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Online Fraud Prevention for Nonprofits

Identity Intelligence Technology Secures Online Credit Card Donations Against Fraud and Helps Prevent Chargebacks

Card testing has become a major problem for today's nonprofits. This online fraud tactic is used by criminals to test stolen credit card numbers and check their validity by making a small, nondescript donation. Every card that a cybercriminal can validate online equates to more money on the black market and can often be quickly used to fraudulently purchase other goods and services.

These types of small donations happen quickly and at scale. With bots, fraudsters can execute hundreds of small donations in minutes, using thousands of different credit cards in many different countries. Nonprofits are increasingly seen as easier targets than larger entities because they lack the necessary fraud controls and they often have simpler online forms to make it easy to accept donations.

Unfortunately, this kind of fraud negatively impacts charitable organizations with unnecessary chargeback fees, lost donations, administrative time, and damaged reputations. So, how can a nonprofit protect itself in today's digital landscape?

Simplified, Strong Protection

Cyber criminals frequently identify the most opportunistic, "cardable" websites and share their names and URLs on pages dedicated to showing other hackers how to commit online fraud. It's an increasingly threatening online landscape that nonprofits face today.

One approach is to dedicate a staff member's time to monitoring donations for irregular patterns, but that strategy is time consuming and impractical because fraudsters operate 24/7.

Many proactive charities have incorporated third-party fraud-prevention tools to augment the basic—and often intrusive—services offered through their payment providers or donation software platforms to stop card testing and reduce chargebacks.

Since 2004, Digital Resolve has delivered solutions that help nonprofits maintain trust and confidence among their donors through proven and cost-effective fraud-protection and identity intelligence technology. The Digital Resolve platform provides the industry's only solution that couples its proprietary and substantiated multifactor authentication (MFA) and behavioral monitoring technology to deliver proactive protection that secures online accounts, information and transactions—from login to logout. For nearly 15 years, nonprofits have benefitted from having a single, easy-to-deploy solution that provides comprehensive security for online donors.

Solution Features:

- Extensible, high-performance rules engine with proven models that leverage integrated IP Intelligence attributes for online fraud protection
- Integration with the Blackbaud® platform
- Comprehensive reporting, research analytics and forensics tools
- Design for use by any business unit, eliminating the need for ongoing IT support
- A very effective "first line of defense" against online fraud

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Preventing Fraudulent Online Credit Card Donations Benefits:

Reduce chargeback fees. Your organization foots the bill for any donation chargebacks that occur—usually between $20 and $50 per transaction. Stop fraudulent transactions from being processed in the first place.

Retain more donations. Charities will have to refund any donations made with stolen or fraudulent credit cards. Authenticate online credit card donations from the first click.

Protect your reputation. When fraudulent charges are linked to a charity, potential donors may start to question the security of your website and their credit card data—and may potentially look elsewhere to make a donation in the future. Proactively secure online donations and other donor information from start to finish.

Prevent lost administrative time. Most nonprofits operate with limited resources, so administrative time is a precious resource that could better be applied to building awareness and/or launching new campaigns. Automate the authentication process by putting customized rules and controls in place to prevent online fraud.

Preserve the online donor experience. The one thing nonprofits don't want to do is alienate legitimate donors with false-positives. Eliminate frustration with the online experience and assure authenticated donations by legitimate people.

Digital Resolve at Work

Digital Resolve's authentication solution can be added as a module to the Blackbaud platform to help identify suspicious donation attempts. The Blackbaud platform passes the following data elements to Digital Resolve's solution:

- City, country, region (state), ZIP code provided on the donation form
- Donation amount
- Email address
- IP address
- Timestamp of the donation attempt
- Unique id

Digital Resolve retrieves information about the IP address of the donor (location, domain, whether or not it is tied to a proxy service, etc.) and uses those elements along with the additional data provided by Blackbaud to determine whether or not the donation attempt is deemed suspicious. This evaluation is performed via a set of defined rules within the donation model.

Contact Digital Resolve to learn how we can provide real-time authentication to help protect your organization against online credit card fraud.

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