



## The Holistic Approach to Fraud

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Business Solutions Partner

































































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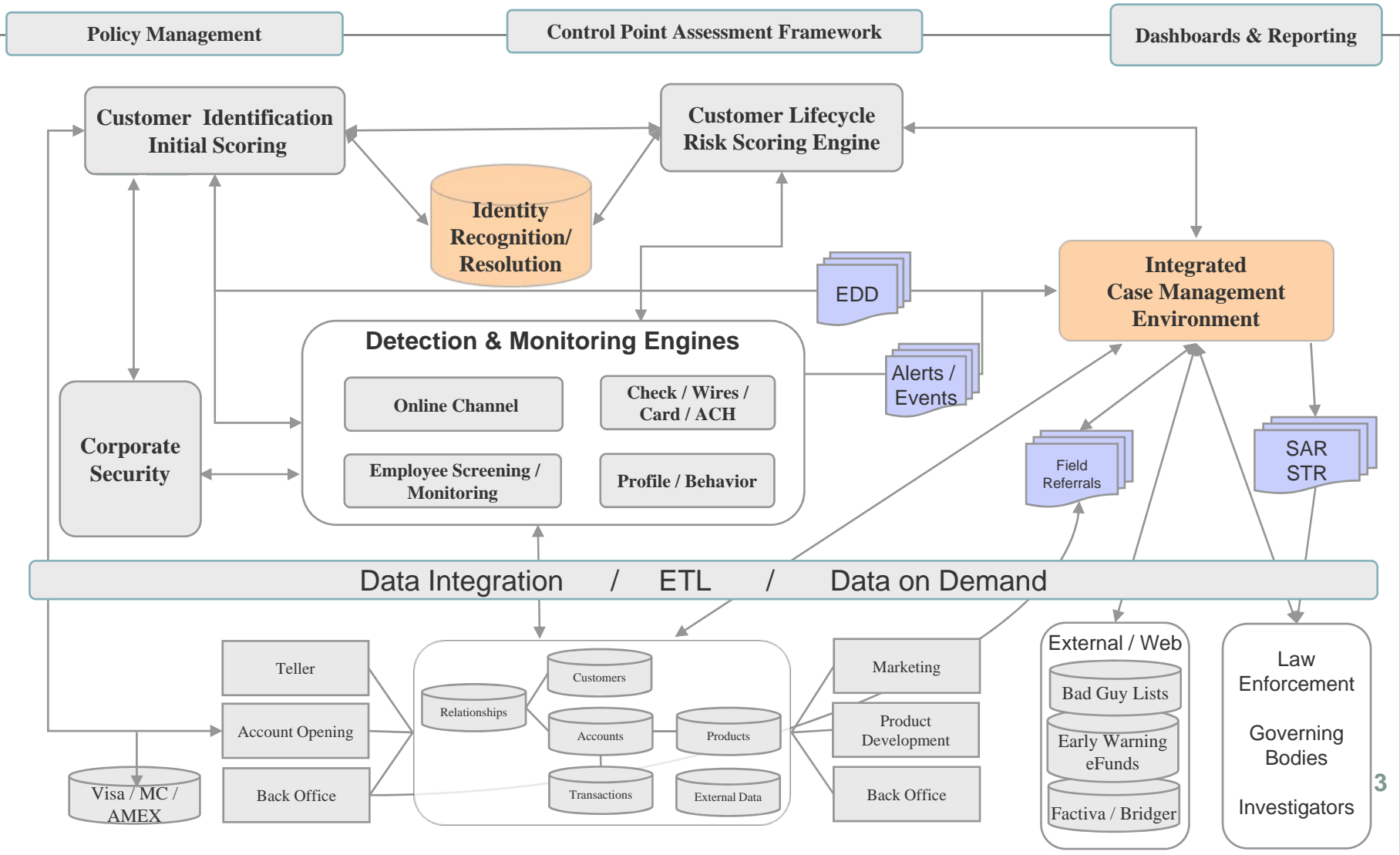
# Fraud Themes are Common Across a Bank



-  High Impact – Requires immediate attention
-  Medium Impact – Requires attention
-  Low Impact – Needs future consideration

<u>TYPE</u>	<u>INDUSTRY RESPONSE</u>	<b>Cards</b>	<b>Lending</b>	<b>Mortgage</b>	<b>HELOC</b>	<b>Cheque</b>	<b>ATM</b>	<b>Insurance</b>	<b>Securities</b>
Counterfeit	Hologram, EMV								
Skimming	EMV								
Lost & Stolen	EMV								
Identity theft	Data pools								
Credit loss	Internal CRM / data mining								
Bust-out	Data pools / Analytics								
Non-receipt	Card auth								
E-Commerce/MOTO	CV2, VbyV								
Kiting	Analytics								
Phishing / Pharming	Education								
Collusion / internal	Analytics								
Claims	Analytics								
Padding	Analytics								
Staging	Data Pools								

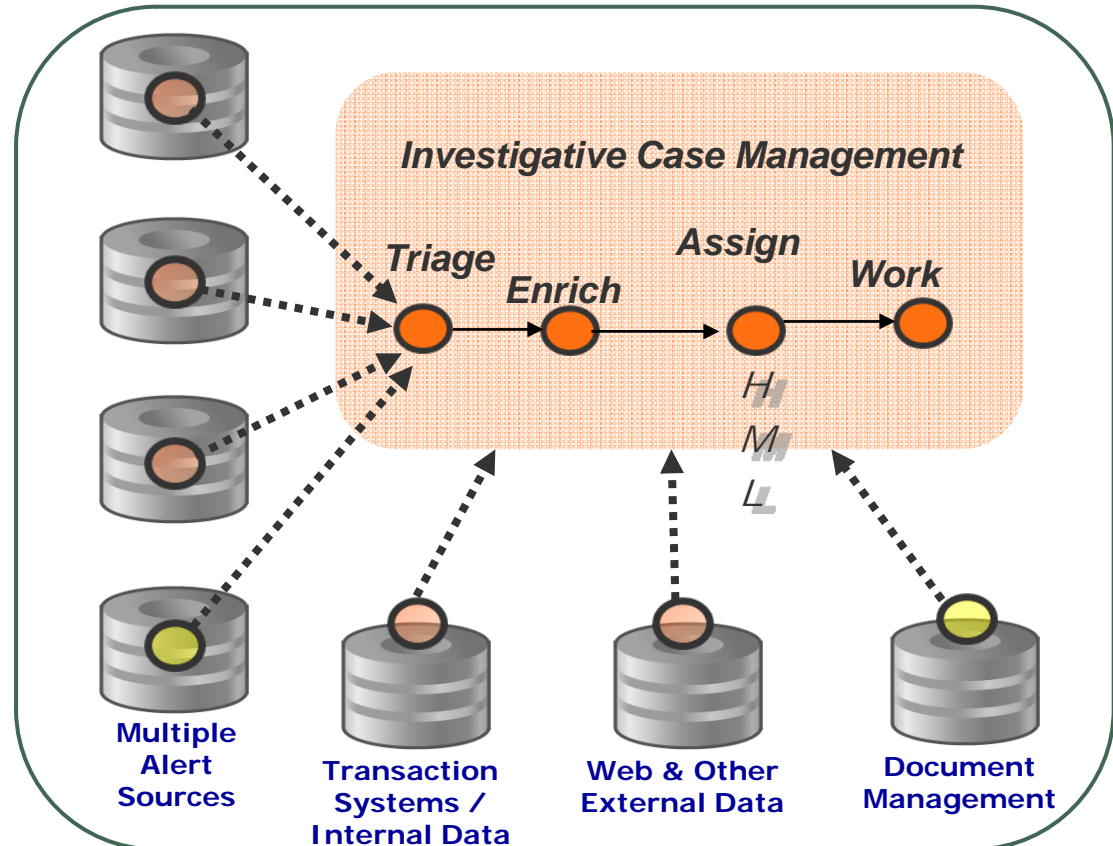
## An Integrated Fraud System Includes Two Key Components



## The First “Key” Component is a common composite, investigative case management system

### Enterprise Alert and Case Management

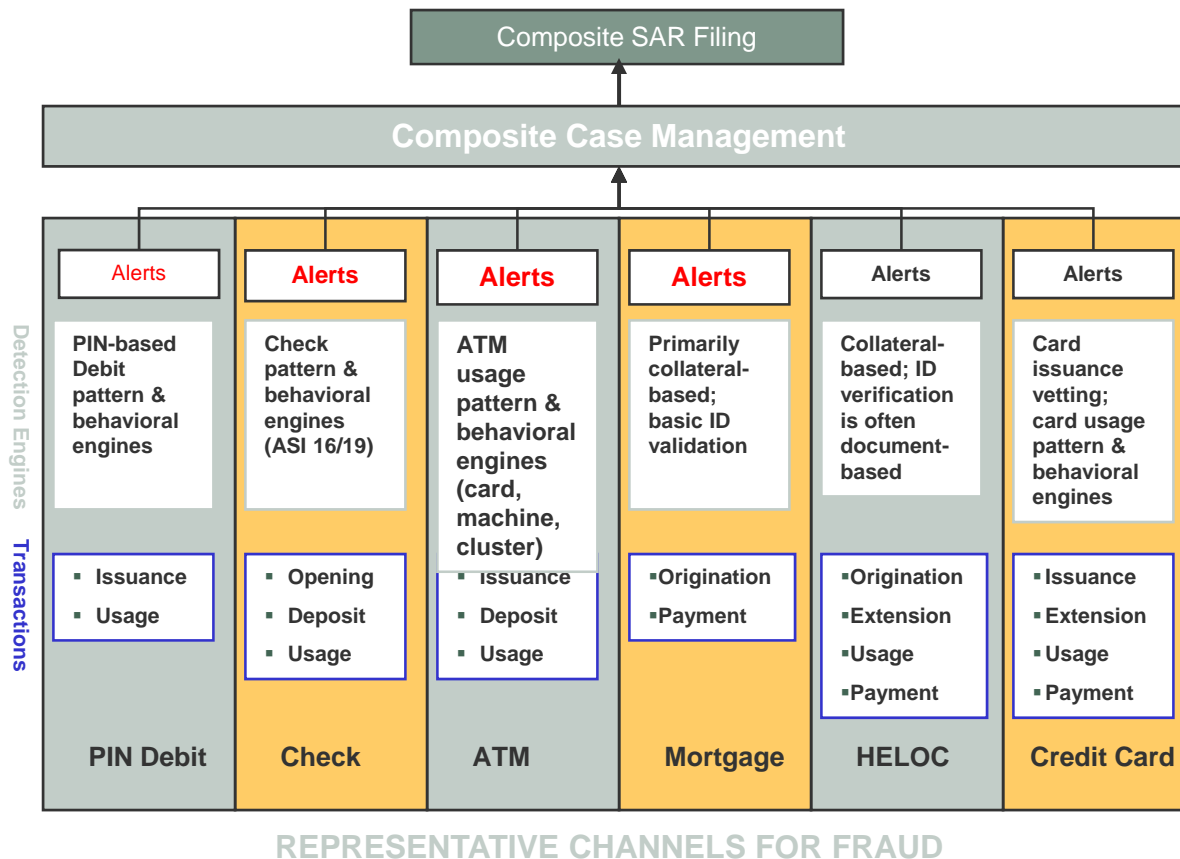
- Combine alerts to create a composite score – eliminating duplication
- Assign alerts based on priority or risk – gaining effectiveness
- Enrich the data before an analyst touches it – improving efficiency
- Assign to appropriate people based on risk – leveraging skills
- Provide tools to facilitate investigation – finding the smart people doing evil things



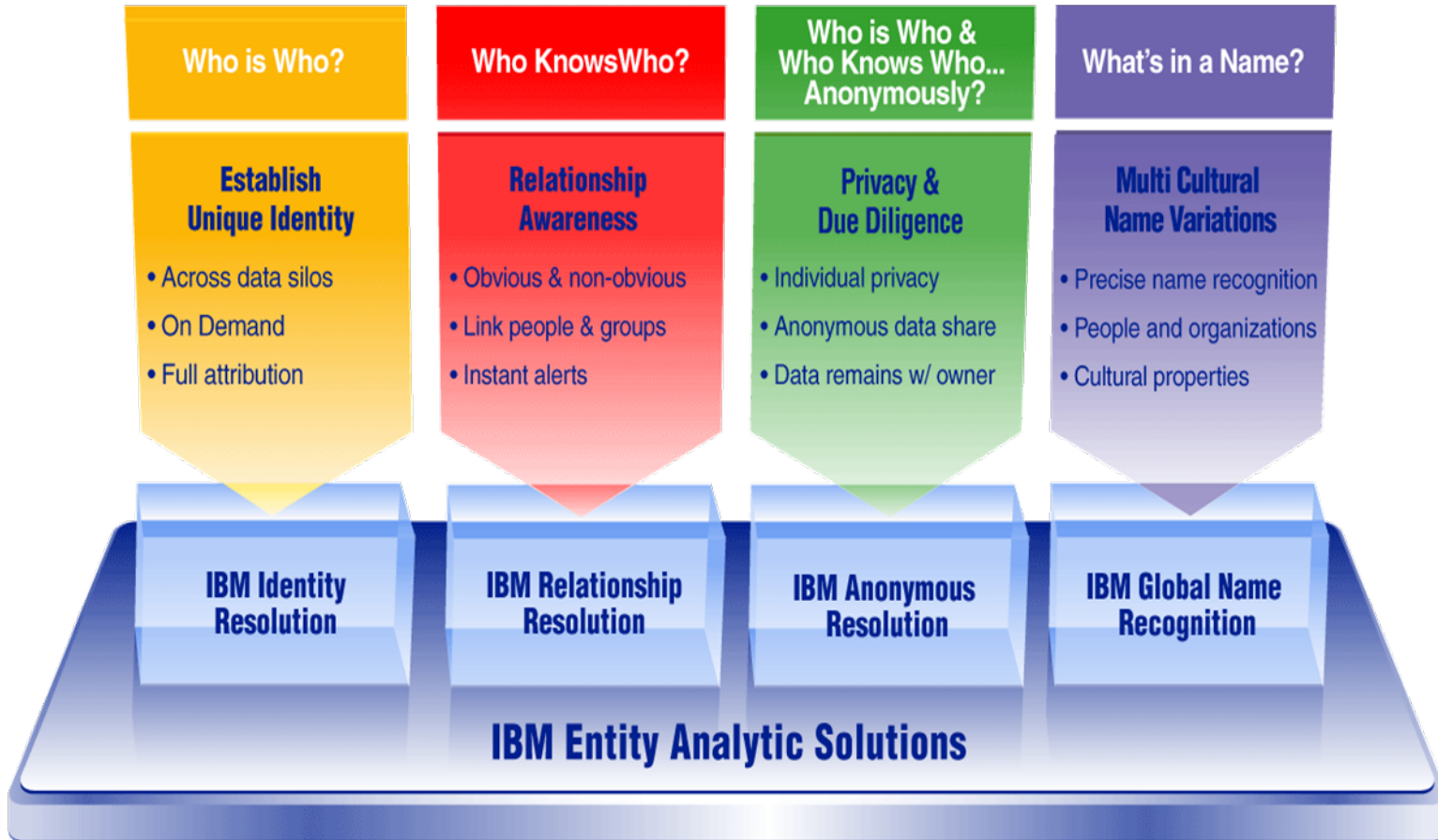
Given limited resources, Financial Services firms must cost effectively leverage existing investments in fraud prevention and detection<sup>4</sup>

## Composite Case Management Synthesizes Disparate Fraud Info

Creates a common view of fraudulent transactions and perpetrators and provides platform for consistency of rules, guidelines & enforcement practices  
 (Addresses both industry recommendations by BITS)



## The Second Key Component is Improved Entity Resolution



**Systems must resolve multi-cultural names utilizing semantic technologies**

حاج محمد عثمان عبد الرقيب

**1#. West Africa**

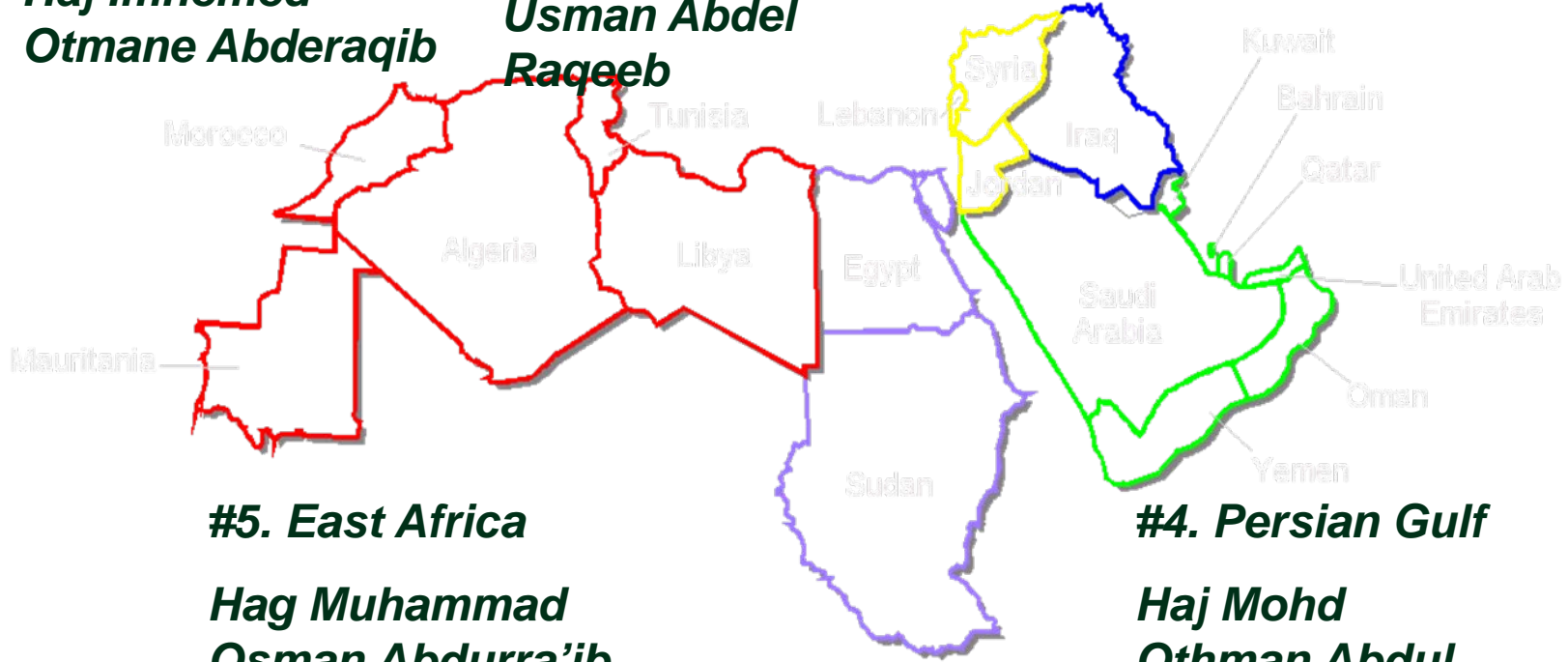
**Haj Imhemed  
 Otmane Abderaqib**

**2#. Levantine**

**Muhamad  
 Usman Abdel  
 Raqeeb**

**#3. Iraq**

**Hajj Mohamed  
 Uthman Abd Al Ragib**



**#5. East Africa**

**Hag Muhammad  
 Osman Abdurra'ib**

**#4. Persian Gulf**

**Haj Mohd  
 Othman Abdul  
 Rajeeb**

**What's in a Name**

# And Systems must resolve obscured entities and identify networks of collaborators

Cheque



Mrs. Kate Greene  
 1 Bourne St  
 Clinton MA 01510  
 Tel#978-365-5312  
 DOB 07/08/64  
 LIC#1702188364

**Fraud Networks**

**Recently Added:  
 Suspected Fraudster  
 Mrs. Linda Sweetheart**  
 1067 6<sup>th</sup> Ave  
 Clinton, MA 01510  
 Tel: 376-557-5050  
 LIC#ATB8576-873  
 Incident happened:  
 07/09/04



Credit  
 Card



Ms. Cat Greenspan  
 1067 6<sup>th</sup> Ave  
 Clinton MA 01510  
 TEL#614-389-6412  
 LIC#170UYRE-8364  
 DOB 07/09/66

**Enterprise Multi-Channel  
 Trust Verification**

Internet  
 Banking



Ms. Kathy Greenwall  
 1 Wallace Ave  
 Clinton MA 01510  
 Cell#788-365-4431  
 LIC#170UYRE-8364  
 DOB 07/09/63

**Employee  
 Collusion**

**Branch Phone Logs (07/09/04)**

- 978-365-6631
- 614-876-8456
- 376-557-5050
- 949-657-8128
- 513-876-2853
- 217-314-2127

Commercial  
 Banking



Mrs. Kathleen Greenwood  
 10 Sycamor St  
 Clifton MA 01510  
 Tel#614-389-6412  
 LIC#7102188364

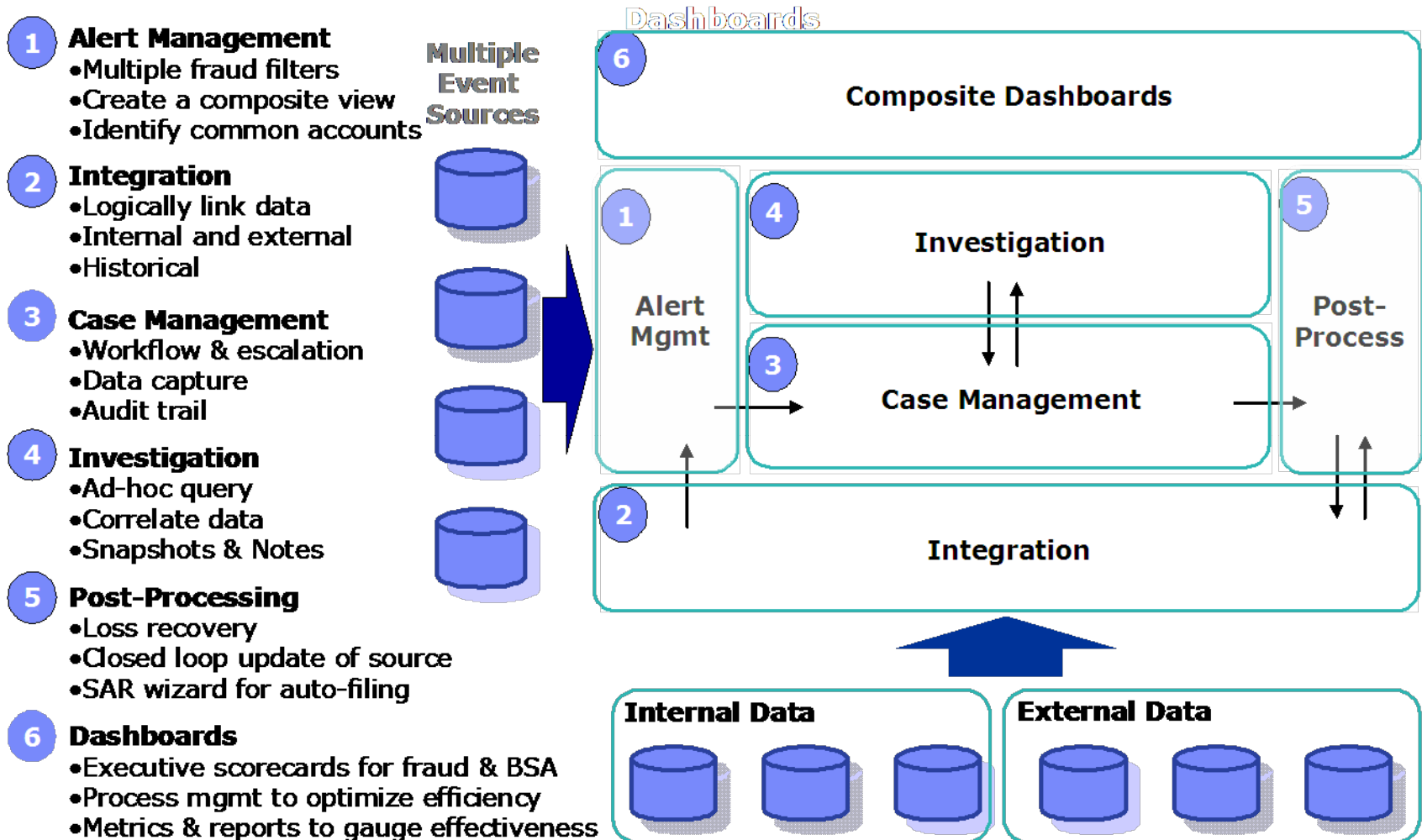
**Branch Manager  
 Mr. Earl Easygoing**  
 3458 Waggoner Rd  
 Clinton MA 01510  
 Cell#788-365-4431  
 LIC#ATB8576-873  
 DOB 07/09/78



**WHO IS WHO?**

**WHO KNOWS WHO?**

## In Summary, Two Key Infrastructure Changes Can Provide a Holistic View of Fraud while leveraging your Existing Alerting Infrastructure



# Thank you!

धन्यवाद

Hindi

多謝

Traditional Chinese

ขอบพระคุณ

Thai

Спасибо

Russian

Gracias

Spanish

شكراً

Arabic

**Boris Kusovski**

**614-866-9024**

**Kusovski@us.ibm.com**

Obrigado

Brazilian Portuguese

Grazie

Italian

多谢

Simplified Chinese

Danke

German

Merci

French

நன்றி

Tamil

ありがとうございました

Japanese

감사합니다

Korean

PIIE Smart Client Browser - AMLCaseBuilder

File Edit View Tools Help Lisa Zarzycki

Home Monitoring Investigation Dashboard Administration

## Alert Management Center

Assignment | Alert | **False Positive** | Web Research | Print Alert | Create New Alert

My Alerts | Group Alerts | Search Alerts

False Positive | Approve False Positive | Reject False Positive

Alert #	Type	Sub-Type	Created On	Cases	SARs	Assigned To	Current State	Previous State	Score	Risk Ind	Risk Cd
0612061629	Falcon	A	12/18/06			SLT580	EDD Requested	Triage			
0612061858	KITE	KITE	12/18/06	0	0	MXT355	EDD Requested	Triage	0.0		
0612061628	Falcon	A	12/18/06			SLT580	EDD Requested	Triage			
0612061774	Identity Chek	Undetermined	12/18/06	0	0	CNW521	Triage	Open	0.0		
0612061769	Identity Chek	Undetermined	12/18/06	0	0	CNW521	Triage	Open	0.0		
0612061752	Identity Chek	Undetermined	12/18/06	0	0	CNW521	Triage	Open	0.0		

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Alert Detail | Customer | Account | Card | Branch | Comments | Files | Audit

### Alert Details

Alert Number: 0612061858  
 Type: KITE  
 Sub-Type: KITE  
 Created On: 12/18/06 8:10 AM  
 Imported On: 12/18/06 8:30 AM  
 Created By: WBIMBRK  
 Assigned To: MXT355  
 Prev. Assignee: MXT355  
 SSN / TIN: [REDACTED]  
 Account #: [REDACTED]  
 ABA #: [REDACTED]  
 Card #: [REDACTED]

Verify Customer | Verify Account | Amount: \$0.00

KMS Suspect Profile - Date: 12/18/2006

Bank ID: 10043 Office ID: 43604 CUSTOMER: [REDACTED]

ACCOUNT INFORMATION		ACTIVITY		NUMBER	AMOUNT
Related Acct	Class	Type	Opened	Credits:	Debits:
00000000000	B	00	07/25/2003	7.00	2058867.61
				19.00	2062592.38

BALANCES		KMS INFORMATION		DATE LAST	
CURRENT:	16137.67	FILE DATE:	12/15/2006	ACTIVE:	12/15/2006
AVAILABLE:	16137.67	CR RATIO:	0.636364	DEPOSIT:	12/15/2006
AVERAGE:	19517.85	TURNOVER:	0.142198	STATEMENT:	11/30/2006
UNCOLLECTED:	0.00	WEIGHT:	289239	RETURNED ITEM:	12/30/1899

ProgressBar is running

- All Alerts in one workflow; not segregated by product or channel
- Work States allow for easy tracking
- Fields populated by calls to data sources
- Decision tree allows work to flow to case or false positive
- Related alerts, accounts, and customers are visible through open view

# Case Management

PIIE Smart Client Browser - AMLCaseBuilder

File Edit View Tools Help Lisa Zarzycki

Home Monitoring Investigation Dashboard Administration

## Investigation Center

Assign | Case | SAR | No SAR | Sar Sup | Post Process | Create Case | Web Research | Print Case |

My Cases Group Cases Search Cases | Refer for Inv | Req More Info | Req Mgr Review | Return Review | Return to Inv | Review Case |

Case #	Case Name	Type	Sub Type	Created	Due	Cases	SARs	Assigned To	Current State	Previous
FID-2006-00000875		Internal Referral	ACH Department	11/16/06	12/15/06	0	0	MAE961	SAR - Closed	SAR - Pen
FID-2006-00000399	Ghetto Fabulos Enterprises	Banking Centers	Counterfeit	11/8/06				JOL266	SAR - Closed	SAR - Pen
FID-2006-00001573		Internal Referral	AML Compliance	11/30/06				RMB767	SAR - Closed	SAR - Pen

Page 1 of 3 Rows 1-100 of 202

Case Dates Summary Related Cases Incidents Financials Audit Files Reminders Comments

Information Create Dup Case

Case #: FID-2006-00000399

Name: Ghetto Fabulos Enterpri...

Type: Banking Centers

SubType: Counterfeit

State: SAR - Closed

Disposition: Demand Letter Modify

Case Created On: Nov 8, 2006

Last State Change: Dec 15, 2006

Case Created By: RLD011

Assigned To: JOL266

### Case Details

Review Days: 0 Update

Prior External Cases

External Paper File

Employee Involvement

Supplemental Research

ACO

Main Location: 80304 Select Branch

**Branch Location Information**

29201 Telegraph Road

Southfield MI 48034-\_\_\_\_

Phone (248)371-6740 Fax (248) 356-3450

Line of Business: <none>

Customer Type: Business (B)

Market: MI

Link: Select Link

**Due Date:** Update

**Refresh** Update

At Risk Involved: \$17,500.00

Reported: \$17,500.00

Prevented: \$0.00

Recovered: \$0.00

Payments: \$0.00

Net Loss: \$16,800.38

Risk Avoided: \$699.62

Update Details

- Case data is carried over from the alert

- Multiple views allow for easy management

- Automated SAR filing

- Separate financials tab tracks risk, preventions, losses and recoveries

# Dashboards



- Role based access to executive view
- Toggle between Executive and Report View
- Monitor Key metrics (aggregate)
- Drill down to view details
- Monthly (Weekly) Trending views
- View by location on Map