



COMPUTER SERVICE PROFESSIONALS, INC.

[ITEM CAPTURE AND IMAGE PROCESSING]

FraudXpert
FRAUD DETECTION
& RISK MANAGEMENT



HIGHLIGHTS

KEY BENEFITS

- All payment types examined
- Account trends continually monitored
- Test patterns enhanced based on trends
- Potential threats detected early
- Financial loss is limited
- Complete audit trail provided
- No investment in hardware required
- No need for additional personnel

SYSTEM FEATURES

- Image-enabled with SSL encryption
- Customized at account level
- Automated customer notifications
- Excessive transaction review
- Loss reduction / reporting (Reg D)
- Kite suspect detection

PROCESS HIGHLIGHTS:

- Core independent
- Works with any POD system
- Files are monitored daily
- Alerts sent to you and your customer
- Reports accessible with easy-to-use browser-based software

Automated Fraud Protection. No Capital Expenditures.

FraudXpert is a browser-based solution that combines account monitoring with intelligent authentication. The result – you can detect fraud quickly and reduce overall loss. Consider it an insurance policy against fraud, a required element in any financial institution’s strategic plan.

FraudXpert works behind the scenes, 24 hours a day, to monitor inbound transactions. All payment types, whether paper-based or electronic, are evaluated and authenticated. This protects you from traditional check fraud and new forms associated with ACH payments, debit cards and other electronic transactions. If fraudulent activity is detected, the system will flag the item for review.

For a monthly fee, we tailor your account parameters, maintain the servers and continually update the software as new fraud types emerge. What you gain is an advanced system with customized protection, without investing in new hardware or additional personnel.

Advanced, Intelligent System

Transaction processing is no longer just about paper checks. As check conversion alternatives such as POP, ARC and RCK become more widely used, it is essential that you implement security systems that examine all payment types.

FraudXpert protects all entry points by analyzing every transaction from the most vulnerable sources. Using unique technology, the automated system reviews and approves transactions using a pre-processing authentication model rather than an exceptions-based model. The model used by FraudXpert not only catches more suspects, it processes the transactions faster and more efficiently, which dramatically limits your losses.

During transaction review, the system does not assume payments are valid or authorized. It validates them against parameters defined by your institution. An important capability of this intelligent software to note – FraudXpert will learn the specific payment trends and patterns of each account. This means the safeguards in the application are not random. Instead, they are continually enhanced as more transactions are presented for each account.

Gain a Competitive Edge

FraudXpert assists customer service by providing automatic notifications when potential fraud is suspected. Account holders are alerted of the activity, and authorization is requested on specific transactions. This unique ancillary service protects you and your customers alike, while providing your institution a distinct marketing advantage.

“CSPI’s FraudXpert works behind the scenes to analyze trends within each account. If fraud is suspected, the system alerts us immediately and we can investigate much earlier to avoid financial loss.”



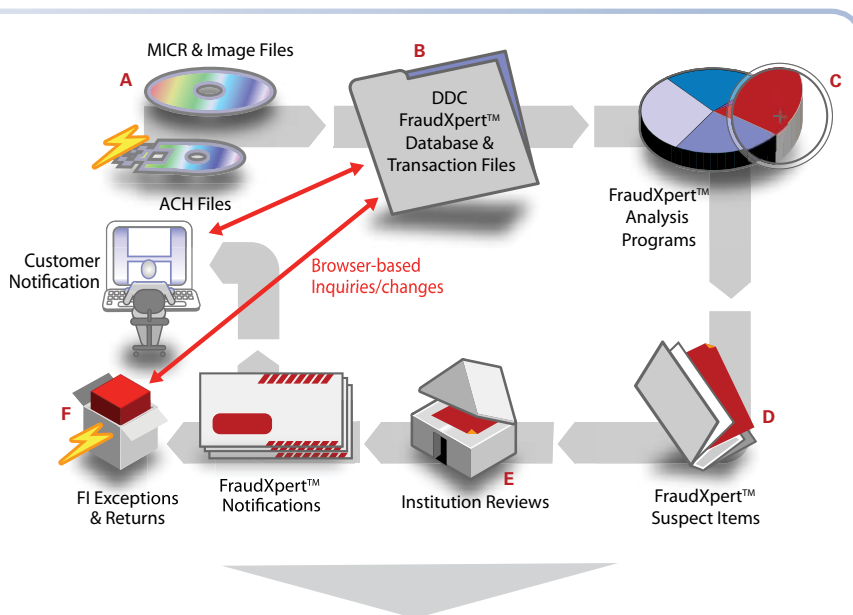
The parameter driven design of FraudXpert allows the financial institution to establish threat assessments at the item and account levels. Users can define risk levels associated with each transaction's dollar amount, payment type and ownership history.

Streamline Your Operation

Financial institutions can easily integrate fraud controls using standard ACH and MICR presentment or POD files from the source data. FraudXpert works independently and requires no file/data interface or exchange with your core system. This allows FraudXpert to work in any item or check imaging environment. With customized features, the application can be easily configured to meet your specific requirements.

In terms of work flow, the FraudXpert system is installed on secure servers maintained at Dynamic Data Center (DDC), a CSPI sister company. After the system is configured, your personnel can access FraudXpert alerts and daily reports with the easy-to-use browser-based administration area.

Fraud System Daily Work Flow



Description of Work Flow Steps:

- A. Through a secure website and SSL encryption, the MICR and ACH files are downloaded daily to CSPI's Dynamic Data Center (DDC).
- B. The files are categorized and sorted by type of file and process method.
- C. The transactions are reviewed for account exception items for the edit, re-linking or removal, and verification of the account.
- D. The transactions are marked for review or have been auto-approved due to prior exception handling instructions and ready for review.
- E. The transactions are now ready for a decision to be made. Accept an item means the payment is approved; reject the item and a return code is entered.
- F. An exception report is produced; the financial institution's returns/exceptions are mailed and customer notifications can be mailed, emailed, phoned or faxed.

FRAUDXPRT HIGHLIGHTS:

Paper-based Payment Fraud Reviews

- Unsigned/draft authorization suspects
- Counterfeit detection suspects
- New account and special handling reviews
- Volume anomaly suspect reviews (transaction count exceeds historical payment or deposit patterns at an account level)
- Recurring and large-item suspects and approvals

ACH Transaction Fraud Reviews

- Authorization verification and approval review
- Duplicate items and paper check paid review (POP, ARC, RCK)
- Automated return item processing for ACH
- Automated and documented ACH prenote review
- New account and special handling reviews
- Recurring and large-item suspects and approvals

Deposited Items Review

- Reg CC and large deposit review
- Split-deposit and kite detection suspects
- Volume anomaly suspect reviews

ADDITIONAL FEATURES:

- Loss reduction reporting
- SecurePin security program
- Reg D excessive transaction reviews
- Configurable customer notification methods
- Customizable fraud parameters
- Audit trails and review documentation
- Customer notifications (user defined for mail, email, phone or fax)

We use a unique collaborative approach to determine how FraudXpert will best meet your needs. Backed by decades of experience in transaction and item processing, our team has an in-depth understanding of the special review processes necessary to secure both paper check and electronic transaction entry points. You can also count on our leading edge research and development team to stay ahead of new security threats and updating the system with the latest safeguards.

To learn more about our FraudXpert detection and risk management software, and other modules available for our powerful Image POD system, call us at 800.933.4873, email sales@cspiinc.com, or visit us online at www.cspiinc.com.