

Smarter identity verification with fraud controls

Discover LexisNexis® Risk Solutions with
Azure Active Directory verifiable credentials
to combat increasing identity risks

Contents

- Which fraud trends are making the biggest impact? 3
 - Customer data is creating digital risk 3
 - Quickly identify customers throughout their journey and keep fraudsters at bay with LexisNexis® Risk Solutions and Azure Active Directory verifiable credentials 3
- Identify accurately 4
- Authenticate seamlessly 5
- Transact with confidence 6
- Case study: State Department of Labor 7
 - Situation 7
 - Challenge 7
 - Result 7
 - Solution 7
- A powerful partnership at your service 8

Which fraud trends are making the biggest impact?

Customer data is creating digital risk

With customer transactions moving to mobile and digital—a trend only heightened by the recent COVID-19 crisis—opportunities for fraudsters to capitalize on faceless transactions have soared:

55%

Fraud rates have increased by 55% since the beginning of the pandemic.¹

According to a recent Forbes article:²

45%

45% of Americans—nearly one out of two—have had their personal information compromised by a data breach in the last 5 years.

39 seconds

A hacker attack occurs on average every 39 seconds.

What’s more, with LexisNexis Digital Identity Network:³

47.1B

Of these total transactions processed in 2020, identity spoofing was the most prevalent attack vector.

2.1B

Automated bot attacks were the largest form of attack by volume, with over 2.1B incidents.

Organizations today need multi-layered and risk-based identity assurance as well as identity proofing and authentication solutions that can differentiate a trusted customer from a fraudster, beginning with account origination to every visit and transaction that follows.

Quickly identify customers throughout their journey and keep fraudsters at bay with LexisNexis® Risk Solutions and Azure Active Directory verifiable credentials

Identify accurately

Verify customers once, then use vetted digital IDs everywhere to accurately verify identity.

Authenticate seamlessly

Dynamically set your own rules-based workflow for assessing risk, requiring step-up authentication where applicable across every customer touchpoint.

Transact with confidence

Optimize the customer experience by personalizing the level of authentication you want based on risk levels.

Identify accurately

How do you stay ahead of increasing identity fraud risks?

The best protection from fraud is to vet customers from the start during the onboarding process. Azure Active Directory customers can now use verifiable credentials to digitally validate any piece of information. LexisNexis® Risk Solutions collaborates with Azure AD verifiable credentials to provide the verification services needed to quickly onboard and confirm a user’s digital ID, allowing individuals to create their verifiable credentials once to use everywhere.

LexisNexis® Risk Solutions combines physical and digital identities when validating the identity of the user—including device, behavioral biometrics, and credit seeking insights—to bring the world of identity together for a 360-degree view of your customers. Conveniently onboard customers by requesting only the right information at the right time, utilizing active and passive methods.

Make smarter identity decisions

Leverage LexisNexis® Risk Solutions, one of the largest compilations of customer and business identity intelligence, to assess credibility of a user’s information before issuing Azure AD verifiable credentials. Ensuring the legitimacy of the individual is a critical part of the identity verification process when creating blockchain-based decentralized identifiers. LexisNexis® identity intelligence covers 95% of the US adult population, including individuals with limited or no credit histories. LexisNexis Risk Solutions physical identity risk assessment offers the added benefit of risk analysis, assessing billions of customer records from more than 10,000 data sources to keep your business secure.⁴



Authenticate seamlessly

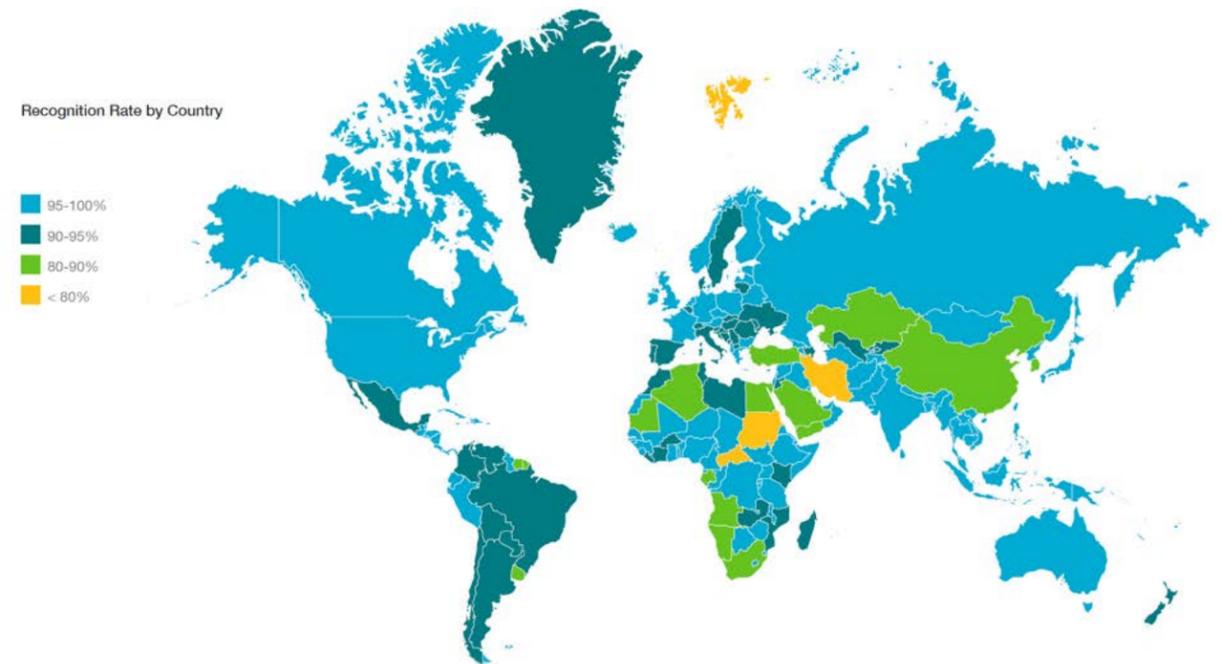
How can you ensure that customers are who they say they are?

When a vetted and onboarded customer returns, you still need to confirm their identity. If you only employ identity-proofing techniques at onboarding, you’re overlooking potential fraud, such as account takeover attempts, that can occur at login, through account maintenance, and during transactions.

LexisNexis® Risk Solutions gives organizations the ability to dynamically manage policy rules and add your choice of different fraud tools via one API connector that integrates with your Azure AD account. Set your own rules for assessing user risk and determine when to trigger interdiction or stepped-up authentication to establish or re-verify Azure AD verifiable credentials.

Stay vigilant at all times

Effortlessly authenticate and assess the risk of the user across their many devices, spotting suspicious behavior in near real time by leveraging a network that analyzes more than 170 million transactions daily and over 55 billion transactions annually across 100+ countries.



Transact with confidence

How can you optimize the customer experience while implementing fraud controls?

Risk varies based on the customer and transaction. Therefore a one-size-fits-all approach to identification and authentication is inefficient and ineffective. You don't want to force low-risk, easily identified customers to undergo an onerous authentication process. But at the same time, weak security measures may allow fraudsters access. You want a solution that allows you to adaptively authenticate based on the situation level of risk.

With LexisNexis® Risk Solutions identity validation tools, your business can automatically personalize the level of friction you want to introduce to the experience based on relevant risk signals and identity intelligence. Quickly and effectively add friction for bad actors if a transaction has high risk signals while allowing your good users to pass freely.

Verify once, use everywhere

By using Azure Active Directory verifiable credentials with LexisNexis® Risk Solutions' powerful transaction identity verification and risk assessment capabilities, users only need to verify their identity once to access high-value applications protected by their Azure Active Directory account. LexisNexis® Risk Solutions offers digital, behavioral, and physical identity assessment solutions through a single API connector, giving you a 360-degree view of your user, enabling you to quickly assess the risk of the individual and accelerate automatic screening of orders, and isolate suspicious transactions that warrant deeper review without impacting the speed of genuine transactions.



Case study: State Department of Labor

Situation

A state department of labor is at the forefront of fighting fraudulent unemployment claims. Blocking more than 7 million bots and fraudulent login attempts to the state's unemployment website in the first quarter of 2021, and in late April 2021, they deactivated 21,500 fraudulent unemployment accounts.

Challenge

Over the course of 2020, the state's department of labor experienced a massive surge, then subsequent backlog, of unemployment claims. Duplicate payments were made to more than 4,500 claimants of Pandemic Unemployment Assistance (PUA) and some Federal Pandemic Unemployment Compensation (FPUC) claimants for a total of about \$7 million. State officials attempted to reverse the duplicate payments through a process known as a "clawback," which caused some PUA and FPUC recipients' bank accounts to be overdrawn. Meanwhile, fraudulent/bogus unemployment claims soared, which resulted in residents getting IRS 1099-G statements for bogus or fraudulent unemployment claims due to personal information being stolen.

Fraud emerged as a major issue and peaked in December 2020 and January 2021, with the state's department of labor witnessing a significant increase of fraudulent claims. Their IT/cybersecurity team, worked with consulting partners, their IAM provider, and LexisNexis® Risk Solutions to deploy a verification and authentication system that stopped more than a half a million fraudulent logins on the first day it was launched, and over one million fraudulent logins within the first week.

Result

The department of labor worked around the clock for more than two weeks with industry partners on a solution that verifies claimant identities using a combination of secure authentication and pre-authorization software and the LexisNexis® Risk Solutions identity-proofing capabilities.

This state department of labor adopted a multi-layered approach to identity proofing that unites all aspects of an online user's footprint. The innovative solution is a Closed Loop Identity Ecosystem, incorporating real-time decisioning that matches the authentication experience to the risk of a transaction. This identity system quickly enabled the state department of labor to transition analysts from fighting fraud (which was a slow, manual, time-consuming process) to focusing on the real mission of the agency—getting legitimate claimants paid the benefits they are owed.

Further, they implemented a multi-factor authentication solution that gives claimants a more secure login to access their account. In less than three weeks, almost five million automated fraudulent attempts to log in to the system were stopped.

Solution

In this use case, LexisNexis® **ThreatMetrix**® device analysis combined with LexisNexis® **InstantID**® identity verification, LexisNexis® **Emailage**® email risk assessment, and LexisNexis® **InstantID Q&A** knowledge-based questions provide the multi-layered approach that unites all aspects of an online user's footprint.

A powerful partnership at your service

Microsoft and LexisNexis® Risk Solutions are partnering to deliver best-in-class identity verification, identity protection, and authentication solutions through the Azure Active Directory verifiable credentials initiative.

Explore the full suite of LexisNexis® Risk Solutions today.

[Learn more from LexisNexis®](#)

[Learn more from Microsoft](#)



¹[Pymnts.com](https://www.pymnts.com)

²[Forbes](#)

³[The LexisNexis® Risk Solutions Cybercrime Report July to December 2020](#)

⁴[Smart Identity Verification and Authentication Solutions](#)