

# Minimize false positives, maximize efficiency and control compliance costs with SAS® Real-Time Screening



## Business Impact

“The core mission of anti-money laundering programs is to identify risky actors and detect suspicious activity. This is accomplished through three key operational areas: entity review, payments screening and forensics. In an effective AML program, these three areas will be interlocking, with risk findings from each area informing the others. Watchlist screening provides inputs to all three of these areas.”

Solutions for Watchlist Screening:  
2018 ABCD Vendor View, Celent.

## Challenges

- **Digital transformation.** The growing speed of payments due to digital transformation, fintech and e-commerce make monitoring and flagging suspicious transactions and customers increasingly difficult.
- **False positives.** False positives generated by ineffective watchlist screening solutions can reach 70% or more.
- **Language translation/transliteration.** Without a sophisticated watchlist screening solution, it's difficult to detect name variations, including aliases and transliterated names, as well as variations due to data quality issues, such as partial names and corrupted names.
- **Regulatory rigor.** Multijurisdictional list management and rapidly changing watchlists, as well as ultimate beneficial ownership (UBO) requirements, make regulatory compliance even harder for financial institutions.

## The Issue

Digital transformation and the growth of fintech and e-commerce in recent years have led to an increase in the speed of payments and transactions, making watchlist screening the most scrutinized area of anti-money laundering (AML) compliance. Rapidly changing watchlists, sanctions, adverse news and politically exposed persons (PEPs) have to be on financial institutions' radar. How else can they prevent exposure to reputational, regulatory and financial risks?

Unfortunately, sanctions and PEP screening are prone to high false positive alerts due to the number of lists, name variations – including aliases and transliterated names – and variations due to data quality issues, such as partial and corrupted names. The challenge for financial institutions is striking the right balance between positive identification of sanctioned entities among the high volume of false positives and processing payments for their customers without unwarranted delay.

## Our Approach

To address these challenges, SAS Real-Time Screening provides a sophisticated watchlist screening solution that processes thousands of transactions per second to rapidly detect sanctioned entities, beneficial owners and their linkages in real-time – all while delivering accurate and productive alerts.

SAS Real-Time Screening enables financial institutions to:

- Validate customers and transactions against a wide variety of watchlists in real time.
- Create, govern and update user-defined real-time screening rules.
- Configure parameters for fine-tuning alerts.
- Leverage custom or predefined integrated case workflows for efficiently resolving matches.

## End-to-end watchlist screening

SAS Real-Time Screening helps financial institutions comply with regulatory requirements to comprehensively screen transactions in real time and customers in batch against watchlists that are issued by various authorities, including the US Treasury Department, US Office of Foreign Assets Control, the United Nations, the European Union, Her Majesty's Treasury, and the Financial Action Task Force on Money Laundering.

Beyond sanctions, SAS Real-Time Screening supports other types of watchlists that firms are using to scan against their customers, including PEPs, enforcement lists like the Section 314(a) program, and other internal or third-party lists (for example, Do Not Do Business or Closure for Cause). Although these types of lists are not as sensitive as sanctions, they are essential to a complete anti-money laundering program and require the same level of rigor and analytics.

### Sophisticated analytics

Our superior scoring algorithm – with organization-specific filtering rules, unique name matching analytics, multilingual screening capability and alert consolidation – generates high-quality hits with low false positives. This allows compliance analysts to maximize their efficiency by focusing only on quality alerts that warrant reviews. The solution leverages powerful SAS Event Stream Processing for high-volume throughput (thousands of events per second), low-latency response times, and faster analysis of structured and unstructured data sources using advanced analytics with embedded AI and machine learning capabilities.

### Integrated alert and case management

SAS Real-Time Screening offers user-friendly alert and case management that intelligently prioritizes alerts for expedient investigation and resolution. Automated data collection brings relevant images, prior cases, third-party data, maps, transaction history and more to analysts, resulting in a 20%-30% time reduction in entity reviews.

Interactive drag-and-drop page builder and configurable settings, views and workflows make it easy to tailor the application for unique business or user requirements. An easy-to-use network viewer backed

by powerful analytics allows analysts to visualize and interactively explore an entity's entire social network for faster decisioning. Analysts can get a holistic view of risk with a single combined alert in one user interface, rather than individual alerts for each triggered activity.

## The SAS® Difference

Providing a new level of analytics prowess to watchlist screening, SAS helps financial institutions minimize false positives, maximize efficiency and control compliance costs.

SAS Real-Time Screening allows you to:

- **Process thousands of transactions per second** using machine learning and streaming analytics to rapidly spot red flags hidden in torrents of fast-moving data to help your analysts make real-time, intelligent decisions.
- **Significantly reduce false positives** with industry-leading analytics, parameter tuning, user-defined rules, white lists, alert suppression and consolidation.
- **Accelerate the complete analytics life cycle**, from data preparation to discovery to deployment, with a powerful, open SAS® Viya® cloud platform that provides faster processing of huge data sets and operationalizes the most complex analytics, including machine learning, deep learning and artificial intelligence.
- **Improve operational efficiency** through a user-friendly visual investigation platform that offers self-service capabilities, robotic process automation, integrated case management workflows, alert hibernation, automated alert prioritization and embedded WorldCheck and Dow Jones images link in alerts.

- Leverage network-based analytical techniques that present a **single, unified entity-centric view** to rapidly identify potential money laundering risks or sanctions breaches.
- **Increase control over risk scoring** by creating, governing and updating user-defined screening rules with a custom and user-friendly rule builder.
- **Demonstrate to regulators that the system is configured in line with regulatory expectations** by gaining visibility into the rules that triggered red flags, understanding transaction flows between entities, and viewing message types for generated alerts.

## SAS Facts

- SAS is ranked as a Leader in **The Forrester Wave™: Anti-Money Laundering Solutions, Q3 2019**, recognizing powerful SAS data integration and federation capabilities, intuitive supervised and unsupervised machine learning-based model development, and configurable and versatile reports. It's one of the most scalable solutions on the market.
- Over 250 of the world's biggest banks use SAS to prevent money laundering.

To contact your local SAS office, please visit: [sas.com/offices](https://sas.com/offices).

