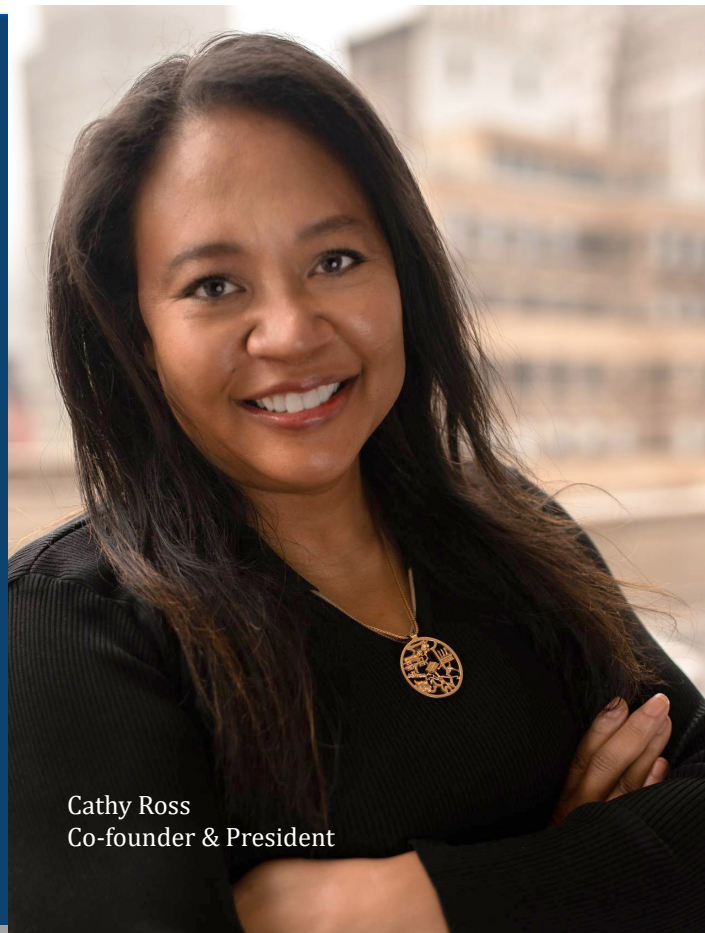


Fraud.net: The Future of Fraud Detection



Cathy Ross
Co-founder & President

The Leader Upfront

Cathy Ross, President and Co-founder of Fraud.net has had a dynamic career arc starting out in finance and investments, broadening out to e-commerce, and finally fraud prevention. A trailblazer, Cathy was one of the first female owners of an Investment Capital firm on Wall Street, and one of the first African-American women to do so. She then moved into digital commerce, acquiring a pioneering company. This experience provided her with a deep understanding of what her future customers would face in fighting fraud.

Working with Fraud.net's co-founder, they discovered that existing software offered limited visibility into fraud attacks and captured too little data - this inspired their fraud detection and prevention solution, which later became Fraud.net.

Ross is a strong proponent of the power of diversity and inclusion, and the many benefits it provides to an organization's societal and bottom-line impact. Over 40% of Fraud.net's department leaders are women or ethnically diverse. Cathy is very active in the community, spending her time mentoring other African-American women on Wall Street and in high-tech companies to help advance their careers.

The pandemic unleashed a torrent of fraud on businesses and individuals – roughly a 40% increase. Consequently, over 80% of companies made changes to their anti-fraud programs due to the pandemic, according to the Association of Certified Fraud Examiners (ACFE). Even though the pandemic is waning, the impact of fraud on businesses is still significant. Seemingly daily, there are reports of ransomware attacks and other data breaches being reported in the media. E-Commerce and other

digital activities are not returning to pre-pandemic levels; it will stay well above those marks, continuing to provide a surplus of targets for fraudsters. Fortunately, Fraud.net offers fraud detection and prevention solutions for a variety of enterprises, utilizing a sophisticated AI-powered fraud platform to help clients detect transactional anomalies and complex fraud schemes in real-time.

What sets Fraud.net apart is its all-in-one fraud prevention solution that allows companies to more easily

and effectively manage their fraud program. The power of the solution derives from:

- Data orchestration to unify data and prevent information silos
- Advanced artificial intelligence (AI) and machine learning (ML) models to quickly detect fraudulent behaviors
- Simplified case management

Fraud.net is also one of the only “glass-box” services that utilizes a data consortium. Digital companies

“Be Resilient. Be Creative. Move Forward.”



and financial institutions are increasingly understanding the wisdom in sharing anonymized fraud data. With the sophisticated and advanced technologies deployed by cyber criminals, fighting them alone is a losing proposition. The power of data consortiums, like Fraud.net's Collective Intelligence Network, resides in the ability to spot such trends early by leveraging similar organizations' fraud data. This creates a more proactive approach to detecting and preventing fraud.

Evolving With The Times

Fraudsters' sophistication, collaboration, and utilization of advanced technologies have made preventing fraud much more difficult. They continually evolve their schemes to stay ahead of security teams and authorities. As a result, fraud solutions also have to evolve in tandem.

Two of the tools that Fraud.net utilizes to stay ahead of fraudsters is its Collective Intelligence Network and adaptive fraud scoring. *"Our Collective Intelligence Network acts as an early warning system for members of the network. It informs network members of new fraud tactics and provides them with anonymous fraud data to detect attacks,"* says Cathy Ross, President and co-Founder of Fraud.net. The company's adaptive fraud scoring system utilizes AI/ML models, including deep learning to provide fast and effective fraud detection. These processes are informed by previous approve/deny transaction decisions and fraud

attempts to become increasingly accurate, evolving to keep up with new threats. This adaptability is crucial in staying ahead of criminals. This tool also offers clients near real-time detection and flagging of 600+ unique fraud schemes. *"We also utilize deep learning, an ML methodology that aids in solving complex problems by detecting patterns in the data or finding relationships between interdependent variables. Discovering hard-to-detect patterns in data sets makes it an invaluable tool for predicting and detecting fraud,"* explains Ross.

However, AI models are only as valuable as the data they are fed. This is why Fraud.net works very closely with their clients on data orchestration – cleaning, validating, and enriching their data to fuel the AI models for richer insights.

Facing the Pandemic

The pandemic created a perfect storm for a massive upsurge in fraud. All digital companies were impacted and faced new challenges in grappling with the increase. *"Our aim during the pandemic was, first and foremost, the safety and well-being of our employees. Then we ensured that clients continued to receive top-tier service and responsiveness. To guarantee our clients faced no disruptions in service levels, while we shifted to a remote working environment, we implemented a number of new tools and policies,"* Ross recalls. As a result, Fraud.net has been able to save millions of dollars from fraud for their clients, improve service for existing clients, and reach

new clients to help them fight rising fraud since the pandemic started.

Additionally, the company's leadership team mobilized to make sure all employees felt connected to their co-workers and the company during the pandemic, to keep their team productive, collaborative, and motivated. *"We achieved our goal of no disruptions for clients and lived the motto, 'Be resilient. Be creative. Move forward!'"*

Looking Ahead

Looking ahead, much of Fraud.net's development focus has been directed towards global expansion. The company plans to expand their client base in Africa, Asia-Pacific, and Europe. *"By expanding our global presence, we not only increase our market share, but generate exciting synergies for our existing clients. Having a more geographically diverse customer base strengthens our Collective Intelligence Network with the inclusion of more global transactions into the network,"* says Ross. In addition, Fraud.net is working on providing new region and country-specific solutions, tailored to customers unique needs in these markets.

The company is also working on exciting new AI technologies to strengthen the backbone of the company and improve upon existing detection and protection processes. Fraud.net hopes to further expand their information base and save millions more from fraud for their clients.

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