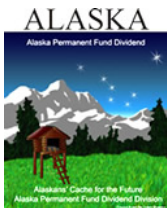


# Quova Helps the Alaska Permanent Fund Dividend Division Run Like a Well-Oiled Machine

**Valid In-State Residents Identified Through Geolocation, Cash in Online With Alaska Permanent Fund Dividends Division**

“If someone gets paid who shouldn’t, it takes money out of the pockets of every Alaska state resident. With Quova, we have a streamlined way to geographically authenticate the state residents who deserve their dividends.”

*Daniel Boone  
Permanent Fund Division Fraud  
Investigations Manager*



## From Pipelines to Proceeds

In 1976, once the Trans-Alaska oil pipeline was completed, the State of Alaska established the Alaska Permanent Fund. Through an amendment to the state constitution, the fund was formed to invest the proceeds incurred by Alaska’s oil and gas revenues. Now worth more than \$36 billion, earnings from the fund are reinvested and a portion is allocated to Alaska state residents annually. The 2008 Permanent Fund Dividend amount was \$2069.

In order to be considered an in-state resident, you must prove you have lived in Alaska for one full calendar year prior to filing, intend to remain in Alaska indefinitely, and be without a felony conviction, or a felony or misdemeanor incarceration. Previously, residents could only deliver their application through the postal mail service. If, for example, a completed application was found to be mailed from a place other than Alaska, it was manually audited. Meanwhile, in-state residents deployed overseas on military assignments, families on vacation, and professionals on business trips all had valid reasons to mail completed applications outside Alaskan boundaries. However, all applications needed to be reviewed to ensure resident status and prevent fraud. The applications mailed in for processing were costing the State more and more tax-dollars to review postmark discrepancies, causing delayed payments.

## Alaska’s New Weapon

Faced with the challenge of increased cost to process the mailed applications, the State needed to find another solution to verify applicant residential status in Alaska. The rate the State was processing applications was resulting in increased cost to the State as well as delays in payments to the residents. As a result, in 2003 the State implemented a system of online submission of applications, reducing the number of mailed applications. While online applications make the submission process easier for the resident, it also increased the potential for fraudulent applications. The State needed to find a solution to help verify applicant identities.

The State considered using the American Registry for Internet Numbers (ARIN) which features IP (Internet protocol) and autonomous system numbers for North America, South America, the Caribbean, and sub-Saharan Africa to look up IP address ownership. However, Quova’s IP geolocation data was identified as a new approach towards verifying applicants. By setting up an online application form, the State could determine the IP address of their Web site visitors. By using the geolocation data supplied by Quova to see if the applicant was in Alaska when they filed the online form, the State could quarantine applicants with discrepancies.

Each computer that has online access has a unique IP address. By understanding how to decode the IP address, Quova is able to determine a user’s true location. One way Quova can identify a user’s location is to look at the method of connection to the Internet. For example, one telecommunications carrier in Alaska is only licensed to do business using a dial-up connection. If an application from that carrier is sent via a DSL connection, it is clear that it originated out-of-state. For a user to connect with DSL, they need to be located within several miles of the nearest DSLAM. If an application came through a dial-up connection, it would be more difficult to determine where a user was actually logging in from

## CASE STUDY

and the application can be flagged for additional fraud review. Some fraudsters use “anonymizers” to attempt to mask their location. These anonymizers spoof IP addresses to look like they are coming from a different location. Now Quova’s Professional Services annually analyzes and verifies the database of IP addresses tracked by the State to ensure location is compliant and there are no fraudulent applications processed.

### The Results

In 2008, the State of Alaska processed more than 650,000 applications and paid \$2069 in the dividend to Alaska residents. By moving the process online, the State was able to save taxpayer dollars in the time and cost of processing, reviewing, and verifying each application. Additionally, Quova was able to save the State money by eliminating fraudulent payouts, while also providing them with forensic data to track fraudsters. In fact, the State enforces criminal charges for fraud. To date, fraud investigations have resulted in eight criminal indictments. Finally, and most importantly, Alaska recouped three million dollars from would-be criminals in 2007, with \$1.4 million coming from the Out-of-State IP (OOSIP) audit. This money will now go to lawful residents for education, health care, and other benefits.



### About Quova, Inc.

Quova, Inc. enables online businesses to instantly identify where a visitor to their Web site is geographically located. Online companies including broadcasters, e-retailers, ad networks, banks, and government agencies integrate Quova’s IP geolocation data into their Web applications to geotarget their advertising and content, detect card-not-present fraud, manage distribution of digital content, comply with local laws, and more. Quova delivers detailed demographic and network characteristic data about an IP address and the data is 99.9% accurate at the country level and up to 98.2% accurate at the US state level (attested to by Pricewaterhouse Coopers). Quova, founded in 2000, is based in Mountain View, California, and is privately owned. [www.quova.com](http://www.quova.com)

Copyright © 2009 Quova, Inc. All rights reserved. Quova, the Quova logo, and GeoPoint are trademarks, registered trademarks, or service marks of Quova, Inc. in the United States and in certain other jurisdictions throughout the world. All other company and product names may be tradenames, trademarks or service marks of their respective owners. (0409)