

## PITCHIT FINTECH STARTUPS PODCAST NO. 6—NAFTALI HARRIS

Welcome to PitchIt, the fintech startups podcast, one founder, one startup, one investor at a time. I'm your host, Todd Anderson, Chief Product Officer, LendIt Fintech.

(music)

**Todd Anderson:** In Episode 6, we talk with Naftali Harris, Co-Founder and CEO of SentiLink. SentiLink builds solutions for detecting fraud and related identity anomalies. I'm really excited about this episode because SentiLink actually just won the 2021 Pitch Competition. PitchIt is our annual startup competition that we host at our USA event which just passed, April 27th to 29th. And so, Naftali and Max, the two Co-Founders, each did different pitches, beat out 14 fellow startups and were crowned champions by our esteemed panel of judges so it's great to have Naftali on the show.

You know, when thinking about SentiLink, fraud obviously comes to mind and fraud's become an increasingly important part of financial services, but, you know, how do you build the right solution at the same time that you want to keep a great experience. And so, we dive into what synthetic identities are, the COVID accelerant on fraud in general and some of the best chess players in the world. So, had a lot of fun with Naftali and I hope you all enjoy the show.

(music)

**Todd:** Welcome to the podcast, Naftali, how are you?

**Naftali Harris:** I'm doing great, good to be here, Todd.

**Todd:** Great. So, in terms of just jumping off, if you can just give the audience a bit of a background on yourself, kind of what you did before you got to SentiLink and founded the company and kind of what brought you to where you are today.

**Naftali:** Yeah, absolutely. So, I'm Naftali Harris, I'm Co-Founder and CEO of SentiLink. We'll talk more about SentiLink on this podcast, but, in brief, we prevent fraud for banks and other financial institutions. Before SentiLink, I was the first data scientist hired at the online lender, Affirm. Actually, you know, for this podcast it's great to be able to just say Affirm (laughs), I'm used to having to explain what that is, but I'm sure your listeners are familiar with it.

**Todd:** Yeah.

**Naftali:** I was the first Data Scientist hired there and I was put in charge of building up their decisions systems so I built up a team of data scientists and engineers that built all the code and models responsible for approvals and compliance.

# LendIt Fintech

**Todd:** And so, what brought you and your co-founders to the idea of SentiLinek. I know, I've heard you say before that, you know, kind of came out of your work from Affirm, but kind of what brought you to that original idea, the thought, huh, maybe we have a company in and of itself here versus, you know, this is just kind of within the broader Affirm ecosystem.

**Naftali:** Yeah, it was really interesting. So, my Co-Founder, Max, was a friend of mine from undergrad, had known him for a very long time, we were in the same freshman dorm and I recruited him into Affirm to run the Risk Operations Team. So, while I had this team of technologists and his team of analysts, his team was the one that really deeply understood fraud and they would manually review cases and fraud. My team was what would put that into production and one day, he and his team were reviewing some cases and they stumbled across something that ended up being absolutely fascinating.

So, someone had applied for credit with us at Affirm 12 times and on all 12 applications they used the same name, same date of birth, but they used 12 different Social Security numbers and we were looking at these and we were like, look, there's no way that literally 12 people are all born on the same day with the same name and they said hey, today is the day we're going to buy a Rolex watch or a luxury handbag, what have you with Affirm. We said clearly these are not actually real people and that was pretty obvious, I think it's probably obvious to all the listeners to the podcast, but what was really interesting was right before we were able to shut down the account, I said hey, you know what, before we do this, let's just double check that the credit bureaus agree with us that these are not actually real people.

So, we looked at the credit reports that we tried to pull and what I was expecting to see was no response, never heard of this person before, not a real person from the bureaus and to my shock what we actually ended up finding was that all 12 identities had distinct thick credit reports with 750 credit scores and with different banks and lenders showing up.

And we said, this is crazy, are we the only ones who think they're not real people because, you know, here is one of the top ten US card issuers who gave them a \$20,000 credit card and here's your favorite fintech unsecured consumer lender that gave them a \$30,000 unsecured personal loan and look where they're going and buying a luxury car for \$60,000 on the credit report. Are we the crazy ones here, are we the only ones that realize that these are not actual people. Just by looking at those credit reports, we could see that there was a problem throughout the financial services industry and that there was a real issue that the industry wasn't discovering and that was the impetus for us to start SentiLink, build out our first product which is synthetic fraud detection.

**Todd:** Was there a term at that time like did the term synthetic identity really exist at that time?

**Naftali:** No. It's really funny, we didn't know this had a name, we've never heard of it. We actually ended hiring one of the people that....or the person, Mike Cook who came up with the name, but, yeah, at that time we didn't even know this was a thing, but, frankly, I didn't even think this was possible until discovering this for ourselves.

It was funny, when we started this company in 2017, we would go to chief risk officers and we would say, hey, we're providing synthetic fraud and the number one response was, what is synthetic fraud, what does that even mean? And we would explain synthetic fraud, it's when you create identity that doesn't actually exist and to try to open up accounts for them and then the number 2 response they would say is, that's impossible, they can't possibly work the credit report who know who everyone is.

**Todd:** Fascinating. So, just in terms of, you know, SentiLink and the products you guys offer, just give an overview. You mentioned obviously the core product you started with, what do you guys now offer today and is there kind of a typical customer, is it a bank, a lender, kind of anyone in the lending space, can it be beyond just lending? Just give kind of an understanding of kind of where you guys are today.

**Naftali:** Absolutely. So, our primary product is an API and it detects synthetic fraud and now also identity theft. The way it works is at the point of application before a bank or a lender, whomever wants to open an account for somebody they send to us in real-time the information it says in the application so things like name, date of birth, address, phone number, email, things like that. In real-time we look at that information, we analyze it for various different types of fraud risk and respond back in order of 300 milliseconds with whether or not it's actually a fraudulent application.

We work with over a hundred different financial institutions from several of the top ten US banks all the way down to new startups or even pre-launch. In the middle, we work with regional banks, large credit unions, more established fintech players. We're using a wide variety of different contacts so we serve credit card issuers, unsecured personal lenders, small business lenders, auto lenders, deposits, insurance, merchant acquiring, telcos, utilities, you name it, really anywhere where someone needs to hey, is this person that I'm dealing with is actually say who they say they are and are they actually real persons.

I mentioned that the first product that we launched was synthetic fraud detection which detects hey, is this identity actually a real person. Pretty fundamentally you think everyone would be checking us, actually even today few of them are. The second product that we launched which was actually just a couple of months ago is identity theft so completing that picture in detecting identities that are real people, but are not actually who they claim to be.

**Todd:** How big is the synthetic identity fraud problem I guess today and has that kind of really, you know, accelerated the last 18 months with all the issues with COVID and infinite number of either businesses or people beginning to use digital financial services for the first time.

**Naftali:** Yeah. The synthetic fraud problem is a large one, it's only the largest open risk issue at many different financial institutions today. We estimate around \$2 to \$3 Billion of losses annually and it's actually an even bigger problem just from a loss perspective. It impacts most lenders, in terms of losses, if you open an account, you take out a \$30,000 loan and you give it to somebody that doesn't actually say they're not going to pay you back, surprise, surprise, but it also allows fraudsters to

commit other types of financial crimes. So, in spaces like merchant acquiring or DDAs, I always hear fraudsters have used synthetic identity to launder money that they've stolen elsewhere.

It's really interesting, right, because, historically, the way to launder money is you need to have some kind of money mule and you can only push ....you know, you want to keep another \$10,000 to stay below the CTR rules and so forth. With synthetic identities, you can go create a hundred synthetic identities which is even better than money mules they don't take a cut, they don't become non-responsive, you control them completely. So, that's synthetic fraud and with respect to the last 18 months, the biggest thing that we've seen from all the different COVID issues and relief is actually people stealing states' unemployment insurance where that's been absolutely massive.

It's more of an identity theft situation, that's actually how we came across this issue and how we built out the identity theft product, like we've seen a huge number of identities getting stolen by fraudsters who are claiming unemployment and insurance benefits. They steal that money from the States and then they take that money to financial institutions who try to launder it and so some of our partners are financial institution partners that we work with have seen massive influxes of applications and at first they're very excited, oh, people are learning about our institution but it turned out that in a lot of these cases it was just a wave of identity theft that was targeting our departments that we serve.

**Todd:** I mean, conceivably, their thinking was there's all these free or super cheap capital flooding the market and we might as well jump on the train that everyone else is jumping on and begin to steal it because this is essentially a once in a lifetime opportunity that they can take all these potential unemployment insurance and begin to use it, like you said, either laundered through the banks or probably used in other ways. We haven't seen something like this since probably the Great Depression in terms of the amount of money flooding into the market at the same time.

**Naftali:** Yeah, that's absolutely right. I think one of the other things that's complicated about this is, you know, during the pandemic, time was of the essence, I think, for a lot of people and so there were a number of states, some of which we talked with, that, frankly, they had no defenses in place for this. Some of the most basic stuff that they should have done, they didn't. And so, essentially, in a lot of cases you had a desire from public policymakers to push money out towards needy Americans as quickly as possible which as you understand is admirable, you know, to do so at that sort of speed, without any kind of controls meant that in a lot of cases it was stolen by fraudsters.

You know, in California where I am and also where I pay taxes, a huge amount of our state's unemployment insurance...some estimates are as high as \$10 Billion or even more was actually stolen which is, I mean, horrible given that that money was supposed to go to needy Americans, needy Californians, instead ended up going to criminals.

**Todd:** In terms of, you know, potentially catching one of these synthetic identity fraudsters, is there kind of .....I mean, I don't want you to give away trade secrets, but is there kind of certain indicators that like hey....you mentioned it, they gave all these money to these fraudsters, whether it be a big

credit card, a potential loan, is there something that, you know, indicate that this is potentially....one of these is synthetic identities and then there's a handful of steps that happen.

**Naftali:** I think the best way of looking at it, the best way of characterizing how we look for different kinds of fraud is there are a number of different types and sub-categories and we kind of check on all of them. So, I can give you just a couple of examples of some of the things that we're checking. So, for example, one of the most common types of synthetic frauds which we call first party synthetic fraud where someone uses an SSN that doesn't belong to them.

The story here is let's suppose I have like a 400 credit score, no one will open up an account for me and so what I did actually is I make up a new Social Security number that isn't actually mine and I start applying for credit with this new SSN. Some do this on purpose and deliberately and know what they're doing and some are tricked into this. They buy a "CPN", Credit Privacy Number, which they believe they can now use, honestly, they're being tricked to commit fraud, but from our perspective, the way we detect this is we look and we say okay, well here's Todd Anderson and Todd is using this particular Social Security number. But, if we take a look at all of the history we see hey, there's a better SSN that Todd had been using previously that has a better tie to him that's used for longer that ties up with your data of birth and where you're from and so forth and those make it pretty easy for us to pick out, that's just one example.

You know, another example is for sort of more nefarious types of synthetic fraud is what we call a third party synthetic identity. Just when every part of the identity is fabricated and doesn't exist at all. We see that done by the organized crime rings and as part of doing that will oftentimes create a huge number of synthetic identities and oftentimes there will be patterns or commonalities between them, that allows us to detect them. So, for example, sometimes we see them using Social Security numbers that are all really close to each other, in some cases even sequential.

So, they'll take the security number 100,000,000 and then 100,000,001, 100,000,002 and so forth and we see a whole bunch of these. Our technology is able to actually detect if these are coming from the same group and identity that that's a huge statistical anomaly and as a result that it's not actually a person. So, these are just a couple of them, but that should hopefully give you a sense of the kinds of things that we're looking for.

**Todd:** From the organized crime ring one, if they're flooding the market with a hundred of them that a handful of them could pay off in terms of getting money and if a bunch of them are caught then they're just caught, whatever?

**Naftali:** Yeah. I think the calculus on the fraudster side is a little bit different, but a lot nastier, frankly. It's actually that if they can get one or two from three, they can get a hundred and so it's very interesting. The catching of a first couple of fraudulent attempts is actually very important because if you give the fraudster any sort of window they'll say oh, this works, let's go hit this institution up and then it will scale indefinitely.

**Todd:** You know, the further you go down the institution, I mean, Chase is going to have their defenses at a certain level, but a community bank in the middle of the country or somewhere else is not going to have the same defenses on an everyday basis. And so, like you said, once you get a little bit then they end up going down the scale a little bit and in their minds it seemingly could be easier to attack a smaller institution who's not going to be up to fighting them as say some of these larger, big banks.

**Naftali:** Yeah. You know, one thing that's interesting, we found some different observations actually. One thing that has been kind of surprising is that the larger banks supposed to have larger budgets, larger teams and so forth and so that obviously helps relative to a community bank, but they also have some disadvantages. We've seen huge frauds that's also hit some of the largest banks in the country and that's part of why serve them. Some of the disadvantages that a large bank has is, you know, your small community bank is....you may actually literally know your customers, not just in the KYC sense.

**Todd:** That's a good point, yeah.

**Naftali:** That's my neighbor, sense. In addition, large institutions, one of the big challenges they have is it can be very hard for them to move quickly. You know, at Sentinelink we have a small team, only 25 people and we move very, very quickly. We can build things quickly, we can ship them quickly, we can take insights and translate them to reality very quickly and you look at one of your top ten banks and they don't move nearly as fast. Fraud is....it's important for all to move quickly and to check all kinds fraud quickly and so ....you know, some of the larger banks turn to us to adapt faster. One of the challenges, frankly, that a large bank will have is it's very challenging for them to communicate entirely.

**Todd:** Too many people, too many bosses and so it sits on someone's desk for a little bit and then it sits there for a few days. Meanwhile, the fraudsters are not exactly stopping to wait.

**Naftali:** Exactly. So, you know, the credit cards team may not be talking to the deposits team may not be talking to others.

**Todd:** Yeah, very true.

**Naftali:** And, you know, one thing that's kind of interesting is in some cases, we actually help banks to communicate between their own business lines, you know, it's like hey, (laughs) we are resolving this fraud and it's like from your auto team (both laugh)

**Todd:** Yeah. It kind of makes you think sometimes and also at the very rate it's also helped build a fintech ecosystem by some of these inefficiencies in the banking system.

**Naftali:** That's right. With the large banks as well, even the very largest ones, we serve some of the largest banks in the country, we serve also a hundred different financial institutions and so one of the value propositions that we have for everybody is, you know, any one institution, even the largest that we serve, is really a small part of all of the fraud that we've seen. So, essentially, we can use our

vantage point so we can see what's happening in the entire industry to better serve any of the different parts of the platform.

**Todd:** You think, you know, companies and institutions are, not the best way to word it, but is fraud getting the attention that it deserves because I would think pre-COVID it was at one place. Is it at a different place post-COVID and is it becoming kind of a higher end part of the priorities in institutions, does it just depend on the institution?

**Naftali:** I don't think that fraud is getting the attention that it deserves, but I think it should get that attention in a sort of future plans. One of the things that I think a lot of people don't realize is that the ability to build a great product in financial services (inaudible) and so I think in a lot of places fraud is considered that it's just a thing that we have to do and is not.....

**Todd:** Kind of a line item in a way like hey, this amount is going to go to fraud every year, regardless of what we do, is kind of the thinking.

**Naftali:** Even beyond that. If you look at, especially some of the more traditional financial institutions, if you ever sign up for an account with one of them or try to get a mortgage or anything like that, it's a painful funky process and this is probably, frankly, why fintechs have been able to be so successful. Consumers today expect a good user experience, Google and Facebook has been able to give it to them, you know, expect that from financial services as well and financial services is very, very different from building a social media site. A big part of that is you have to prevent fraud and you have to understand who the users are.

I think some of the more traditional financial institutions, many of them have been slow to adopt this, one of the big challenges that they have is how do you verify a user while making the flow for that as seamless and easy possible. And the thing that fundamentally underlies that is having a great risk team and having a great set of the systems and so a lot of the different institutions think about fraud as really just only from a financial perspective. Obviously, that's important and you will lose your shirt if you don't detect fraud, but the other important part of this is doing a great job on fraud enables you to have an amazing product to actually build on top on.

**Todd:** And the other way I think of it is, or at least sometimes I think, there's too many people that think of it in a way of stopping bad guys versus enhancing and rewarding good customers and so it's kind of that balance.

**Naftali:** Yeah, that's absolutely right. One of the ways that we think about this is whenever we build a better product, any product improvements that we make, any modeling improvements or what have you, it fundamentally create value and that value can translate to a couple of different places. You can use it to stop more fraud and therefore save more money, you can keep your fraud rates the same, but let in new customers and increase the number of different people you can serve or you can keep the people that come in the door the same, but lower some of the frictions. Maybe you don't need to ask this person for a driver's license, maybe you don't have to ask this person for KPI and I think that's

fundamentally the way in which the technology that we produce can benefit the institutions that we serve.

**Todd:** I want to shift the conversation a little bit. You know, you guys have been around, I believe, since 2017.

**Naftali:** That's right.

**Todd:** So, how has life been in terms of just the company and growing the team and operating pre-COVID, during COVID and kind of where you are now. You know, some of the recent guests we've had here have only kind of grown up in the COVID world. So, just kind of curious to learn how it's been pre-COVID for you guys and then how has it been operating and dealing with various team members in various locations and trying to keep everyone obviously on the tasks, but at the same time not burning themselves down with 800 million Zoom calls.

**Naftali:** So, before COVID, I was a very traditional sort of person in the sense of I needed every butt in the seat. I didn't think that remote, even hybrid remote, would really work or could work for us. Obviously, COVID made that a necessity and ....by and large, I've been pleasantly surprised. Our team has been able to execute extremely well, the last 12 months for us has actually been the best 12 months in our history, by far, on every dimension from products that we've shift to new partners that we work with to amazing team members that we hired. And so, I think we've been able to execute extremely well despite being remote and working remotely.

There have been some challenges though, I would say, during COVID especially because of the remote nature of the working that we do now. I identify them in a few places, one is we have to make a much more conscious effort at communication well, sort of tactical like hey, you guys are doing something the way that you need to talk to each other as well as this is what the company is building from a kind of higher level vision perspective where you think when everyone's in the same place it's a little bit more natural and organic.

**Todd:** Yeah.

**Naftali:** Like the thing that's missing, frankly, and it seems so silly, but actually water cooler talk. Two people on different teams both getting coffee at the same time, it's surprising the amount of important communication actually happens when people are doing that and that's obvious to some of the guys, it's missing. We've actually had to take steps to make that kind of organic stuff happen inorganically so actually every week we pair people up on the team and completely at random so maybe on a totally different part of the team. You gather people up for an hour and part of the hour they're just chatting, the other part of the hour they're reviewing fraud cases together and that's been part of the way that we've been able to grow our team and grow that camaraderie despite not having them all in the same place.

**Todd:** Interesting. All restrictions are gone, everything's back to "normal," are you guys all back to butts in seats, is there a little more hybrid version to it?

**Naftali:** A little more hybrid. We've hired really incredible talent throughout the country and discovered that it worked well. We still have a number of people on the Bay Area though many have actually moved out and so I think there will probably be a sort of office for people that are in-person but, you know, we've hire people throughout the country, people have moved around and we're not going to require them to move to the Bay Area.

**Todd:** Has that been the .....the biggest benefit is, you know, if there's good talent and you think they're a good fit that you can just hire them regardless of where they are versus pre-COVID, obviously, they would have to be in the Bay Area or I'm not sure if you guys have offices in other locations, but has that been kind of the top benefit like hey, this is a really great person, we'll just hire him.

**Naftali:** I would say that's been definitely one of the top benefits if not the top benefit. I'd say one of the other unexpected benefit is we've been able to close very large deals, really over Zoom.

**Todd:** It seems crazy like thinking back to that mindset like, you know, April/May last year like, you know, are we just going to have to kind of tread on water for a while, but people figured it out.

**Naftali:** Yeah. You know, I think I'm a social person and I like to meeting people and getting to know them and seeing them face to face, but I will say, if I am to do a business trip.....I used to travel a lot, you know, every three weeks, something like that and not having to fly to somewhere, you know, when you do that it usually kills two to three days of the week. Instead, I just have an hour-long conversation, it's not as personal and I definitely miss being able to see people in person, but it is a lot more efficient.

**Todd:** Any point in the last, not even 18 months, but just through your journey to date that you thought alright, this is not going to work?

**Naftali:** (laughs) I think in any person's journey, there definitely has to be times like that, I think it's especially magnified at the beginning. You know, I'd say, when we first started the company everyone was saying, what is synthetic fraud and this is impossible. You know, there is a thing like we know this is a thing, but why is nobody believing us, you know, that was demoralizing, to say the least. But, ultimately we were able to crack that, we found examples and showed people those examples. We started very small and just with a couple of examples we showed people those and were able to build out trust and then from there, we were able to build out broader relationships and serve the that well.

**Todd:** A related question, how was it raising money for those early rounds in terms of explaining the problem and....you know, there's one thing to explain it to potential customers then you say, hey, this could be happening at your bank, here are some examples. On the other side of that is explaining it to investors, is it a harder thing to do and how was that appetite early on although I know you guys have raised some outside capital.

**Naftali:** We've always been very fortunate in terms of capital raising and so, you know, our very first round, Max Levchin, who is the CEO of Affirm, when we explained the situation to him he was like okay, you guys can leave the company and start a new one, but I would just want to be able to invest.

**Todd:** Not bad.

**Naftali:** Yeah. I would have wanted Max to invest anyway obviously and so we said, oh Max, we'll think about it. (laughs) No, I'm just kidding, I was excited to have him invest and have had some terrific investors the whole time. Alex Rampell, he sits on our board from Andreessen, I've known Alex as well for a long time through Affirm also and so our series A, we had quite a number of different term sheets from some really terrific investors and I think the biggest problem was just saying no to some really great people so we've been fortunate.

I think our fundraising has been a pretty straightforward process, knock on every wood surface here and I think one of the amazing things about the venture capital ecosystem is people really get it and our investors understand what we're building and they understand our vision and are extremely long on what we're doing and excited for what we're doing.

**Todd:** With the amount of money that's currently flooding into fintech, do you say, hey, should we go and fundraise right now, I mean, it's as hot as it's ever been, is there that temptation? On the other side of that, while it feels easy from the outside looking in, raising money is never easy though the appearance is every good startup gets in TechCrunch or they get a potential spot on CNBC. Just for maybe the younger startups that might be listening in terms of raising money, you know, any advice or just thoughts on kind of when you're in that spot what to not do or maybe just think about in terms of what's important for you and your company.

**Naftali:** Yeah. You know, we've had a relatively easy time of it, we've, fortunately, have not had that super challenging experience at this point. What I hear I think from some people I talk to, I think fundraising experience feels very binary where you either have a pretty easy time with it and end up with six term sheets and don't know which ones to pick or you end up, you know, you're talking to 200 people to get one person to say yes. You know, we've been fortunate to build the business and always sort of be in that former group.

My only advice I think for people, and this advice I give to people who ask me about the fundraising process, is I think one of the really important things ...part of it is to have the confidence that you're ultimately going to raise a round and it's just a matter of who you want to pick as your financial investing partner. I think there's a couple of things, number one, I think that will help you in terms of raising your rounds looking for the right investing partner for my business. On the other side, investors can sense that as well and when you have this sort of attitude I think that really helps you get the message across like hey, you know, if you don't want to back me that's fine, but somebody else's would want to and that can actually help you close that round.

# LendIt Fintech

**Todd:** Before moving on to some fun stuff to end, any thoughts from the recent PitchIt competition, obviously, you guys won, just any general thoughts on kind of process and how that went in terms of some of the judges' questions, just any general thoughts for the audience since the podcast is named PitchIt and you guys just recently won the competition.

**Naftali:** Yeah. I thought it was great, we had a really great time. You know, I thought all the questions were good, I think I went over so I apologize for that now.

**Todd:** (laughs) It's okay, not a problem at all.

**Naftali:** I could have gone for an hour and a half, another ten hours easily so, yeah, no complaints, no comments, I had a wonderful time and there were some other great companies that participated as well.

**Todd:** In terms of ending here with some fun, you know, is there a favorite book that you have and then what's the last book that you read?

**Naftali:** Yeah. You know, one of the books I might give a shout out for which...I've a lot of reading for books that I love, but this one doesn't receive anywhere near the love it should in our industry, "Sweating Bullets" by Bob Gaskins. It's an extremely interesting book by the inventor of PowerPoint and it's incredibly unique because he actually wrote this book from contemporaneous notes that he took.

**Todd:** Interesting.

**Naftali:** He took notes everyday and I think one of the points in his memoirs is you have this real hindsight bias where everything in retrospect was inevitable and all the challenges that you went through you always knew you'd overcome. He wrote this book by reviewing his notes from his time actually building PowerPoint and you can see, you know, this is what they thought and almost killed the project a couple of times. The author's also incredibly funny.

One of the chapters so he....really interesting life story, I think he ended up joining the company as their product person and he was like in his late 30s and he had some kind of a corporate career that didn't go super well and he dropped out of a PhD after doing it for almost ten years. And so, he reduced his whole background and he has a chapter called "Why Would They Have Ever Hired Me." (Todd laughs) He goes to say, nobody better to hire.

And then, he has another chapter where he reduced the startup's history and he's like, you know, this guy had one screw up after another, everything is going downhill and he's like why would I ever join them, that's a whole another chapter. It was a really fun read, "Sweating Bullets" by Bob Gaskins, you can buy it on Amazon, it's also free on the author's website, I strongly recommend it. I think one of the best books written about product management or startups.



# LendIt Fintech

**Todd:** Any book that you read recently that you want to give a shout out to?

**Naftali:** I re-read "Atlas Shrugged" recently, I think it's a great read and it's really thought provoking, there's a lot of interesting thoughts and ideas in there for sure so I'd recommend that to people.

**Todd:** Are you a fan of sports and if so, is there a favorite sport or team that you root for? I'm assuming that the Bay Area, I'm not sure if you were born there, but just kind of curious.

**Naftali:** You know, I don't follow sports unless you consider chess a sport.

**Todd:** This podcast is turning into the tennis...I've only had one guest that watches regular sports (laughs). It's been an interesting....yoga was one, now chess and now we have two tennis players.

**Naftali:** Okay, yeah. I'm a huge fan of chess, I mean, I'm not actually good at it myself, but I absolutely love the game. I followed the candidates of the tournament recently....I'd say among the current chess players, Magnus Carlsen is the champion, the best , he's awesome, Fabi, shout out to him, some really great new talent, Daniil Dubov, was amazing last year, he's great and, you know, for sure not active, incredible player, got a great life story, Gary Kasparov, of course.

**Todd:** I know that one name you said there, Gary Kasparov.

**Naftali:** I mean, you got to give it to Gary, it's interesting like he's had a whole new career, in fact, after chess....really admirable player.

**Todd:** Last question is biggest inspiration in life.

**Naftali:** You know, my ancestors, not even ancestors, but my grandparents and great grandparents, sacrificed a lot for their kids and grandkids and me. You know, several of them almost died at various different points and took huge risks to be able to provide a great life for their kids and grandkids and that's I think a lot to live up to and I'm fortunate to be alive and descent from them and it's because of what they did. So, I would say that's a huge inspiration for me and something I'm grateful for.

**Todd:** Well, Naftali, I greatly appreciate your coming on the show. I had a lot of fun here, continued success to you, Max and the team and, hopefully, we'll get you back here again soon.

**Naftali:** Awesome, thanks so much for having me on the show, Todd, this was so much fun.

**Todd:** Thanks, Naftali.

(music)

You know, I found it pretty fascinating to hear Naftali talk about kind of the evolution of fraud the last few years. I mean, we're just coming through this crazy last 18 months and clearly, it was an

accelerant for many things, not only going digital but also for fraud. So, I think for too many companies, it's still not important enough, it doesn't get us to ... and with tools like SentiLink has, it no longer has to feel as if fraud and the money stolen through these ventures are just a line item, kind of an accepted reality.

And so, we've moved to a place where it doesn't have to be, you heard Naftali say they're working with hundreds of financial institutions, fraud still is a huge, huge issue for financial firms and so it's going to be fascinating to see us...we're kind of getting back to normal life. How does that constant push and pull happen over the next few years as the fraudsters get better with their tools and firms like SentiLink get better with the tools that catch those guys So, I really hope you enjoyed the conversation with Naftali and I hope you come back soon.

(music)