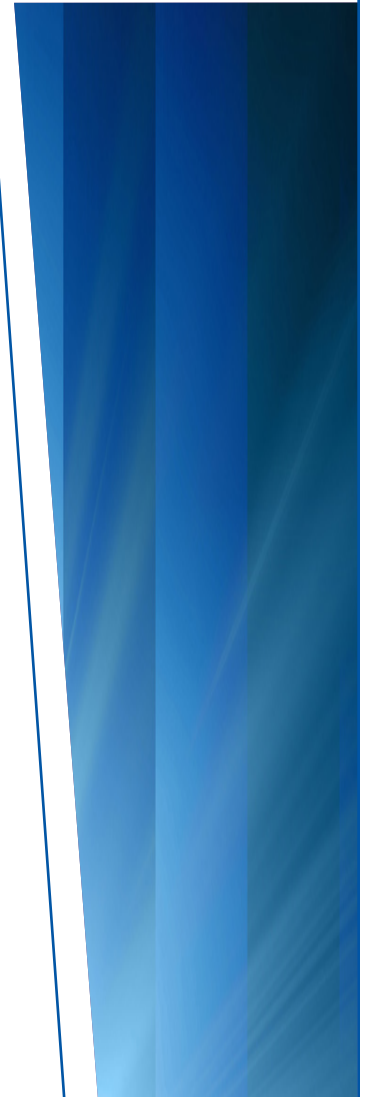# Orbograph

The Leader in Recognition Solutions

SunTrust Successful with Sereno Implementation

Image-based Fraud Detection: Cutting check fraud losses by up to 20% and protecting customer transactions as part of enterprise risk management strategy

Sereno
IMAGE-BASED FRAUD DETECTION

Orbograph
The Leader in Recognition Solutions

SunTrust has vast experience in minimizing check fraud losses. In the 1990s the bank installed a transaction fraud system. Although this system identifies millions of dollars of fraudulent transactions each year, approximately 10% of the fraud cases were not identified in time to prevent losses. To continue the bank's drive to reduce fraud, SunTrust first installed Orbograph's Payee Name Verification (PNV) software. PNV was the first step toward image analysis, adding value to customers' positive pay systems and generating incremental service revenues for the bank.

When refining risk strategies in today's complex check processing environment, a number of variables and trade-offs must be considered to optimize solutions specific to the needs of a financial institution. Several key variables SunTrust evaluated include:

• What staffing levels are acceptable for suspect review of fraudulent images?

• What is the targeted dollar range coverage for the system?

• How significant is the computing power required?

• What type of fraudulent activities will be targeted?

Based on the success of the PNV system, and after an extensive proof-of-concept, SunTrust selected Sereno for its comprehensive image-based fraud detection capabilities. The strategy was both an enterprise fraud decision, and an enterprise recognition decision. Orbograph's proven track record in recognition-centric applications convinced SunTrust that Sereno

could achieve the following objectives:

• Minimize customer and bank losses by implementing image-based fraud detection

• Maintain current staffing levels for suspect review despite the new system implementation

• Successfully process pre-authorized drafts (PAD) and substitute checks (IRDs)

• See immediate value after deploying the system into production

To meet these aggressive objectives, Sereno leverages 35 recognition, automation, and fraud technologies, operating in harmony to optimize performance and benefit to the financial institution. Key system components include:

• Multiple recognition engines from Orbograph to identify fraudulent images using check stock validation, signature detection, and amount alteration.

• A large customer profile database which allows for automated building of profiles from check images taken from the existing data stream

• Flexible system parameters like thresholding by account and dollar range

• Orbograph IQUA to filter out image defects from the fraud workflow

• Payee and payer matching to clear suspects of "good" payees

Sereno runs in conjunction with a PegaSystems rules engine which allows the bank to customize rules for specific fraud events. These rules merge the results of the transaction fraud with image fraud to reduce suspect rates.

SunTrust