



## SAS® Analytics for Financial Crimes

Using analytics to enable performance improvements  
in your anti-money laundering monitoring solution

### Overview

These days, compliance with anti-money laundering regulations isn't optional — it's a necessary cost of doing business. As regulations increase, so does the underlying need for financial institutions to be more effective and efficient in complying with those regulations — all while keeping the cost of ownership of existing monitoring solutions under control. SAS can help.

Based on our extensive experience working with financial institutions to implement anti-money laundering solutions, SAS® Analytics for Financial Crimes applies award-winning SAS Analytics to transaction monitoring solutions from other vendors, enabling significant improvements in both performance and transparency. The result is a combination of people, processes and technology designed to help financial institutions evaluate their current compliance processes and tools.

### How it works

During the initial phase, SAS helps you evaluate your AML transaction monitoring processes — whether your AML solution comes from SAS or another vendor.

Working with your AML compliance team, SAS uses a proven, data-driven methodology to identify and document project objectives and business requirements, and then convert them into a performance optimization plan designed to achieve those objectives.



### Benefits

- **Reduce false positives.** Improve investigation efficiency and increase the number of relevant work items.
- **Mitigate risk of existing monitoring system(s).** Enhance transparency, identify gaps in current processes and control compliance costs.
- **Refine and optimize scenarios.** Provide regulators with documentation on adjusted or disengaged scenarios.
- **Report baseline performance.** Examine and document your monitoring system's effectiveness and efficiency.
- **Incorporate Know Your Customer (KYC) risk scoring.** Add in new risk scoring methodologies that include additional variables and attributes.
- **Post-alert predictive analysis.** Evaluate "good" and "bad" alerts as defined by your business processes and investigations or regulatory reporting.

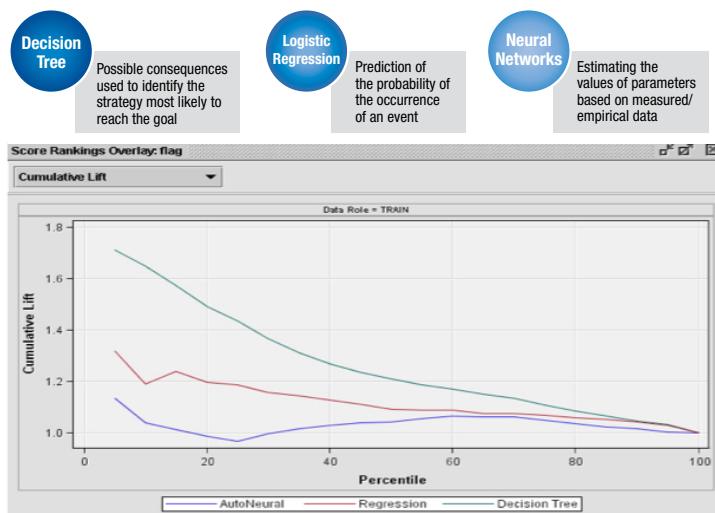
## Establishing a repeatable methodology

SAS helps you establish a repeatable methodology that can be applied more broadly. This may involve selecting several processes that are good candidates for improvement. For example, to reduce false positives, you may select several scenarios that generate a high volume of alerts or redundant work items. SAS will help you compile the necessary data and then perform these steps:

- **Exploratory data and scenario analysis.** SAS analyzes your existing transaction monitoring business logic, alerts, relevant data and dispositions to establish baseline metrics.
- **Tuning, modeling and optimization.** SAS applies a variety of statistical and analytic techniques to identify opportunities for scenario improvement.
- **Validation and deployment.** SAS analyzes transaction values and volumes by appropriate customer segments. Rule parameter settings can be validated and documented for regulatory or audit review.
- **Post-alert analysis.** SAS can apply a number of filters, suppression techniques and scoring to help you triage low-risk events for appropriate handling so that resources can be devoted to high-risk exposures.

## Project specifications

An AML Current State Report provides a baseline for assessing tuning effectiveness and insight into your current AML program for a specific time period. This report may include total alerts, total SARs, total CTRs and SAR rate.



## Rule tuning, modeling and optimization

SAS uses a variety of modeling and optimization techniques to calibrate scenario parameters (clustering, peer grouping, linear and nonlinear programming, statistical and predictive modeling). This process identifies optimal parameter thresholds based on business objectives. In addition to typical tuning approaches (data matching/verification, visualization, rules/statistical profiles, etc.), SAS may also use advanced data mining techniques.

## Targeted investigation process

Tuning and modifying detection rules is crucial for getting the most out of any transaction monitoring system. Once the detection rules have been tuned and a process established to maintain their relevance, attention can turn to the correlation between rules firing and other customer characteristics that contribute to the prediction of a SAR filing. Not only can this process reduce investigator work loads by reducing the number of work items, but it will provide insight into the validity of the detection rule as well as surface gaps in the surveillance strategy.

## Detailed report

Upon project completion, SAS will deliver a detailed report that includes:

- **Executive summary** – Outlines the scope of the project, business objectives and results of the exercise.
- **Analysis and supporting details** – Documents the baseline metrics of existing processes and provides details of the resulting analysis, including analytic methodology, techniques and business considerations taken to achieve the results.
- **Recommendations** – Gives details for recommended improvements to the AML processes under review.

## Find out more

For more information about how SAS Analytics for Financial Crimes can assist you with your anti-money laundering compliance issues, please contact us at 919-531-3119.



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