**Red Flag Overview Topics**

Fraudulent buyers work really hard at being good and convincing of their job which is to acquire said vehicle(s). Suggestions beyond compliance requirements and basic good practice policies.

Fraudulent signers usually are part of a larger network where they learn and teach. There are different levels of comfortability with experience or lack thereof.

As one of these red flags alone may not warrant unraveling a deal but a few combined, can. It is extremely important to keep track of these to get a good indication of your customer.

When customer info is being provided, ask yourself, what can be manufactured, how easily can this be manufactured? Photo IDs, personal information such as employment DOCS, Proof of Residency (POR), Proof of Insurance, etc.

* **Identity Verification**
  + Stolen IDs
  + Synthetic IDs
  + Hoodies, masks, glasses, extreme hairstyle changes, look a likes
  + *Best Practices*
    - Utilize ID verification devices or platforms with documented customer consent and biometric facial comparison.
    - Request a photo of the customer with the ID.
    - Require a 2nd or 3rd form of ID with an “issued” name.
    - Collect a thumbprint.
* **Employment Verification**
  + Research and call listed public number for business.
  + *Best Practices*
    - Obtain a publicly listed phone number for the employer listed for the signer. Contact the appropriate representative and conduct the POE.
* **Residency Verification**
  + Google search of home
  + *Best Practices*
    - Google search photo of home, resent sale of the home, ask questions about living in the home/area. Require a 2nd or 3rd form of ID.
* **Credit Report** 
  + Multiple Social Security Numbers
  + Short Credit History
  + *Best Practices*
    - Look for: unusual credit activity, multiple social security numbers and/or names, address discrepancies, security freezes.
* **Offsite document signing**
  + *Location changes are the most common red flag when using a third party notary!* 
    - Disconnects a signer from a huge personal confirmation point, which is their residence.
  + Requesting specifically named notaries for the signing.
  + Out of State IDs and Power of Attorneys
  + *Best Practices*
    - Set up signing in the customer’s home.
    - Do not accept location changes for the signing.
    - Notary should request 2nd form of ID and proof of residency.
    - POA-confirm identity of person
* **Confirming Personal Information** 
  + Delay in providing necessary and personal information.
  + Avoids direct communication.
  + Use of oversimplified email addresses or using different phone numbers.
  + *Best Practices*
    - TALK to the signer!
      * Live video or mini phone interview: Ask 3-5 personal, “on the spot” questions relative to the credit history of the signer. The requirement is the customer should be able to answer these at that time.
      * Observe requests to avoid one-on-one conversations or diversions to third parties.
      * Be aware of different phone numbers or overly simplified email addresses.
* **Behavioral Red Flags** 
  + Rude or have pushy behavior
  + Over sharers
  + “Trainer”
  + *Best Practices*
    - Watch for: Fraudulent signers can often be rude or have pushy behavior that can keep them from having to engage. At times they will also act erratically and lie. They will behaviorally posture themselves as bigger, to intimidate their way through any sort of questioning or doubt. Squeakiest wheel gets the most grease, in this case they tend to receive more accommodations and acceptance.

Others will paint a much more elaborate picture and really sell who they are. They can be over sharers.

Others may seem lost in the process and introduce someone else posed as a friend, family member or co-worker to assist them. In these situations, they are often new to this type of fraud and need assistance, they are essentially being taught how to commit fraud and use your deal and dealership to do so. These “trainers” may also be present at the signing.

* **Trusting Unassuming Signers**
  + Fraudulent signers are not reserved for a race, a gender, an age or a certain walk of life.
  + Usually are part of a larger network where they learn and teach.
  + *Best Practices*
    - Following the same, fact based verification steps for everyone is beneficial. Avoid falling into that mindset and rather stay present with what red flags are being present regardless of who the signer is.

* **Best Practices for using a consumer reporting vendor (such as Mavsign):**
  + In addition to using the services provided by the vendor, the dealer is responsible for responding in accordance with its ITPP after it has identified and detected a red flag.
    - performing your own fraud alert in a consumer report;
    - taking notice of security freezes in a consumer report;
    - taking notice of address discrepancies in a consumer report;
    - taking notice of unusual credit activity in a consumer report;
    - inspecting customer documents for alteration or forgery;
    - taking notice of customer’s inconsistent photographic or physical descriptions;
    - taking notice of inconsistent information provided by a customer against a consumer report; taking notice of inconsistent signatures on customer’s personally identifiable information;
    - taking notice of social security numbers that are inconsistent with a consumer report;
    - taking notice of inconsistent social security number ranges with customer’s date of birth;
    - taking notice of invalid phone numbers, emails, or addresses;
    - taking notice of customer’s personal identifying information that is the same, or unusually similar to an existing customer’s personal identifying information.