



IUPUI Newsroom

Innovate Indiana Fund invests in early-stage payment-fraud analytics company

Rippleshot identifies at-risk cards and suggests counteractions to stop fraud

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INDIANAPOLIS -- A high-tech company that detects payment-card fraud using machine learning and data analytics will be able to launch a product for merchants later in 2017. It will also be able to increase the size of its technical team that works on a product for banks and credit unions.

Rippleshot received an investment from the [Innovate Indiana Fund](#) as part of a larger \$2.6 million round of funding in February. The mission of the Innovate Indiana Fund is to promote a culture of entrepreneurship within the Indiana University family by helping early-stage venture companies grow to the next level of success.

Yueyu Fu, an IU alumnus and co-founder of Chicago-based [Rippleshot](#), said payment-card fraud is a national concern.

"According to The Nilson Report, payment-card fraud is expected to total more than \$183 billion between 2015 and 2020," he said. "When fraud is discovered, banks and credit unions must reissue cards, refund fraudulent charges and brace for customer churn. Fraud also affects merchants, who are more liable than ever for fraud because of the implementation of the EMV chip, or Europay, MasterCard and Visa in the United States."

Fu said the industry is motivated to solve the problem of fraudulent payments, but traditional solutions have drawbacks.

"These solutions are often derived from, and distributed within, only one of those industry buckets -- they solve the problem only for banks or only for merchants," he said. "We believe Rippleshot is uniquely positioned to bridge the fraud-detection gap between banks and merchants by using data."

Rippleshot's cloud-based technology processes millions of payment-card transactions in real time to pinpoint when and where a breach of card data occurs. Following detection, the company identifies which cards are most at risk of seeing fraudulent activity and suggests appropriate strategies to prevent fraud loss.

Kenneth Green, managing director at the Innovate Indiana Fund, was attracted to investing in Rippleshot because of its use of machine learning to address a multibillion-dollar problem.

"It's exciting to connect with Indiana University alumni like Yueyu Fu whose careers and experiences have brought them to a place to make a significant societal contribution," Green said.

Fu said his connections with IU have strengthened Rippleshot's ability to address the problem of fraudulent card payments.

"They have helped expand my network to many talented IU alumni and provided me the opportunity to give back by connecting other alumni and students with the Chicago startup community," he said.

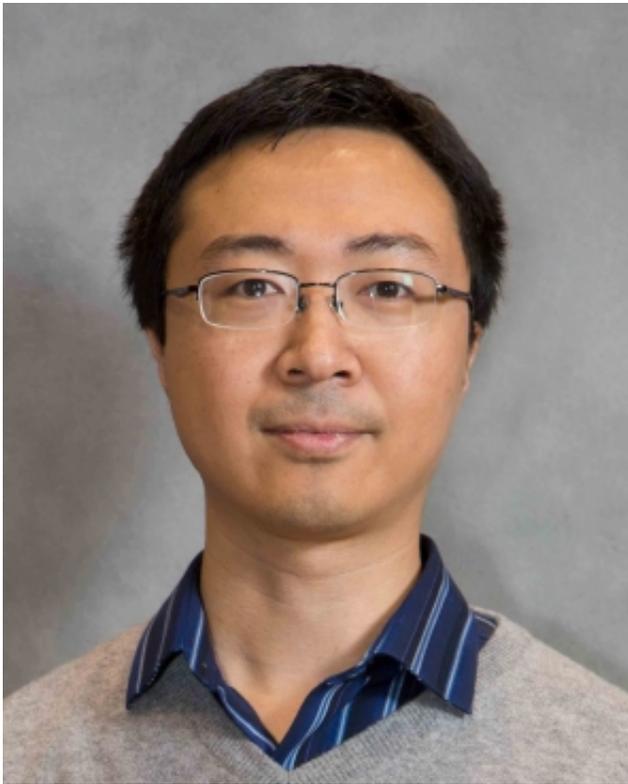
The Innovate Indiana Fund has invested in several companies, including Anagin, Apexian Pharmaceuticals, DinnerCall and PrecisionHawk. A [complete list of the fund's portfolio](#) is available online.

About Innovate Indiana

Innovate Indiana engages strategic partners to advance Indiana University's intellectual resources and expertise, enhance Indiana's economy, and improve Hoosiers' quality of life.



Kenneth Green, managing director, Innovate Indiana Fund



Yueyu Fu, co-founder of Rippleshot

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