

# Decreasing fraud losses

## Finding identity theft in income tax filings



### Client

One of the large prepaid card issuers in the U.S.

### Background

Client is looking at providing tax filers with an option of availing a Refund Anticipated Loan (RAL) for their tax returns through prepaid debit cards.

A huge challenge for providing RAL is the large number of identity theft cases encountered by the Internal Revenue Service (IRS) in U.S.

If the client provides a loan for a filing tagged by the IRS as a case of identity fraud, it can result in a monetary loss for the client.

The EXL team was tasked with identifying suspicious patterns related to identity theft to mitigate the risk of providing an RAL.

### EXL Analytics solution

The EXL team developed a statistical scoring model for estimating the probability of a tax filing being a case of identity fraud.

62% Fraud capture in three deciles

40% Exposure loss mitigated

### About EXL

EXL (NASDAQ: EXLS) is a leading operations management and analytics company that helps businesses enhance growth and profitability in the face of relentless competition and continuous disruption. Using our proprietary, award-winning Business **EXL**erator Framework<sup>®</sup>, which integrates analytics, automation, benchmarking, BPO, consulting, industry best practices and technology platforms, we look deeper to help companies improve global operations, enhance data-driven insights, increase customer satisfaction, and manage risk and compliance. EXL serves the insurance, healthcare, banking and financial services, utilities, travel, transportation and logistics industries. Headquartered in New York, EXL has more than 24,000 professionals in locations throughout the United States, Europe, Asia, Latin America, Australia and South Africa.

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