

FraudGuard[®] Counterfeit Detection

Easy to implement and finds alterations other solutions don't.

It is estimated that check fraud costs the US market billions of dollars annually and that these costs will continue to grow by 25% annually.¹ The highest median cost per case is directly related to counterfeits – averaging \$3,059 per check.² With the help of advanced printing and reproduction technology, thieves are able to reproduce checks easier today than ever before. This threat has created a strong demand for cost effective and reliable solutions to detect counterfeit and forged checks.

What is Counterfeit Detection?

FraudGuard's Counterfeit Detection automates the analysis of the key areas of negotiability on the face of a check – identifying virtually any inconsistency! The system automatically interrogates all static printed fields on the face of a check, including bank name and logo, check, account and routing numbers, name and address, marks, lines, font type and size, to ensure that their placement, size, and content match those found on the legitimate check used for each account. With FraudGuard Counterfeit Detection, all key elements and fields of presented checks

are interrogated. This enables immediate identification of potential counterfeits and marks them as exceptions to be routed for review.

Faster fraud detection

With FraudGuard Counterfeit Detection, check fraud schemes are identified faster – resulting in increased productivity with less equipment! To begin processing check images with FraudGuard Counterfeit Detection, the solution utility leverages existing check stock images to automatically

Stop the Fastest Growing Check Fraud.

populate the associated database, so the solution is up and running right after installation. Multiple approved templates can be established for each account as they are presented for interrogation. This automated process virtually eliminates manual intervention by operational staff!

Validates Check Stock

Commercial bank customers often use computer and manually printed checks for the same account or several types of check stock for various accounts. With FraudGuard Counterfeit Detection, all pre-printed and manual checks that are analyzed by the system automatically build the database for that account. This database can be established upon initial set-up of the account or "on-the-fly" as checks are routed to the system. Templates can be defined in the system in two different ways:

Pre-defined check stock

Before the first check image is processed, the account holder can provide the financial institution with approved sample checks. These samples act as base check images, providing the pre-defined check stock characteristics to be input into the system via the system administration function. It is from these base check characteristics that the system compares all future check images presented to the system for that particular account.

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¹US fraud statistics by Ernst & Young and American Banker

²ABA Deposit Account Fraud Survey, 2004

Manual approval

The system also has the ability to begin processing check images without setting pre-defined check stock characteristics. The system will ingest initial check images which are then automatically routed through the decision support function for manual review. Once a particular stock type is manually accepted, the system will intuitively know to accept all subsequent images with identical stock characteristics. Accepted images then automatically become part of the account's history, creating approved templates for the account.

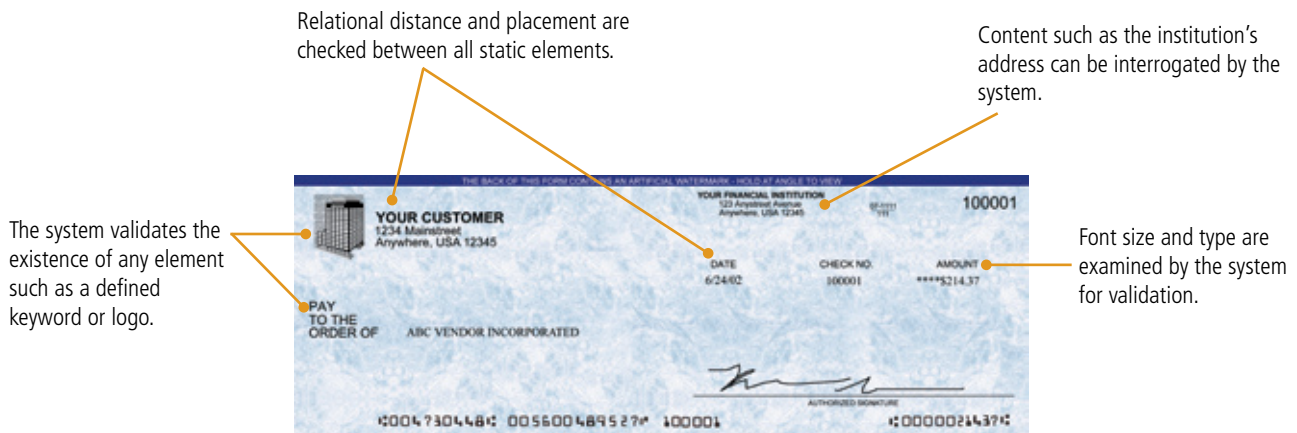
FraudGuard – the power of true integration

Check fraud comes in many forms – counterfeits, alterations, forgeries. With FraudGuard you can detect a wide variety of check fraud with one integrated and automated system. Once a check image is imported into the system, multiple FraudGuard applications go to work seeking out any indication of check fraud. Because FraudGuard applications are built on a broad, multi-application, integrated platform, installation and maintenance are easy. And, the shared platform makes

it simple and highly cost-effective to add further FraudGuard check fraud detection capabilities when desired.

This multi-use platform architecture provides the ultimate level of system scalability and flexibility, simplified systems management, as well as common decision support and end-of-day reporting. And, the non-proprietary design of the suite allows for its easy integration with most existing imaging (check processing, ARP, DDA and web-banking) systems. »

With FraudGuard Counterfeit Detection, you have the option of using the fully integrated FraudGuard Decision Support module or a third-party decisioning product of your choice to identify suspect items and flag them for further review.



Elements determined to be valid for an account are established within the FraudGuard Counterfeit Detection system as a template. These templates are used to determine if any alteration has occurred.