

A Major Project Report on

**ADVANCED NEURAL NETWORK ARCHITECTURE FOR
DETECTING FRAUD IN INTERNET LOAN APPLICATIONS**

Submitted in partial fulfilment of the requirements

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IN

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CERTIFICATE

This is to certify that the Mini project report entitled “**ADVANCED NEURAL NETWORK ARCHITECTURE FOR DETECTING FRAUD IN INTERNET LOAN APPLICATIONS**” submitted by

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To the department of COMPUTER SCIENCE AND ENGINEERING,
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I **GADDAM SHRIYA REDDY (20UJ1A0514)**, student of 'Bachelor of Technology in Computer Science And Engineering, during the session: 2020-2024, Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad, hereby declare that the work presented in this Project Work entitled "**ADVANCED NEURAL NETWORK ARCHITECTURE FOR DETECTING FRAUD IN INTERNET LOAN APPLICATIONS**" is the outcome of my bonafide work and is correct to the best of my knowledge and this work has been undertaken taking care of Engineering Ethics. It contains no material previously published or written by another person nor material that has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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ABSTRACT

The rise of digital technology and online transactions has led to an increase in various types of fraud, especially in the financial sector. Internet loans, being a convenient way for people to access quick financial assistance, have also become a target for fraudulent activities. Traditional fraud detection systems typically rely on rule-based methods and statistical models. Rule-based systems use predefined rules to flag transactions that match specific patterns associated with fraud. Statistical models, such as logistic regression, analyze historical transaction data to identify anomalies. While these methods have been useful, they often struggle with detecting complex, non-linear patterns that are characteristic of fraud in internet loan applications. Therefore, it is necessary to combat fraudulent activities effectively and efficiently. Detecting fraud in internet loan applications is crucial for financial institutions to maintain trust, reduce financial losses, and comply with regulatory requirements. Deep learning, a subset of artificial intelligence (AI), has shown great promise in enhancing fraud detection capabilities due to its ability to analyze large volumes of data and identify complex patterns. These models offer advanced techniques to process vast amounts of data, enabling the identification of subtle and sophisticated fraud patterns that might be undetectable by traditional methods. Thus, this research develops a deep learning anti-fraud model for Internet loan applications, which includes improving model accuracy through advanced neural network architectures, enhancing real-time processing capabilities, integrating explainable AI techniques for better transparency, and leveraging unsupervised learning methods for detecting previously unknown fraud patterns. Additionally, the future lies in collaborative efforts between data scientists, cybersecurity experts, and financial institutions to stay ahead of fraudsters and create a secure digital lending environment.

LIST OF FIGURES

FIG NO	DISCRIPTION	PG. NO
Figure 3.1	Random Forest algorithm	12
Figure 4.1	Block diagram of proposed system	17
Figure 4.2	Perceptron neuron model(left) and	19
Figure4.3	threshold logic (right) Perceptron neuron model(left) and activation function (right)	20
Figure 4.4	Architecture of ANN	22
Figure 4.5	ANN, highlighting the feedforward and backpropagation steps	23
Figure 5.1	UML Diagram	25
Figure 5.2	Sequence Diagram	26
Figure 5.3	Data flow Diagram	27
Figure 5.4	Class Diagram	28
Figure 5.5	Deployment Diagram	30
Figure 5.6	Activity Diagram	31
Figure 10.1	GUI of Fraud detection in internet loan applications	71
Figure 10.2	Upload dataset in the GUI	72
Figure 10.3	Count plot of categories count in dataset	73
Figure 10.4	Applying SMOTE for categories Label	73

Figure 10.5	Data preprocessing and splitting	74
Figure 10.6	Confusion Matrix of random forest model	75
Figure 10.7	Confusion Matrix of ANN Model	76
Figure 10.8	Performance comparison of ANN and RFC models	77
Figure 10.9	ANN Model prediction on test data	78

LIST OF TABLES

TABLE.NO	DISCRIPTION	PG.NO
Table 10.1	Performance comparison of Random Forest Classifier and ANN Model for Fraud Detection	78

ABBREVIATIONS

AI	Artificial Intelligence
GTWE	Gaussian Transform weighted Embedding
AUC	Area Under the curve
PCA	Principal Component Analysis
RF	Random Forest
MLP	Multi-Layer Perceptron
CNN	Convolutional Neural Network
BILSTM	Bidirectional Long Short-Term Memory
GAN	Generative Adversarial Network
CCFD	Cross-Channel Fraud Detection
RTAHC	Reinforcement Training Adaptive Heterogeneous CCFD
SDG	Stochastic Gradient Descent
TFD	Transaction Fraud Detector
SVM	Support Vector Machine
KNN	K-Nearest Neighbors
CPU	Central Processing Unit
GUI	Graphical User Interface
SMOTE	Synthetic Minority Oversampling Technique
IOT	Internet of Things
JDBC	Java Data Base Connectivity
ODBC	Open Data Base Connectivity
IDLE	Integrated Development and Learning Environment

LIST OF CONTENTS

ABSTRACT		i
LIST OF FIGURES		ii
LIST OF TABLES		iv
ABBREVIATIONS		v
CH NO	DESCRIPTION	PG. NO
CHAPTER 1	INTRODUCTION	2
1.1	Overview	2
1.2	Problem statement	2
1.3	Research Motivation	3
1.4	Applications	4
CHAPTER 2	LITERATURE SURVEY	7
CHAPTER 3	EXISTING METHODOLOGY	16
3.1	Random Forest Algorithm	16
3.2	Random Forest Classifier	16
3.2.1	Random Forest algorithm	17
3.2.2	Important Features of Random Forest	17
3.2.3	Assumptions for Random Forest	18
3.2.4	Types of Ensembles	18
3.3	Drawbacks	19
CHAPTER 4	PROPOSED METHODOLOGY	20
4.1	Overview	20

4.2	Data Preprocessing	22
4.3	Data Splitting	23
4.4	ANN Classifier	24
4.5	ANN	25
4.4.1	Advantages of Proposed Method	28
CHAPTER 5	UML DIAGRAMS	29
CHAPTER 6	SOFTWARE ENVIRONMENT	36
CHAPTER 7	SYSTEM REQUIREMENTS	52
CHAPTER 8	FUNCTIONAL REQUIREMENTS	53
CHAPTER 9	SOURCE CODE	54
CHAPTER 10	RESULTS AND DISCUSSION	71
10.1	Implementation Description	71
10.2	Dataset Description	72
10.3	Results and Description	73
CHAPTER 11	CONCLUSION AND FUTURE SCOPE	74
	REFERENCES	76

