

MEMENTO LAUNCHES NEXT-GENERATION SOLUTION FOR NEW ACCOUNT FRAUD

Innovative solution helps financial institutions detect, stop, and investigate the widespread, growing problem of fraud on new deposit accounts

Concord, MA, October 14, 2008 - Memento, Inc., a leader in enterprise fraud management, today announced a next-generation solution to address the growing problem of New Account Fraud. Built on its flagship software platform, Memento Security, Memento's New Account Fraud Solution enables banks and credit unions to detect and prevent deposit account fraud during a particularly vulnerable period—the initial months following account opening.

For most banks and credit unions, deposit account fraud is an expensive, complex, “cross channel” problem that spans multiple payment mechanisms (check, debit card, wire, ACH), multiple channels (online, ATM, branch, call center), and involves multiple perpetrators (from trusted insiders to criminal outsiders).

While banks and credit unions incur fraud losses through the entire lifecycle of a deposit account, studies show that a significant proportion of deposit account fraud losses occur when the account is still new – typically within the first 180 days. According to a 2007 study by the American Bankers Association, more than 26% of all fraud losses occur in the first 180 days after an account is opened.

Today, banks seek to prevent new account fraud by screening applicants when a new account is opened by verifying identity, reviewing credit scores, and examining public records. These customer evaluation and verification solutions have had some effect, but are easily defeated by ever-sophisticated criminals intent on defrauding the institution. Specifically, customer screening solutions can be defeated by fraudsters using synthetic identities, stolen identities, or the real identities of vulnerable individuals to open accounts, transact normally for weeks or months and then eventually hatch a variety of costly fraud schemes.

“Today’s volatile economic environment and increased churn in customer accounts has created new opportunities for savvy fraudsters,” says Virginia Garcia, Senior Research Director, TowerGroup. “The increased velocity of new account openings is testing operations staff, stretching already thin fraud defenses and creating even more opportunities for fraudsters to more easily evade detection. If there is ever a time for banks and credit unions to be extra vigilant, it is now.”

Memento's New Account Fraud solution brings financial institutions a more accurate, flexible, and cost-effective way to monitor and detect fraud on new accounts—before losses occur.

Key capabilities of the Memento New Account Fraud Solution include:

- Continuous profiling and identification of groups of high risk accounts, based on a variety of account attributes, account relationships, and account behavior.
- Advanced analytics and expert scenarios to monitor high risk accounts in a context-aware manner that identifies suspicious and fraudulent transactions with pin-point accuracy.
- Fast, easy integration of multiple data sources, including transactional data, reference data and any other enterprise data relevant to detecting new account fraud.
- A unified fraud management platform that integrates data management, analytics, case management, and forensics—all the critical capabilities financial institutions need to fight fraud effectively.

“New account fraud is one of the most pressing fraud threats facing financial institutions today,” says BC Krishna, CEO and President of Memento. “Memento brings a unique approach to addressing this unsolved problem by bringing sophisticated fraud analytics to monitor new customer accounts during their riskiest first few months.”

For more information and to view a white paper about Memento's approach to protecting Deposit Accounts and preventing New Account Fraud, visit <http://www.mementosecurity.com/newaccountfraud.php>.

Memento will feature the New Account Fraud Solution at the upcoming BAI Combating Payments Fraud Conference, October 20-22, 2008 at the Gaylord National Resort & Convention Center in National Harbor, MD.

About Memento

Memento, Inc. (www.mementosecurity.com) is a recognized leader in enterprise fraud management. Memento Security – the company's award-winning solution – is an innovative platform for monitoring, detecting, and investigating fraud and inappropriate activities by a wide range of fraudsters, from trusted insiders to criminal outsiders. Used by the world's largest and most influential financial institutions, Memento solutions are business-focused, easy to use, and quick to implement. By detecting inappropriate activities early and precisely, Memento gives enterprises the information they need to prevent loss, protect revenue and mitigate risk.

For more information:

Jamie Watt
Director, Marketing
Memento, Inc.
978-371-0673
jwatt@mementosecurity.com

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