



Annual tax fraud losses are estimated to be in the billions—fight fraud and save tax dollars.

With the patented LexisNexis® Tax Refund Investigative Solution, revenue agencies can take a new proactive approach to the problem of identity theft in tax administration and, at the same time, help protect taxpayers' identities.

How people commit tax refund fraud

Tax refund fraud methods and schemes are plentiful and diverse. Fraudsters may steal or falsify a Social Security number (SSN) or W-2 information to fraudulently apply for a tax refund. Once individuals commit fraud, there is a high probability that they will try to do it again and again. Unfortunately, the criminals usually get away with tax refund fraud because most state and federal government agencies:

- Do not have the resources necessary to investigate.
- Do not leverage the necessary data to detect fraudulent requests.
- Are afraid that due diligence and fraud prevention on tax refunds would delay the issuing of the refund checks.

Stopping tax refund fraud

LexisNexis Tax Refund Investigative Solution detects fraudulent tax return refund requests by comparing personally identifiable information with billions of identity records from thousands of public records sources, allowing for a quick assessment of potentially fraudulent activity. Several states are already using this patented LexisNexis® solution and have stopped over 1.5 percent of all the refunds submitted.

Precision authentication

If a returned record is flagged with a fraud indicator, the suspicious individual will have to answer a series of identity authentication questions that require personal knowledge identity criminals do not have, such as: familial relationships, former residences, vehicles and



Corporation for American Banking, L.L.C.

LexisNexis Tax Refund Investigative Solution is powered by identity verification tools that are endorsed by the American Bankers Association.

Some Common Fraud Indicators Include:

- The input SSN is reported as deceased
- The input SSN was issued prior to the input date of birth
- The input address matches a prison address
- The input SSN is invalid or not yet issued
- The input last name is not associated with the input SSN
- The input SSN is not found in the public record
- The input SSN is recently issued
- Multiple identities are associated with the input SSN

How It Works

STEP 1:

Your agency can submit data in batch or XML

STEP 2:

We'll run your request against a list of fraud indicators and flag suspicious activity based on advanced statistical modeling

STEP 3:

We recommend sending a letter to the subject asking him/her to answer a series of identity authentication questions based on LexisNexis public records sources or talk to an agency representative directly

STEP 4:

Respondents with successful authentications will be issued their refund if otherwise appropriate

STEP 5:

Unsuccessful authentications or non-responders are likely instances of fraud and will not be issued their refund absent additional evidence

similar information. The intuitive question sets are easy for consumers to verify and virtually impossible for fraudsters to answer. Plus, the question sets are fully customizable for adaptation to your risk policies, procedures and requirements. LexisNexis identity authentication questions are seamlessly integrated into the tax agency's website using an XML feed and support the existing website user interface.

Data security is assured

LexisNexis has earned a reputation for providing the highest levels of data security and privacy. The LexisNexis Tax Refund Investigative Solution only transfers data through a highly secure Internet connection using a VeriSign Certificate, so you can have peace of mind that your data is always safe.

Reduce false positives

The patented LexisNexis Tax Refund Investigative Solution includes built-in logic that analyzes changes of address, data input errors and name changes to reduce false positives and improve identity verification accuracy and efficiency.

For more information:

Call 866.528.0778 or visit

lexisnexis.com/government/revenuediscovery

About LexisNexis Risk Solutions

LexisNexis Risk Solutions (www.lexisnexis.com/risk) is a leader in providing essential information that helps customers across all industries and government predict, assess and manage risk. Combining cutting-edge technology, unique data and advanced scoring analytics, we provide products and services that address evolving client needs in the risk sector while upholding the highest standards of security and privacy. LexisNexis Risk Solutions is part of Reed Elsevier, a leading publisher and information provider that serves customers in more than 100 countries with more than 30,000 employees worldwide.

Our government solutions assist law enforcement and government agencies with deriving insight from complex data sets, improving operational efficiencies, making timely and informed decisions to enhance investigations, increasing program integrity, and discovering and recovering revenue.



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