



# MAIL FRAUD PREVENTION SOLUTIONS

High-Value **Mail Alert System**

## OVERVIEW

GrayHair Software's Mail Fraud Prevention Solutions protect organizations from the rising threat of mail theft and fraud by leveraging real-time postal data and advanced address validation.

With mail fraud reaching crisis levels, GrayHair identifies suspicious activity throughout the mail delivery journey, from upstream address verification to real-time event monitoring.





## MAIL FRAUD PREVENTION

### THE COST OF MAIL FRAUD

One of the most significant issues facing companies today is fraud related to mail theft. When high-value mail, such as checks, credit cards, ID cards, government payments, gift cards, or regulatory notices, end up in the wrong hands, the costs are high. Since 2020, fraud has not only been on the rise but has also evolved into organized crime, worsening the situation.

**Fraud impacts your company** in revenue loss, operational and regulatory expenses, negative customer experience, damage to brand reputation, and liabilities affecting company performance.

### NUMBERS DON'T LIE

**6B  
MAIL PIECES**

6 billion (out of 130 billion) mail pieces were reported by the USPS as UAA\* in 2023. Each UNDELIVERABLE piece represents risk to your organization.

**38.5k  
THEFTS**

38,500 reported thefts from mail receptacles including blue collection boxes in 2022.

**300K  
COMPLAINTS**

300,000 complaints were reported by the U.S. Postal Inspection Service in 2021, more than double the previous year's total.

**1.7M  
CASES DAILY**

1.7 million reported cases of mail theft daily, reported by the USPS.

**385%  
INCREASE**

385% increase in check fraud since 2020, according to U.S. Department of The Treasury.

**36%  
OF AMERICANS**

Over a third (36%) of all Americans have experienced mail theft at least once.

\* Undeliverable As Addressed

### GRAYHAIR EMPOWERS BUSINESSES

We empower businesses to identify, analyze, and prevent instances of mail fraud before they impact customers and your bottom line.

By leveraging postal data, our solution offers near real-time identification of suspicious activity, gives clients visibility into the mail delivery journey and monitors multiple checkpoints to identify anomalies. Our tailored approach continuously refines fraud scenarios, predicting, minimizing, and even preventing mail theft-related fraud.



# MAIL FRAUD PREVENTION

## UPSTREAM ADDRESS VALIDATION

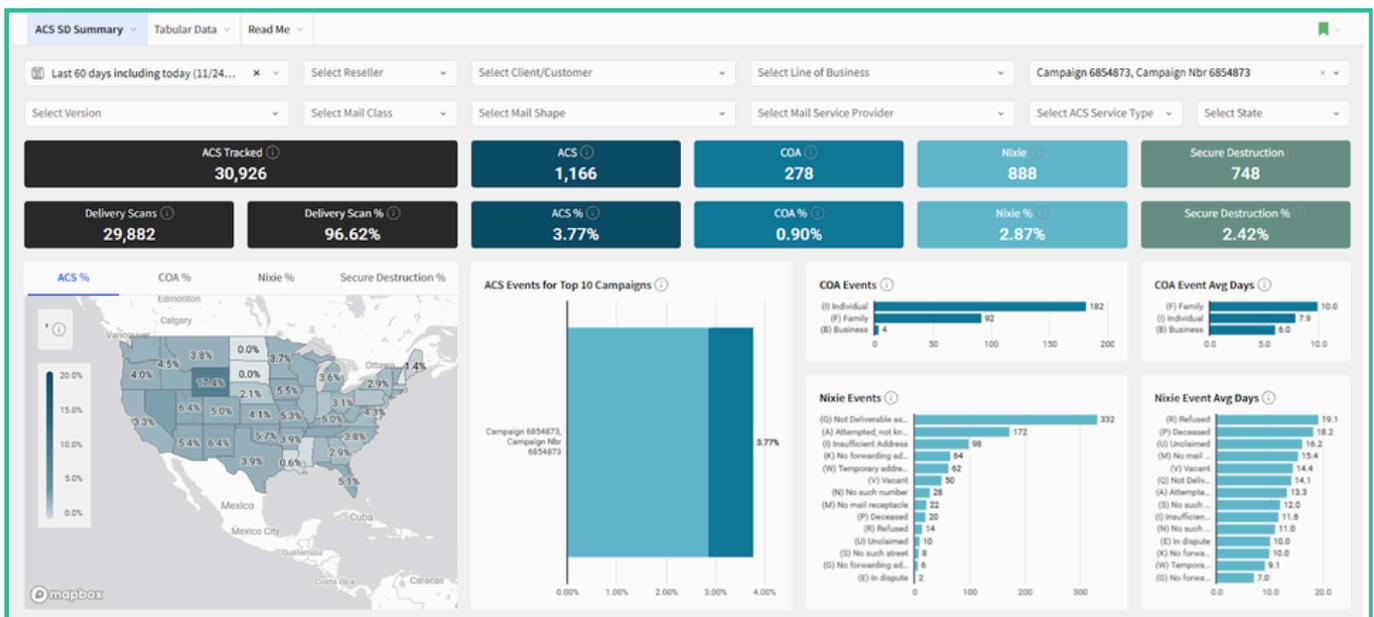
### Enact protective measures prior to mailing with improved address data quality

The first step to preventing fraud is achieving the highest levels of address data quality to ensure that mailpieces are consistently delivered to the right person at the right address at the right time.

KYC (Know Your Customer) is a crucial process for banks in this endeavor. It facilitates the verification of customer addresses, thereby enhancing accuracy and reliability and ultimately helping to reduce the risk of fraudulent activities associated with mail theft.

We leverage our proprietary change of address database along with standard tools, like CASS and NCOA, to confirm and correct undeliverable addresses. Our unique business rules-driven process reduces the opportunity for mail to be delivered to the wrong recipient. For heightened fraud security, we advise multiple address validation steps prior to mailing to capture the most recent address changes, given that 77,000 Americans move each day. In doing so, you have access to the most current information before a mailpiece is sent out and can monitor for fraudulent activity. Staying vigilant in address verification is paramount!

## REDUCE UNDELIVERABLE MAIL WITH ADDRESS QUALITY DATA AT YOUR FINGERTIPS



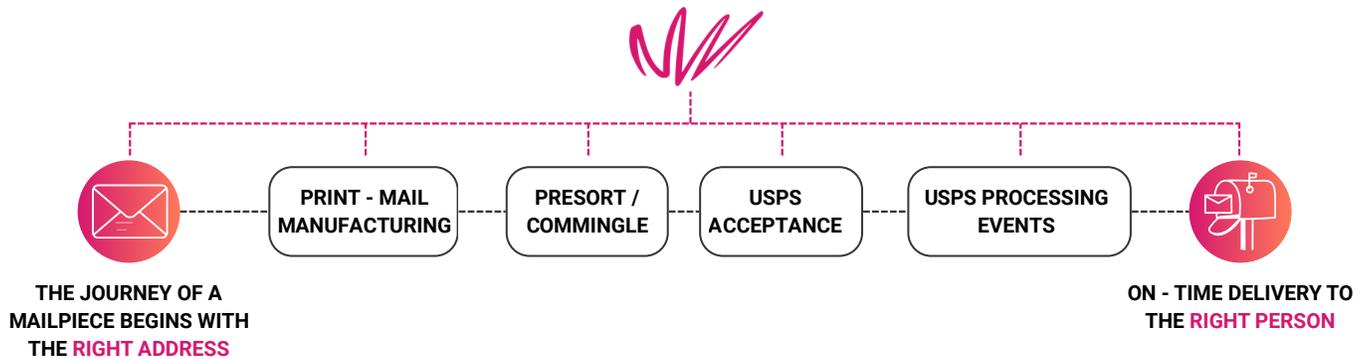


## MAIL FRAUD PREVENTION

### REAL-TIME ALERTING

#### Leverage event data to identify suspicious activity in real-time.

GrayHair empowers companies with seamless integration of address and event data from the mail piece delivery process. Our platform not only provides real-time monitoring but also predicts and identifies potential issues throughout the mailpiece's journey.



By leveraging predictive insights, disruptions and suspicious events are promptly spotted, allowing for proactive action to minimize mail theft during the delivery process:

- **Rerouted Mail Recognition:** Boost security protocols by promptly recognizing instances where mailpieces are rerouted during the delivery process.
- **Scan Event Monitoring:** Strengthen tracking and security measures by identifying mailpieces with no scan events within a defined timeframe.
- **Return Status Identification:** Facilitate timely intervention by identifying mailpieces designated for "Return" status.
- **Claims Decisioning:** Enhance decision-making processes by seamlessly incorporating delivery confirmation data into claims assessments.
- **Duplicate Request Monitoring:** Ensure heightened security by detecting and preventing duplicate mailpiece requests linked to the same recipient.
- **Address-based Request Analysis:** Enhance fraud prevention measures by identifying multiple mailpiece requests originating from a shared address.
- **Informed Delivery @:** Leverage this USPS service as an additional audit point through the linkage of the physical mail piece to the digital image.



### MONEY LAUNDERING THREATS

FinGen issued an alert on Feb 27, 2023 of a recent surge in mail theft-related check fraud, citing it as the largest source of illicit proceeds in the US. According to the United States Treasury Department, fraud represents one of the most significant money laundering threats.



## MAIL FRAUD PREVENTION

### PROACTIVE CUSTOMER COMMUNICATION

#### Minimize fraud while simultaneously enhancing customer experience

The same postal delivery data utilized by your fraud department can also enable proactive communications with your customers. Enhanced visibility ensures customers are better informed about the delivery process, enabling them to promptly alert you of any issues. By implementing end-to-end monitoring, a proactive notification system can be established, delivering updates through email, SMS, or an online portal. This ensures customers remain informed about the status of their high-value mail, promoting trust and satisfaction while reducing the risk of mail fraud.

**Contact GrayHair today to learn how our Mail Fraud Prevention Solutions can protect your organization and your customers from the growing threat of mail theft.**

#### CONTACT US

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# GRAYHAIR



#### About GrayHair Software

GrayHair Software helps the largest financial services, banking, insurance, telco, and healthcare organizations integrate more than 125 billion complex enterprise postal data points (including real-time mail tracking, address quality, and location intelligence) directly into core customer and prospect data platforms. As a result, GrayHair clients achieve dramatic outcomes, including improved marketing campaign performance, enhanced customer communications, reduced undeliverable mail and postal spend, strengthened compliance and fraud measures, and enhanced contact center performance.