**ATD Data Science Assessment**

E-commerce websites often transact huge amounts of money. Whenever a huge amount of money is moved, there is a high risk of users performing fraudulent activities, e.g. using stolen credit cards, laundering money, etc.

The goal of this challenge is to build a machine learning model that predicts the probability that the first transaction of a new user is fraudulent.

Electronica is an e-commerce site that sells wholesale electronics. You have been contracted to build a model that predicts whether a given transaction is fraudulent or not. You only have information about each user’s first transaction on Electronica’s website. If you fail to identify a fraudulent transaction, Electronica loses money equivalent to the price of the fraudulently purchased product. If you incorrectly flag a real transaction as fraudulent, it inconveniences the Electronica customers whose valid transactions are flagged—a cost your client values at $8.

**Scoring:**

- explore the data

- keep all your work

- comment your code

- explain any features that you engineer

- indicate which model is final

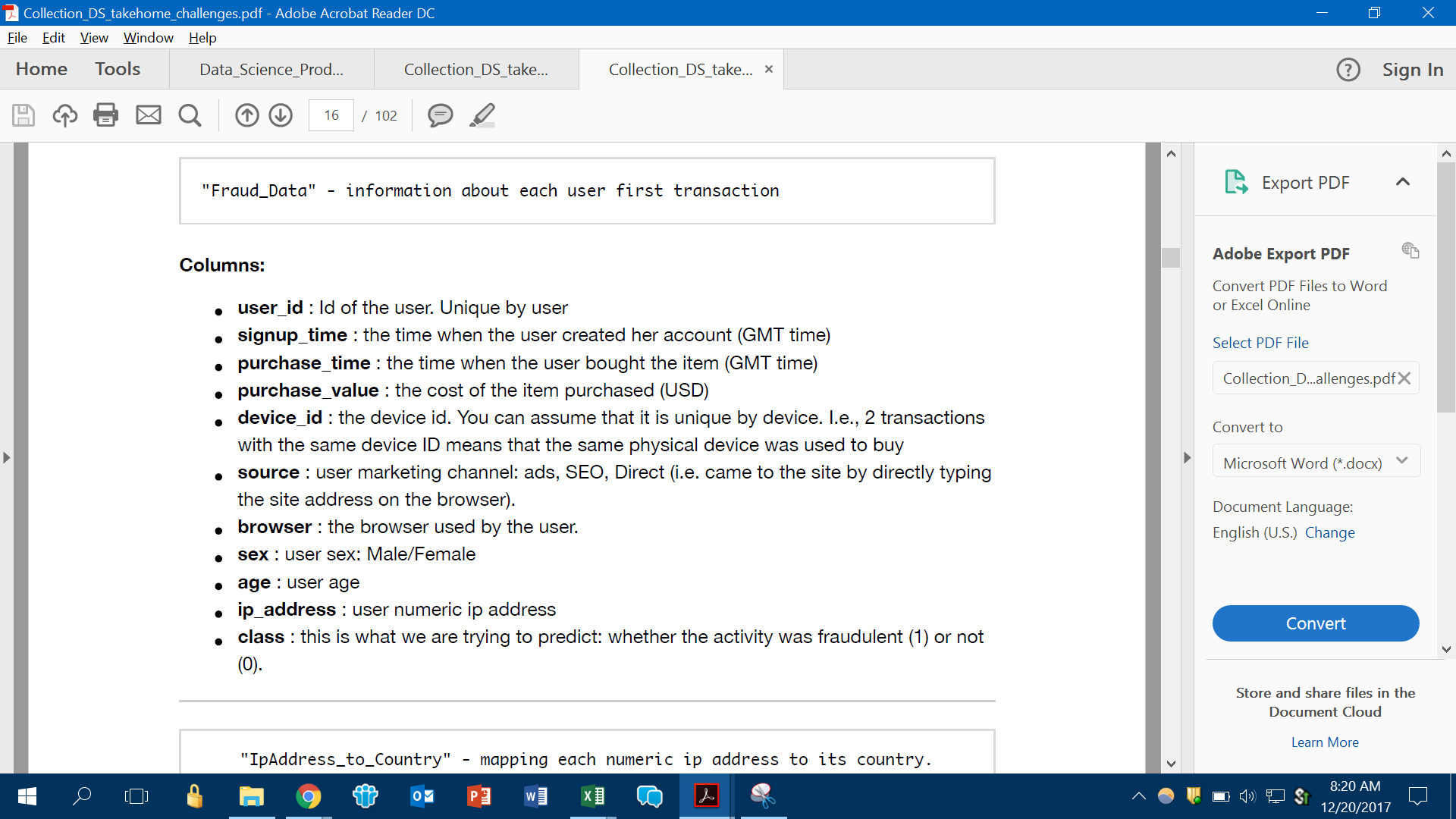
- originality / exploration of different model types

- feel free to include “next steps” in the comments of your code—you may be given partial credit for incomplete analyses

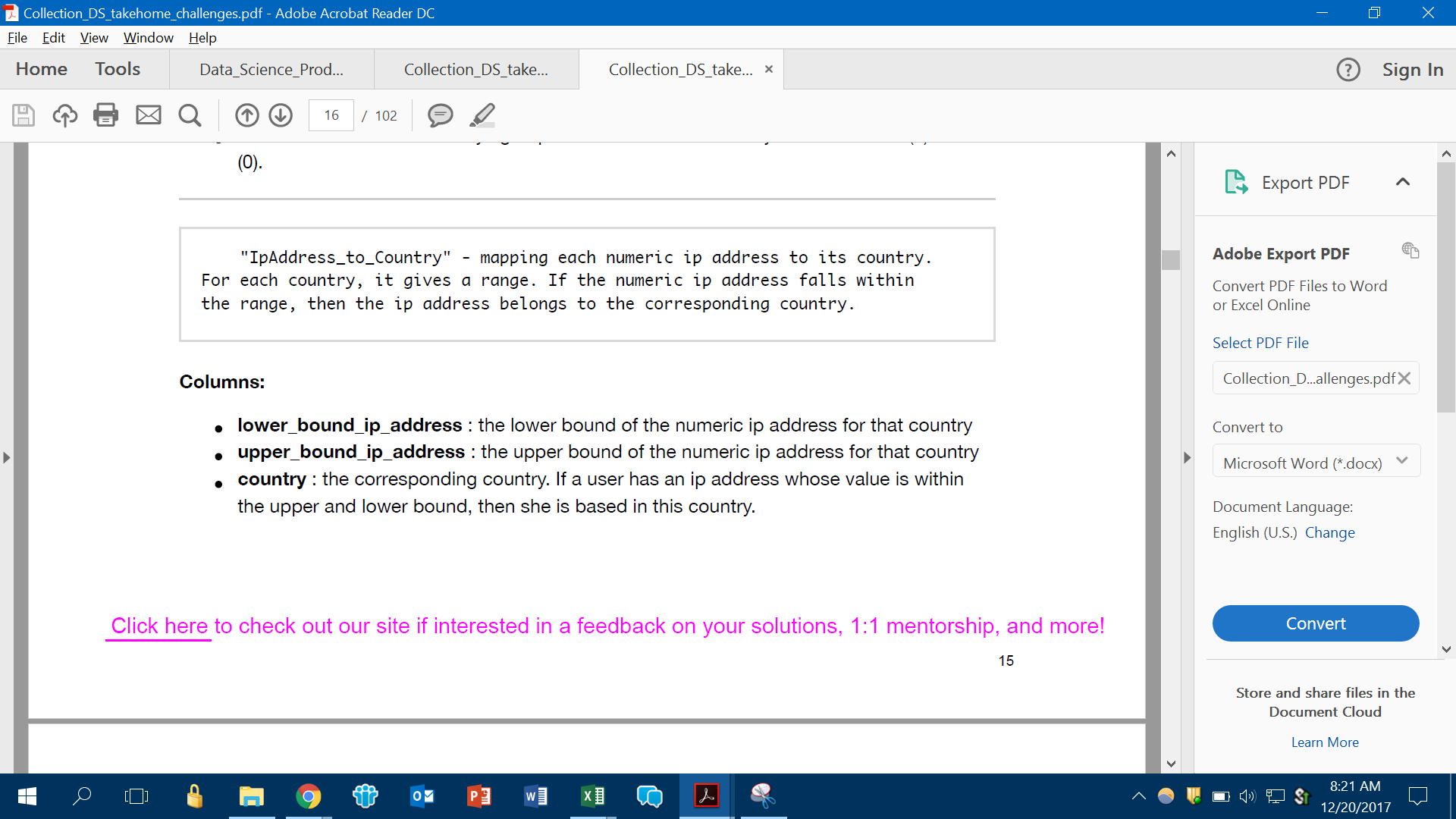
- We have withheld 20% of the dataset, with which we will evaluate the out-of- sample performance of your final model

**(more on the next page)**

**Fraud data**

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**IP address to country mapping**

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