OMNARETH

SOLUTION BRIEF

Lending Fraud Prevention

Lend to the borrower. Not the identity ring.

The challenge

Synthetic identity fraud is built to pass one check at a time. The ring behind it reuses phones, devices and employers across applications.

The solution

Synthetic and stolen identities, employers that do not exist, several applications from one phone, and funds sent to an account the borrower does not own. Omnareth checks every application and disbursement before money moves, and recognizes the phone or device behind a ring across applications.

11
reference rules for lending

75 ms
median fraud-checked, audited decision, lab test

8/8
reference scenario decisions correct and verified on chain

How it fits

ELEMENT	IN THIS SOLUTION	WHAT IT COVERS
The record	The application	What the verified income supports, the income tolerance, the approval status and the accounts verified as the applicant's own.
The events	Applications and disbursements	An application needs verified identity and employment and an affordable amount. Funds go only to an approved application and a verified account.
The memory	One phone, many identities	Omnareth holds the ring's phone, devices and shell employer responsible, recognizes them across applications, and flags one person applying many times.

Evidence for auditors and regulators

Every decision stores the record, the request and the exact rules evaluated, with what was known about everyone involved, under a SHA-256 integrity hash anchored on the Omnareth chain. Edits, even covered-up ones, fail verification.

Next step: run the scenario with your team (`examples/lending-fraud/demo.sh`, one command, every record verified), then scope a 90-day shadow-mode pilot. See the Pilot Program Guide.

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What it stops

RULE	WHAT OMNARETH CHECKS	DECISION
Employment Not Verified	Stated employment must be verified.	DENY
Income Above Verified	Flag stated income above the verified income tolerance.	FLAG
Identity Not Verified	An application proceeds only if identity verification passed.	DENY
Amount Over Affordability	The amount may not exceed what verified income supports.	DENY
Disbursement to Unverified Account	Funds go only to an account verified as the applicant's own.	DENY
Disbursement Before Approval	Funds are released only on approved applications.	DENY
Phone or Device Across Applications	Flag a phone, device, employer or account implicated in denials on two or more other applications in the last 24 hours.	FLAG
Loan Stacking	Flag a national ID seen on other applications: one person applying many times in a short period.	FLAG
Repeat Offender	Flag events involving an identity implicated in two or more denied events in the last 30 days.	FLAG
Blocked Identity	Identities blocked on the fraud watchlist may not take part in any application event.	DENY
Watched Identity	Identities under watch may proceed only with a flag for review.	FLAG

The reference scenario

#	EVENT	DECISION	FRAUD CASES
1	Genuine application: identity and employer verified	ALLOW	
2	Synthetic identity, verification fails	DENY	
3	Stolen identity with a shell employer, same phone and device	DENY	Repeat offenders opened; phone and device watched
4	Another synthetic identity, same phone	DENY	One phone across three applications: case opened
5	The genuine borrower applies a second time	FLAG	Review case opened; borrower not watched
6	Disbursement to an account the borrower does not own	DENY	
–	Analyst confirms the phone case	-	Phone blocked everywhere
7	An underwriter resubmits a ring application with every check passed	DENY	
8	Genuine disbursement to the borrower's verified account	ALLOW	

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