

Distributed Analytics In Action

A Financial Services Use Case: Compliance Investigative Look-Back

Financial Services institutions and regulators engage specialized investigation firms to provide independent and expert assessments of the effectiveness of financial controls in both ongoing and historical operations. These firms offer specialized skills and optimized tools and processes to deliver high quality, cost-effective, short cycle results to meet the demanding needs of their customers. In many cases, regulator actions are contingent on the results of the investigation and substantial fines or restrictions can be levied against institutions who fail to demonstrate competence. As a result, these investigations are material to all parties.

The Problem

A highly regarded investigation firm was retained to complete a “look-back” project to assess the effectiveness of a Financial Services institution’s Anti-Money Laundering program. This project encompassed 18 months of transactional history from multiple business units – an aggregate volume of over 1.5 billion transactions. By replicating the institutions’ transaction monitoring system, the investigation firm re-created over 200,000 alerts – triggered scenarios that could be indicative of underlying suspicious activity.

The investigation firm needed an effective approach to combining the skills and experience of its trained analysts with the applicable transactional and publicly sourced information to enable accurate alert disposition. With a pre-set budget, and a project duration capped at 6 months, the investigative process had to be effective and efficient, while providing unassailable results.

Project Parameters

- **Review 18 months’ worth of transactional history**—consisting of over 1.5 billion transactions—to assess effectiveness of a Financial Services institution’s AML program.
- **Recreate 200,000 alerts** for investigation firm to disposition.
- Complete full look-back investigation project **within 6 months**.

The Solution

Pneuron was engaged by the investigation firm to deploy its innovative solutions platform as the critical enabler of the required intelligent workflow. Pneuron’s single platform approach allowed the investigation firm to sidestep the traditional pre-requisites of large scale data centralization and systems integration allowing it to save critical time in initiating investigative work.

Pneuron's direct, non-invasive interactions with targeted databases, applications, files, data services, and other existing systems ensured comprehensive and consistent use of information during each case investigation. For this program Pneuron is acquiring targeted data from FiServ's FCRM™ (TMS and Case Management), flat files, internal databases and external resources including Lexis-Nexis™ and Google™. Targeted, case specific data from these diverse sources was integrated, analyzed and presented to Analysts in support of final disposition decision-making. Pneuron's analytical solution produced case dispositioning recommendations, ensuring decision consistency across a large population of analysts.

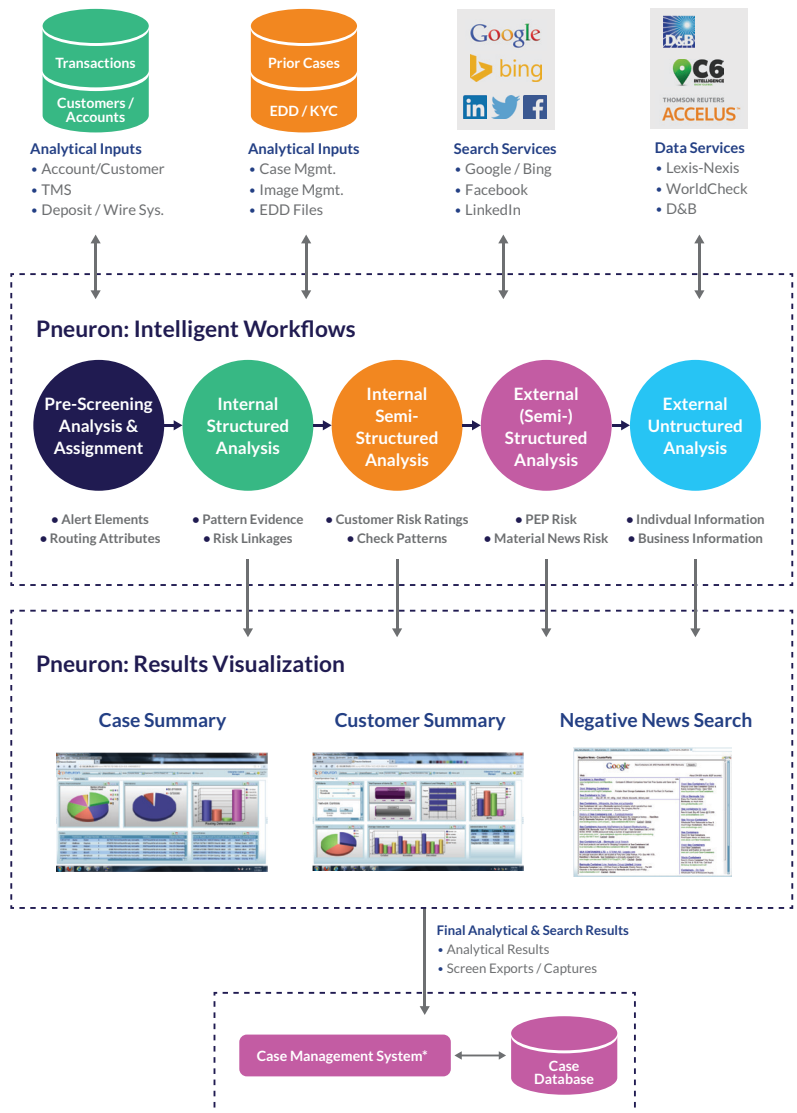
The Results

Within 4 weeks Pneuron had installed its platform, established connections to diverse internal and external systems, designed and configured the required intelligent workflows, and deployed a set of Analyst and Executive dashboards that improved operational efficiency and management oversight. Within this timeframe Investigation cycle times were reduced by approximately half, while the repeatability and completeness of each investigation has been assured via configured task automation and use of centrally managed business rules and thresholds.

These results are transforming the price / performance expectations in the look-back investigations market and enabling highly competitive positioning for the investigation firm as it competes for new projects. Pneuron's fast time to value, lower TCO and high levels of agility ensure its applicability to a diverse set of new investigations projects with the ability to re-use key elements of prior projects.

Investigation Automation

Intelligent Workflows to automate and enhance investigations across diverse internal and external sources



*The Case Management System is the repository of record for all alerts and investigation results

The Pneuron Impact

Implemented platform and intelligent workflows to reduce investigation cycle times by **50% within 4 weeks.**



0 Weeks | 4 Weeks

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