

Infoglide Software Corporation and LP Software Inc. have teamed up to attack the \$37.4 billion per year retail fraud problem with the same real-time identity resolution technology used by the Department of Homeland Security to protect air travel, fight terrorism, and protect U.S. borders.



The LPMS IDENTITY RESOLUTION ENGINE™ (IRE) tells retailers who's who... and who knows whom... despite modified identities, input errors and attempts to deceive.

The result:

- ▣ Improved prevention, detection, and apprehension
- ▣ Improved service for your good customers
- ▣ Significant net income to the bottom line

IDENTITY FOCUSED RETAILING

The retail industry collects and stores more data than any other commercial industry in the world. In the area of retail Loss Prevention (LP), the truly interesting data is found in separate, disconnected systems that include exception reports, employee files, vendor data, and LPMS™ case management data such as bad checks, shoplifters, organized retail theft suspects, and other suspicious parties.



If connected and properly viewed, this data could be a virtual goldmine of information about customer, employee and vendor activities. Unfortunately, though, the individual nuggets of data are too often contained in those silos - with no effective way to provide a "big picture" view for analysis. Some existing technology initiatives have attempted to address the connection issue but are still unable to help LP investigators resolve the most important analysis elements— namely, identity resolution and non-obvious relationship detection. Who's who... who knows whom... and what does it all mean?

These circumstances have led some LP executives to look for better ways to understand the unique individuals with whom they interact across their enterprise; a practice becoming known as "Identity Focused Retailing."

Identity Focused Retailing answers risk and audit questions using the retailer's own data. For example:

- Does a person making a merchandise return match (or somewhat match) a suspected shoplifter, bad check writer or employee?
- Has this person exceeded returns thresholds simply by altering their identity?
- Has a prospective employee been caught shoplifting in one of their own stores? Or a sister company's store?
- Is there a relationship between an accident victim and an employee eye witness?
- Has this customer used similar attributes to commit fraud previously?

Unique Capabilities

Similarity Search

- Patented algorithms with the ability to uncover previously hidden identity information, despite input errors and/or attempts to deceive.
- Ensures that misspellings or intentional data manipulations are detected to provide LP with true, usable information.
- Searches across multiple attributes to disregard irrelevant matches and reduce false positives that waste valuable investigative resource time.

Identity Aggregation

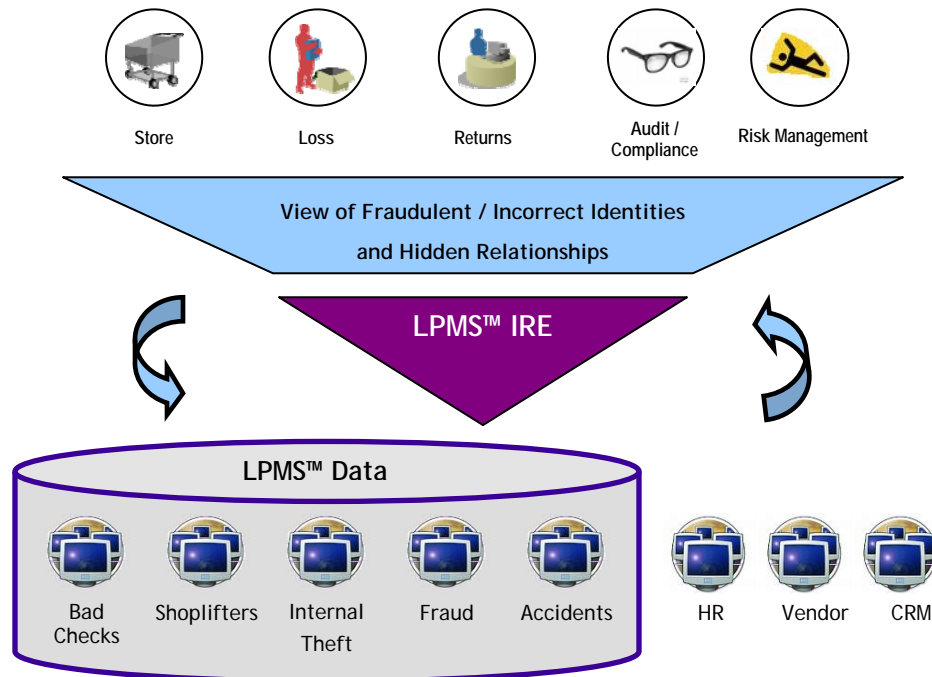
- Identity analysis performed across multiple data sources without being required to create a data warehouse.
- Expand the breadth of analysis by utilizing data sources regardless of type or physical location.
- Incorporates commercial data sources to validate identities.

Flexible Integration

- Designed to quickly integrate with solutions to provide advanced identity-focused analysis and results.
- Integrates easily with existing legacy systems leveraging IT investments.
- Ability to integrate 3rd party analytics and data sources.

Example implementations of LPMS IDENTITY RESOLUTION ENGINE:

- ▣ **Real Time Intelligence (RTI):** Churns through enterprise identity data to resolve identities, detect hidden relationships, and similarities to shoplifter and other risk data found within LPMS. RTI packages the results of the analysis into fully justified lists of high-risk cases that provide LP investigators with true, actionable intelligence that can feed existing shut-off lists or provide a new shut-off list for legacy POS systems.
- ▣ **Real Time Returns (RTR):** Helps enforce the retailer's returns policies by determining who's who... and who knows whom. This powerful application feeds POS or Returns Management systems with critical real-time information about the customer: Is this person changing their identity slightly to circumvent policy? Is this individual an employee at a different store? Has this person purchased these goods with a bad check?
- ▣ **Real Time Screening (RTS):** Compares potential hire information against LPMS data to enable more effective decisions. The capability enhances traditional 3rd party employee screening solutions which only identify individuals who have been prosecuted. RTS identifies similar identities and hidden relationships to individuals with negative history to screen out risky employees.



Proven Results

In a six-week proof of concept, a Top 20 U.S. retailer used an IRE-based solution to uncover \$15.8 million in previously undetected fraud risk in the retailer's data, including:

- ▣ \$11 million in non-received refunds to customers beyond allowable policies
- ▣ \$3.4 million in non-received refunds to known shoplifters
- ▣ \$1.4 million in non-received refunds to employees

Infoglide Software's LPMS IRE solutions determine risk in real-time based on the factors that demonstrate real fraud. The IRE looks, not only at what and when, but also who, why, and how. The result allows you to separate criminals from good customers so you can treat them appropriately. IRE solutions analyze identity data (i.e., customer, employee, vendor, shoplifter, and bad check data) along with transactional characteristics to uncover suspicious relationships between and actions by specific individuals. This provides a comprehensive view of both the people committing fraud and the transactions in which they participate. With the ability to identify fraud as well as the specific individuals responsible, Infoglide Software's LPMS IRE solution provides everything you need to analyze LP data.

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