

## Synthetic Identity Fraud: 5 Reasons to Stay Vigilant

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In the continued progress toward a vision of faster, safer and more efficient payments in the United States, synthetic identity fraud is a high priority for the payments industry and broader U.S. economy. This fraud type is running rampant and impacting businesses across multiple segments. Here are five reasons you should stay vigilant:

**Accounts for substantial financial loss**—Often miscategorized as a credit loss, synthetic identity fraud accounted for an estimated \$20 billion in losses for U.S. financial institutions in 2020.

**Growing in frequency and impact**—The ease of synthetic identity creation, combined with the increase in digital app capabilities, has simplified the process of creating these fictitious identities, allowing them to penetrate the financial system.

**Often undetected by traditional fraud detection models**—Most traditional fraud detection models are not built around the concept that a person is not real.

**Numerous avenues for fraud**—The same synthetic identity can be used to defraud multiple industries at the same time, including the financial industry, healthcare industry and government.

**Potentially devastating impacts on individuals**—Although the initial financial impact is usually felt by a financial organization, the use of synthetic identities can also negatively affect individual consumers and companies.

The Federal Reserve recently released a Synthetic Identity Fraud Mitigation Toolkit to provide financial institutions, consumers and businesses with an online repository of insights and resources on synthetic identity fraud. The toolkit is designed to enable all payments participants to better identify and fight this fraud. The resources within the toolkit are downloadable and focus on the basics of synthetic identity fraud, how it's used, additional information on common use cases and tools to help identify and prevent this fraud.

To explore the toolkit, visit this link: <https://bit.ly/idfraudtoolkit>.

Want a quick tutorial on synthetic identity fraud? Check out EPCOR's *Did You Know* video, available on [YouTube](#), [LinkedIn](#) and [EPCOR's website](#). And be sure to check out the many other *Did You Know* videos on a variety of fraud and general payments topics. These videos are a great way to share important knowledge forward with your team members, clients and loved ones.

*Source: FedPaymentsImprovement.org*