



# Protecting Pensions from Fraud with Next-Gen Identity Verification

With identity theft in pension funds increasing, robust and equitable identity verification is the way forward.



In 2023, the Department of Justice sentenced a scammer who was able to use forged records and fake identities to steal \$200,000 from his colleagues. And he was not alone. According to the FBI, elder fraud cases, which can include pension fraud, increased by 84% in 2022, with total losses valued at about \$3.1 billion.<sup>1</sup>

Pensions are particularly vulnerable to fraud. Worse, the impacts on quality of life can be severe because people use pension funds to make basic purchases. Yet pension funds frequently depend on outdated identity verification technology, giving fraudsters an easy target.

## Why pension fund fraud matters

The vast size of pension funds, coupled with their complex and distributed nature, can make monitoring for fraud a significant challenge. The Department of

Justice has prosecuted multiple high-profile cases of pension fraud, but the problem is likely larger than law enforcement actions can cover.<sup>2</sup>

Pension funds face a primary risk in maintaining accurate beneficiary information, especially death records. Various types of fraud, including the illegal collection of pension benefits using the identities of deceased pensioners, are prevalent. Delays in updating death records create opportunities for fraudsters. Pensions are not monitored as rigorously as active investment accounts, making them more prone to fraudulent activities.

Currently, pension funds are protected via outdated identity verification technologies that rely on manual reviews or credit bureau data. While pension funds must offer more traditional methods since their recipients are often older, this leaves

them far more vulnerable to fraud. Many pension systems remain tied to postal service verification that require mailing in various documents.<sup>3</sup>

Online identity verification can be useful for improving access to identity verification and reducing costs. A solution with an online verification method with quick identification, high levels of accuracy, and excellent fraud prevention can be a game-changing offering for pension funds.

**Our identity verification and fraud prevention tools can help quickly scrub records for deceased individuals or fraudsters.**

**Pension funds can take steps forward in customer service and efficiency by performing identity checks before payments.**

## How Socure Can Help Protect Pensions

Socure, a leader in digital identity verification technology, is at the forefront of addressing pension fraud vulnerabilities. Socure's state-of-the-art identity management solutions offer a robust defense, ensuring the security of pension funds. Our ability to use proprietary AI models, hundreds of data sources and feedback data for identity verification allows for the highest levels of accuracy and coverage in the industry.

Socure's approach significantly reduces fraud while verifying good identities. A key strength of our approach is its ability to process both traditional and non-traditional data sources. This comprehensive approach identifies potential fraud that conventional methods might overlook. By using data such as online behavior, geolocation, and biometric markers, Socure's

system detects anomalies signaling fraud, like an active account of a supposedly deceased individual. Socure can perform checks to see if a recipient is deceased en masse, as well as similar checks for fraudulent accounts and "synthetic" identities.

Our predictive analytics flags high-risk cases before fraud occurs. This proactive stance is vital in the pension industry, where fraud detection often happens long after the illicit access of funds. By predicting and preventing fraudulent activities, we safeguard assets and preserves pension systems' integrity.

Socure's identity verification tools are crucial for this task, safeguarding retirement funds and ensuring they serve their rightful purpose – supporting the living retirees.

Results from use of Secure are impressive:

**98%**

frictionless auto-approvals

**13x**

reduction in false positives

**90%**

reduction in manual review

**95%**

reduction in third party and synthetic ID fraud

## Learn how Socure can help.

[REQUEST A DEMO](#)

### About Socure

Socure is the leading platform for digital identity verification and trust. Its predictive analytics platform applies artificial intelligence and machine learning techniques with trusted online/offline data intelligence from physical government-issued documents as well as email, phone, address, IP, device, velocity, date of birth, SSN, and the broader internet to verify identities in real time. The company has more than 1,900 customers across the financial services, government, gaming, healthcare, telecom, and e-commerce industries, including four of the top five banks, 13 of the top 15 card issuers, the top three MSBs, the top payroll provider, the top credit bureau, the top online gaming operator, the top Buy Now, Pay Later (BNPL) providers, and over 250 of the largest fintechs. Marquee customers include Chime, SoFi, Robinhood, Gusto, Public, Stash, DraftKings, State of California, and Florida's Homeowner Assistance Fund. Socure customers have become investors in the company including Citi Ventures, Wells Fargo Strategic Capital, Capital One Ventures, MVB Bank, and Synchrony. Additional investors include Accel, T. Rowe Price, Bain Capital Ventures, Tiger Global, Commerce Ventures, Scale Venture Partners, Sorenson, Flint Capital, Two Sigma Ventures, and others.

<sup>1</sup> [US Department of Justice. \(2023, July 7\). Western District of Washington | Tacoma man sentenced to three years in prison for defrauding union retirement plans | United States Department of Justice](#)

<sup>2</sup> [US Department of Labor. \(2013\). Contributory Plans. Criminal Project Background](#)

<sup>3</sup> [USAC. \(n.d.\). Eligibility Verification. Universal Service Administrative Company. Retrieved January 22, 2024](#)