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Deposit Account Verification Tool

2017 Pilot Results

Tools to Increase Your Recovery Efforts

ACH Common Naming Format

- A common naming strategy provides clarity around the tax refund deposit and makes fraud determinations easier to investigate for the financial institutions (23 States have adopted this format)

ACH R17 Rejects

- R17 is an ACH return code that is used by the financial industry to return a questionable refund to the state if the depository account name does not match the name on the return or if the account is already closed or block for fraud (10 States are participating in this program)
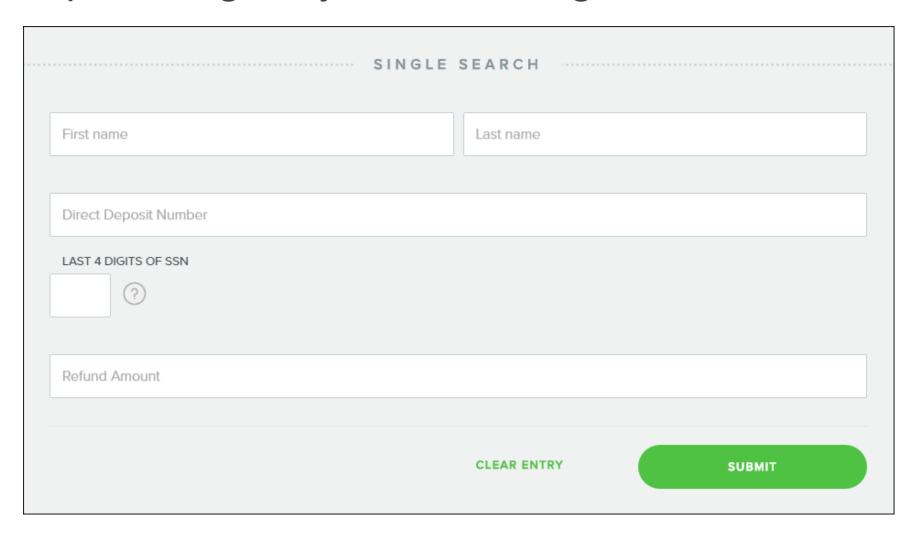
External Leads Recovery Program

- The Leads process allows the financial services industry to send states leads on questionable refund deposits and return funds once an LOI is received (9 States are part of this program)

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Deposit Account Verification Tool
2017 Pilot Overview

1. Allows partners to pre-verify direct deposits and corresponding Green Dot recipient accounts prior to sending them through the ACH System

2. Provides suggestions for addition identify verification on higher risk accounts

- Pilot services are free of charge and include:
    1) Web API
    2) Web Portal: One-Off Manual Entry Processing
    3) Web Portal: Batch File Upload Processing

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Deposit Eligibility Portal – Single Search

Deposit Eligibility Portal – Batch Upload

Deposit Eligibility Portal – Batch Upload Results

BATCH RESULTS SUMMARY

File Name	Upload Time	Status	# of Records	Accepted	Rejected	Action
XYZ Agency File 1	10/1/2016 9:00am	Processed	1000	900	100	Export
XYZ Agency File 2	10/1/2016 10:30am	Processed	500	490	10	Export
XYZ Agency File 3	10/1/2016 3:00pm	Error	n/a	n/a	n/a	n/a

NEW SEARCH

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Green Dot Pilot

Deposit Verification Results

Agency	Received	Accepted	Rejected	Accept %	Id Suggested	Verified	% Verified
CA	9,410	8,957	453	95.2%	359	9,051	96.2%
Gentax/Fast	64,616	55,109	9,507	85.3%	340	64,276	99.5%
IRS	128,452	108,936	19,516	84.8%	11,747	116,705	90.9%
KS	11,125	10,573	552	95.0%	69	11,056	99.4%
MO	52	47	5	90.4%	6	46	88.5%
MT	26	20	6	76.9%	-	26	100.0%
NJ	2,821	2,705	116	95.9%	65	2,756	97.7%
OH	10,828	10,230	598	94.5%	52	10,776	99.5%
PA	5,531	5,144	387	93.0%	64	5,467	98.8%
Total	**232,861**	**201,721**	**31,140**	**86.6%**	**12,702**	**220,159**	**94.5%**

Received	Accepted	Rejected	Reject Reason					
			Customer Not Found	SSN / Name Mismatch	Blocked / Closed Account	Exceeds Max Balance	Invalid Card Type	Expired Card
232,861	201,721	31,140	58	21,179	8,959	11	559	374
	87%	13%	0%	68%	29%	0%	2%	1%

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IRS Validation Results

Result	Verified	ID Verification Suggested	Total
Good	12,877	403	13,280
Fraud	1,648	61	1,709
Id Theft	7,587	6,791	14,378

Total	**22,112**	**7,255**	**29,367**
Id Theft %	**34%**	**94%**	**49%**

- 94% Confirmed ID Theft When "ID Suggested" By Green Dot
- More analysis underway to reduce the false/positive rates
- IRS is testing the tool on returns that do not hit a fraud filter

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Next Steps

- States should continue to adopt / implement:
  - ACH Standard Format
  - R17 Reject Codes
  - External Leads Programs

- Review and analyze the results for each state

- Complete 2017 analysis and adjust Id Theft models for 2018, reducing false/positive rates

- Onboard additional states that would like to participate

- Four additional financial institution have shown an interest in joining the pilot

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How Else Can We Help?

- Conduct post-tax season data studies

- Share accounts information with financial institutions where a refund was stopped

- Other uses for the tool?
    - Property tax refunds
    - SSA disbursements

- Other Ideas?

Questions ?

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