EQUIFAX

What You Need to Know About Synthetic Identity Fraud

EMV is decreasing fraud at POS

80%
FROM 2015-2018

Source: Visa

The U.S. rollout of EMV chip cards has slashed the use of counterfeit cards at the point of sale.

Synthetic identity fraud is increasing

Card counterfeiters have migrated to other forms of fraud.

Synthetic identity fraud will soar to
$1.3 billion in 2020.

Source: Aite Group

How Fraudsters Create Synthetic Identities

1 Fabrication

Creates a fake Social Security number, steals one, or purchases a stolen one.

2 Legitimization

Adds other info to create a fake identity (often times as an authorized user) and uses it to apply for credit.

3 Action

Monetizes the synthetic identity that's now in the system, then maxes out charges to "bust out."

Tell-Tale Signs of Synthetic Identity Fraud

Identity shares name, DOB, SSN and address with others

Hyper-monitoring of credit score

Rapid increase in account applications

Few "real-life" indicators, such as relatives, social media accounts, vehicle registrations, etc.

4 Keys to Fighting Synthetic Identity Fraud

1. **Use the vast resources of credit reporting agencies and data aggregators specializing in fraud.** Combine multiple techniques and layered approaches for fraud detection.

2. **Use fast, reliable identity verification techniques** that check applications against multiple sets of public and proprietary data.

3. **Use machine-learning algorithms** to help discover identity discrepancies and unique behavior patterns, such as authorized user abuse.

4. **Use data analytics** to detect linkages and suspicious patterns indicative of phony or manipulated identities.

Learn more about synthetic identity fraud and how Equifax can help.