
Phone Answering Service
Mail Boxes Retail
Packaging Service
Federal Prison
State Prison
County Corrections
City Jail

Business Addresses

Commercial Business Address
Agricultural Production Service
Agricultural Service
Forest/Fish/Hunt/Trap Service
Mining Service
General Building Contractor
Trade Contractor/Special Trade
Food Products Manufacturer
Tobacco Products Manufacturer
Apparel/Textile Manufacturer
Wood/Lumber Products Mfr.
Printing/Publishing Company
Chemical/Petroleum Service
Leather/Clay/Stone/Glass Mfr.
Metal Products Manufacturer
Machine/Equipment Mfr.
Electronics/Electrical Mfr.
Transportation Equipment Mfr.
Technical Instrument Mfr.
Transportation Service
Public Utility

Wholesale Trade Business
Retail Trade Business
Finance/Insur./Real Est. Service
Lodging Facility
Personal Service
Business Service
Automobile Service
Miscellaneous Repair Service
Amusement/Recreation Business
Health/Medical Service
Legal Service
Education/Social Service
Legal Service
Education/Social Service
Cultural Attraction
Membership Organization
Engineering/Management Service
Miscellaneous Service
Public Administration Office
Business

*ARF Flag Only

No company provides a more
powerful fraud detection
solution than Experian,
the global leader in
information solutions.

Fraud Shield draws its
strength from

File One, our relational
consumer credit database that
provides timely and accurate
information on nearly every
credit-active consumer
in the U.S.



Intelligent Defense

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 phone 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 the Experian web site.

To learn more about how Fraud Shield can help you, call 800 854 7201 for more information or contact your local Experian representative.



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