EQUINOX
Information Systems

Case Study

Using an Automated FMS to Protect your Network

"Protector saved us tens of thousands of dollars over the course of a single weekend. Had Protector not alerted me, the fraud losses would have easily surpassed six figures by Monday morning."

Shripal Daphtary, Director of Operations, AMP Networks/PressONE

IDENTIFICATION AND NOTIFICATION OF FRAUD

AMP Networks/PressONE, located in Long Island City, NY, offers hosted IP-PBX services to enterprise customers as well as IP phone services for residential customers. Shripal (Shri) Daphtary is the Director of Operations at PressONE. Recently, Shri took vacation time and headed to California.

On the weekend in California, Shri went hiking in the mountains. He took his cell phone on the hike. Although he didn't have cell service during the hike, he got his phone out to snap a few pictures when he reached the mountain peak. Having reached the summit, he was able to get a cell signal. And that is when he saw that he had received several email alerts from Protector.

Protector is a fraud management system that uses dynamic profiling to detect usage anomalies indicative of fraud in real time. When it encounters customer usage that varies from the expected usage in a manner that suggests fraudulent activity, it generates alerts such as the ones Shri received.

RESPONSE TO THE FRAUD ALERT

After reviewing the alerts, Shri knew he had to take action to stop fraud that was already in progress. From atop the mountain in California, Shri used his cell to connect to his office in NY. Within minutes, he blocked the calls and shut down the fraud. The fraudsters were able to rack up over $25,000 in usage in between the time Protector began alerting and when Shri had access to cell service (about four hours). According to Shri, had the fraud continued undetected, the losses would have easily surpassed $100,000 before the day's end!

THE IMPORTANCE OF AN AUTOMATED FRAUD MANAGEMENT SYSTEM

Some companies count fraud management as having their carriers watch their network for fraud. At Equinox, we liken this situation to having the fox watch the hen house. While many carriers agree to notify you if they see suspicious activity on your network, they really have no vested interest in stopping it. You owe for the calls whether they are legitimate or not. While it is true that most carriers will negotiate down charges that result from fraudulent usage, they ultimately may be responsible for paying their international termination provider. Therefore, the carrier will need to recoup some, if not all, of that cost from you.

Protector automates the process of identifying potentially fraudulent events in real time by comparing call detail or data usage records against abnormal call patterns (based on customer calling profiles), calls to known fraud numbers, and custom rules. Protector generates violations for suspicious activity and scores each violation. The score determines when notifications are sent, with higher scores triggering additional notifications, including escalation alerts such as the ones Shri received in this story. Conversely, a carrier who sees fraud on your network might send one—and only one—email notification about the event. And, they might not send the email until ½ a day or more after the fraud started. If that email fails to be delivered, is sent to the wrong address, or just plain gets overlooked in the daily barrage of email, you suffer the consequences.

Protector has been alerting carriers to fraudulent activity for over twenty-five years. In that time, its automated notification and escalation features have saved carriers billions of dollars in fraud losses. Protector provides a proactive approach to fraud management and includes the tools needed to quickly

and cost-effectively stop fraud in progress, as illustrated in this case study. If you're interested in mitigating your exposure to fraud and avoiding hard dollar losses, contact Equinox to discuss how Protector can help you.

ABOUT PRESSONE

AMP Networks is a leading provider of Hosted Telecommunication Services based in New York City. Founded in 1978, AMP Networks has specialized in all aspects of the telecommunications and data services industry from Key systems and PBXs to nationwide converged communication systems.

In a market place where voice and data services are sold as a commodity, where rock bottom prices are paramount to a company's success, PressONE functions as a true business communications solution provider. Not only does PressONE strive to drive down communications costs for our clients, but they also take a holistic approach to customers' entire telecommunications infrastructure. PressONE takes into account customers' current telecom expenses, their business processes as they relate to voice and data, and then align the two, providing a comprehensive solution that meets productivity and budgetary mandates.

PressONE looks at technology—specifically telecommunications technology—with wide eyes. They see the future of converged communications as the driving force of business productivity. Their deep understanding of telecom's past and present has allowed them to weather the changes in the industry over the past 30 years and gave them the foresight to transition into VoIP services years earlier than many of their competitors. PressONE intends to keep a watchful eye on future industry growth and to deliver best of breed technologies and solutions that empower their customers to run their businesses efficiently and effectively. To learn more, visit www.pressone.net/.

ABOUT EQUINOX

Equinox Information Systems offers a full range of business assurance solutions for the telecommunications industry and has served hundreds of customers worldwide since 1986. In that time, Protector has earned a reputation as the most reliable and affordable fraud management system on the market. The system currently processes over one-billion call records per day. Equinox offers solutions in areas critical to profitability and network efficiency, including revenue assurance, fraud management, expense management, network analysis, and custom application development. For more information, visit Equinox at www.equinoxis.com or call +1 615-612-1200.