Notarize

Remote Online Notarization: A Modern Approach to Security & Fraud Prevention

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Introduction:

In today's society where identity fraud is commonplace, a system that enforces integrity, honesty, and trust is a necessity. As public officials responsible for the certification of signatures and documents, notaries public play a critical role in this system, verifying the identity of signers and acting as impartial witnesses to transactions. This important fraud prevention measure has traditionally been performed on paper and in person. This changed in 2012 when the Commonwealth of Virginia became the first state to authorize remote online notarization (RON), bringing notarization into the digital world. Today, RON has been authorized for use by notaries in 38 states with additional states considering legislation at an accelerated pace.

RON was designed to enhance notarization and increase the trust and security of the process. RON uses modern communications and identity proofing technologies to confirm the signer's identity before notarization and preserve the integrity of that notarization long after the process is complete.

As digital tools and processes have become mainstream, businesses and consumers have grown accustomed to the convenience and security that online transactions provide. The world's collective reliance on digital tools increased dramatically during the COVID-19 pandemic as many facets of our business and personal lives were forced online. RON has helped notaries participate in the digital economy, while adding additional features that increase the security and fraud prevention benefits of notarization.

Multi-Factor Authentication:

The first step of a compliant notarization is the verification of a signer's identity. RON enhances this step by requiring the signer to complete multi-factor authentication.

Typically, when identifying a signer through multi-factor authentication, the notary confirms the identity of the person appearing before them by requiring them to successfully complete Knowledge-Based Authentication (KBA) and credential analysis.

Knowledge-Based Authentication:

Before the signer begins the RON process with a notary, the signer must complete Knowledge-Based Authentication (KBA). KBA relies on third-party databases to generate multiple questions with a range of correct answers. KBA helps deter fraud by asking the signer a series of questions to which only they will know the answers.

Credential Analysis:

After completing KBA, the signer captures and submits a photo of their ID, such as a driver's license or passport, for analysis. The photo and information on the ID are analyzed for signs of alteration or forgery and are then authenticated.

RON still requires the signer to appear before a notary which is satisfied over a live audio/video connection during the notarization process.

Notary Validation:

After completing the initial two steps of the multi-factor authentication process, the signer is connected with a commissioned notary over a live A/V connection. At the start of the notarization process, the notary is provided with the results of the

KBA and credential analysis and the images of the signer's ID. The notary then compares the signer's ID to the KBA-validated identity and to the person appearing before them over the live A/V connection. If the notary concludes that they have satisfactory evidence of the signer's identity, the notary proceeds with the notarization process.

It is important to note that RON laws should remain technology-neutral and avoid requiring the use of specific technologies for multi-factor authentication. This allows for the flexibility to adapt to more advanced technologies in the future.

Audio/Video Recording:

The introduction of A/V communications technology not only preserves the requirement that the signer appear before a notary, it also introduces a new method of fraud prevention: a recording of the process that is retained for future reference.

Before RON, a notary relied on a paper notary journal for recordkeeping, a process that can put both the notary and the signer at risk. The record maintained in a paper journal is limited. In most cases, if the notarial act is contested, the notary can revisit the paper journal and testify that they checked the signer's ID. However, the extent of available evidence stops there.

An A/V recording of the notarization process shows what the signer looked and sounded like and provides a more complete account of the circumstances surrounding the notarization process. RON requires that an A/V recording of every notarization is created and retained, helping to produce a more comprehensive record than what is collected with traditional paper recordkeeping.

Electronic Notary Journal:

The traditional paper notary journal that notaries have relied on to capture and store basic information is not only limited, it can be easily damaged or misplaced. RON allows a notary to use an electronic notary journal, an electronically stored and encrypted file designed to include all of the information legally required by the notary's commissioning state, including details such as the name and address of the signer, time and the type of notarial act performed, the method of identification, and the fee charged. Together the electronic notary journal and A/V recording of the session create a thorough record that far exceeds the records maintained with a traditional paper notarization.

Tamper Evident Technologies & Other Fraud Prevention Elements:

Documents have always presented a risk of alteration, but RON helps to significantly reduce this risk by requiring the use of tamper-evident technologies which are applied to an electronic document at the end of the notarization process.

In a traditional notarization, once a signer leaves there is nothing to stop the signer from altering the documents or adding additional pages after the notarization process is complete. With RON however, tamper-evident technology, such as a digital certificate, is applied to the document at the end of the notarization process making any modifications obvious and provable.

Furthermore, various standards-setting organizations have instituted a minimum set of technical and procedural standards for RON technology vendors that require the

implementation of additional fraud prevention measures. A common requirement is that all RON transactions generate an audit trail or audit log. An audit trail is a chronological and detailed list of the most important actions that occur during the notarization process and includes the date and time that those actions were performed. The inclusion of an audit trail is another example of how RON provides additional fraud prevention measures that are not available with a traditional paper notarization.

Additional Benefits of A/V Communications Technology:
Additionally, conducting notarization with RON helps protect the notary and provides an additional level of fraud prevention. One study by the National Notary Association found that 30% of notaries in traditional notarization settings have faced pressure to ignore or break state laws. With RON, a notary can complete transactions in a setting in which they are comfortable and can terminate a session if for any reason they are uncomfortable or suspect fraud.

Conclusion:
Through the introduction of these technologies, RON has created a legal framework and regulatory structure that modernizes notarization while increasing the security and fraud prevention capabilities of the process. RON helps notaries expand upon their capabilities and gives them the tools to participate in the digital economy. With RON, states can offer both notaries and residents an additional option for notarization that meets the demands of today's digital world without sacrificing important fraud prevention and security measures.

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