HIGH VELOCITY DECISIONS.
TRUSTED OUTCOMES.

Using analytics to redefine fraud prevention, AML compliance and public security.

§sas

A NEW APPROACH

How will your organization prepare for the future as you face the short- and long-term impacts of today's global fraud, money laundering and security challenges? Nobody could have predicted these challenges a few years – or even months – ago. A global pandemic changed the way we live and work. Fraud attempts against financial institutions and consumer identity theft scams continue to rise. Even government stimulus programs have fueled global and local money grabs by fraudsters.

Although it's impossible to know exactly what the future will hold, you must get ready *now* by improving data-driven decision-making capabilities. Every day, your organization makes vital decisions – possibly millions of them. And the impact of each one has a ripple effect far beyond an individual application, transaction, claim or alert.
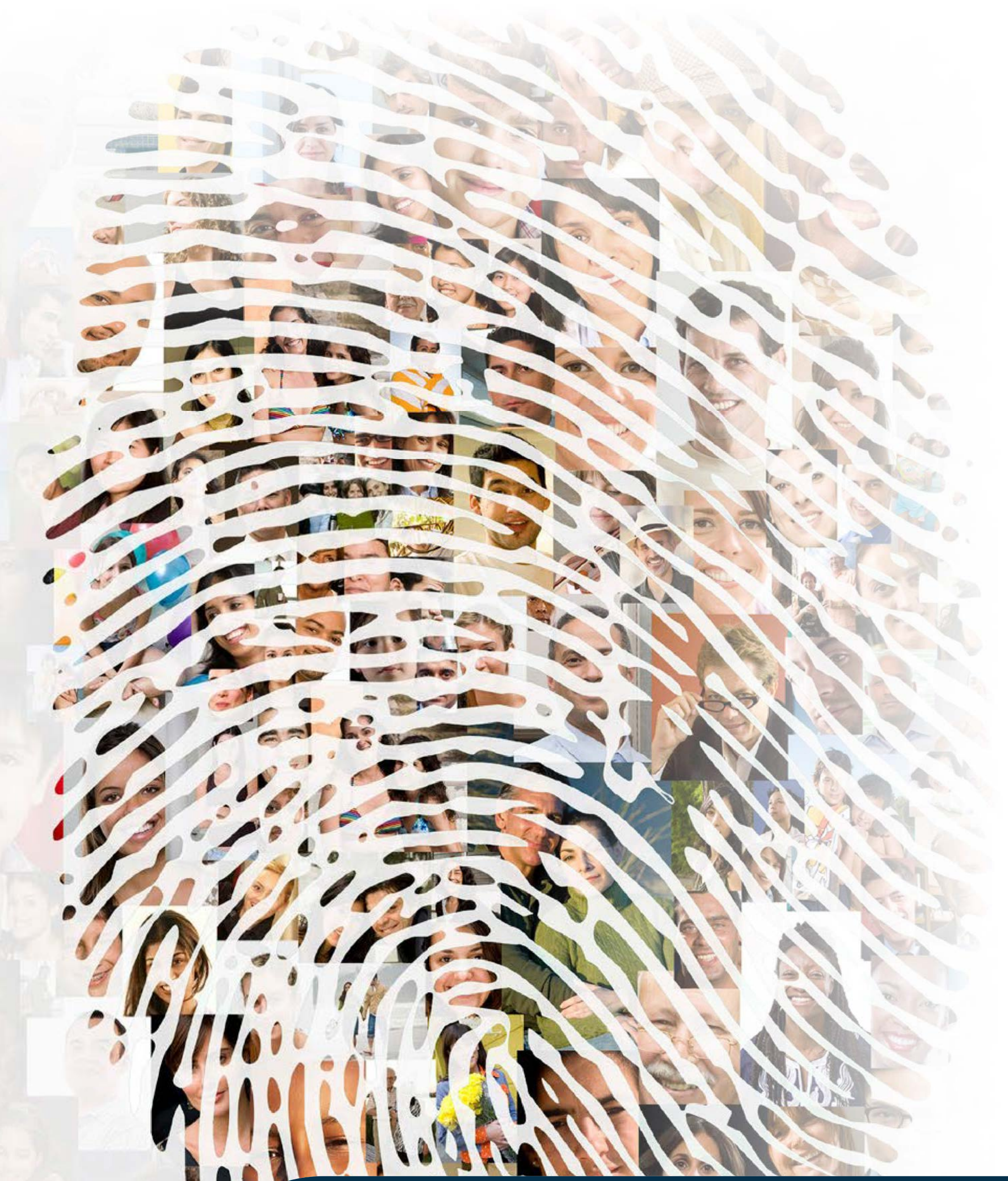
This e-book examines how organizations across a variety of industries are using analytics to obtain the knowledge, insight and intelligence needed to improve decisions for challenges around:

- Fraud and improper payments.
- Identity and digital fraud.
- Money laundering and terrorist financing.
- Public security.
- Health and social welfare.

What is certain about the future is that the velocity of decisions will only continue to increase. Only organizations that adopt the right analytics mindset will be agile enough to adapt to ever-evolving fraud, money laundering and public security challenges. This requires using analytics in new and different ways.

Leading organizations have adopted these tenets:

- **Analytics everywhere.** Bring analytics to the places where your data resides.

- **Analytics for everyone.** Empower more people to understand and use analytics every day.

- **Analytics for difference.** Focus your data and analytics goals to deliver purposeful value for your organization and stakeholders.

READ MORE
Fight fraud and improper payments

FIGHT FRAUD AND IMPROPER PAYMENTS

Fraud doesn't go away; it just moves around. Fraudsters will seek every opportunity to take advantage of a situation – whether they're a customer, supplier, employee or an unknown individual. When you uncover and block one tactic, fraudsters simply change course. They launch more complex schemes, involve more entities to cover their tracks, and move in new directions. Failing to adapt to these evolving schemes increases your organization's financial, compliance, reputational and legal risks.

At the same time, legitimate consumers demand to interact with you on their terms. They want new ways to conduct business – anytime, anywhere. Delays are unacceptable. They want to complete their transactions fast – whether it's making a payment, procuring goods or services, or having insurance claims processed.

Historically, losses from fraud and improper payments were seen as a cost of doing business. But with increasing competition, sophisticated stakeholders and greater oversight, can your organization continue to accept the status quo?
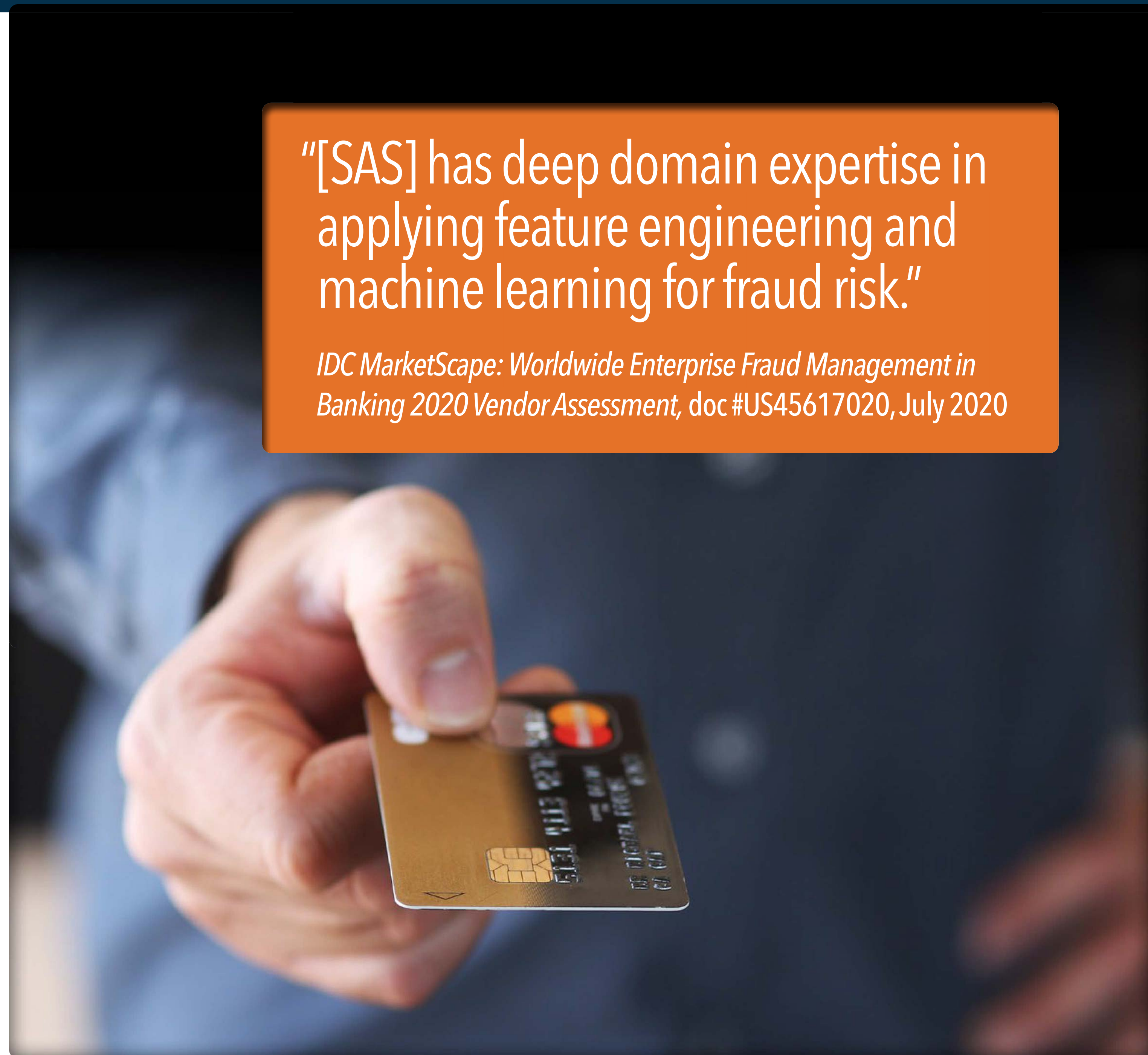
"[SAS] has deep domain expertise in applying feature engineering and machine learning for fraud risk."

IDC MarketScape: Worldwide Enterprise Fraud Management in Banking 2020 Vendor Assessment, doc #US45617020, July 2020

CNseg:
Brazil tackles insurance fraud with AI and analytics.

67%
increase in fraudulent claims detection.

1 FIGHT FRAUD AND IMPROPER PAYMENTS

2 DETECT AND PREVENT IDENTITY THEFT AND DIGITAL FRAUD

3 COMBAT MONEY LAUNDERING AND TERRORIST FINANCING

4 ENSURE PUBLIC SECURITY

5 PROTECT HEALTH AND SOCIAL WELFARE

6 WHY SAS?

Organizations across industries are developing new strategies with analytics to combat fraud and improper payments. As a result, you can continually address the delicate balance between profitability and stakeholder satisfaction. Using analytics:

Financial institutions
make fast, on-target decisions to reduce the monetary, reputational and compliance risks of fraudulent payment transactions.

Manufacturers
identify errors, exceptions and fraud earlier in the bid-to-contract cycle.

Government agencies
gain a broad view across multiple data sources to uncover tax and revenue fraud – and reduce taxpayer exposure to fraud and identity theft.

Insurance companies
uncover collusion across entities and networks to stop costly and malicious fraud rings, keeping premiums down for honest policyholders.

Krungsri Consumer:
A 35% improvement in fraud detection.

Thai bank safeguards customers while managing fraud detection in real time.

READ MORE
Detect and prevent identity theft and digital fraud

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6 WHY SAS?

DETECT AND PREVENT IDENTITY THEFT AND DIGITAL FRAUD

Businesses need to protect against identity theft – from application to authentication and authorization. **SAS can help.**

With data breaches compromising billions of records each year, fraudsters have a wealth of information at their fingertips to create and manipulate identities. As more individuals start and maintain online relationships with creditors, service providers and even governments, these organizations struggle to validate that the person behind the device is who they claim to be when an account is opened, or a transaction is performed.

Organizations can achieve a competitive advantage by striking a balance between keeping fraudsters out and minimizing disruptions for genuine customers. This means proactively detecting valid fraud while reducing friction during the online account opening or application processes. Onboarded fraudsters usually "bust out" before fraud is detected. This is why upfront application fraud barriers must be adequate.

Addressing this identity and digital fraud dilemma requires analytics and diverse – often external – data sources. Despite this complexity, processing of online applications and other transactions that assess identity must occur in seconds to satisfy stakeholder expectations. With analytics:

- Financial institutions make fast decisions to determine if an individual's identity has been manipulated to qualify for a larger mortgage.

- Retailers monitor credit applications and determine whether to flag or approve them while reducing the chance of inconveniencing and delaying customers.

- Insurance companies uncover whether a synthetic identity is being used to open a new policy.

Millions of dollars saved.

Axcess Financial:

Financial lender cuts third-party fraud by more than 80% with layered detection.

Strong application fraud barriers help organizations:

- Detect high-risk applicants earlier.
- Reduce friction for good applications and customers.
- Rely on fewer manual processes.

READ MORE
Combat money laundering and terrorist financing

COMBAT MONEY LAUNDERING AND TERRORIST FINANCING

Financial institutions and other organizations are charged with spotting and stopping money laundering and terrorist financing – often tied to smuggling, embezzlement, bribery, human or drug trafficking, and more. **SAS can help.**
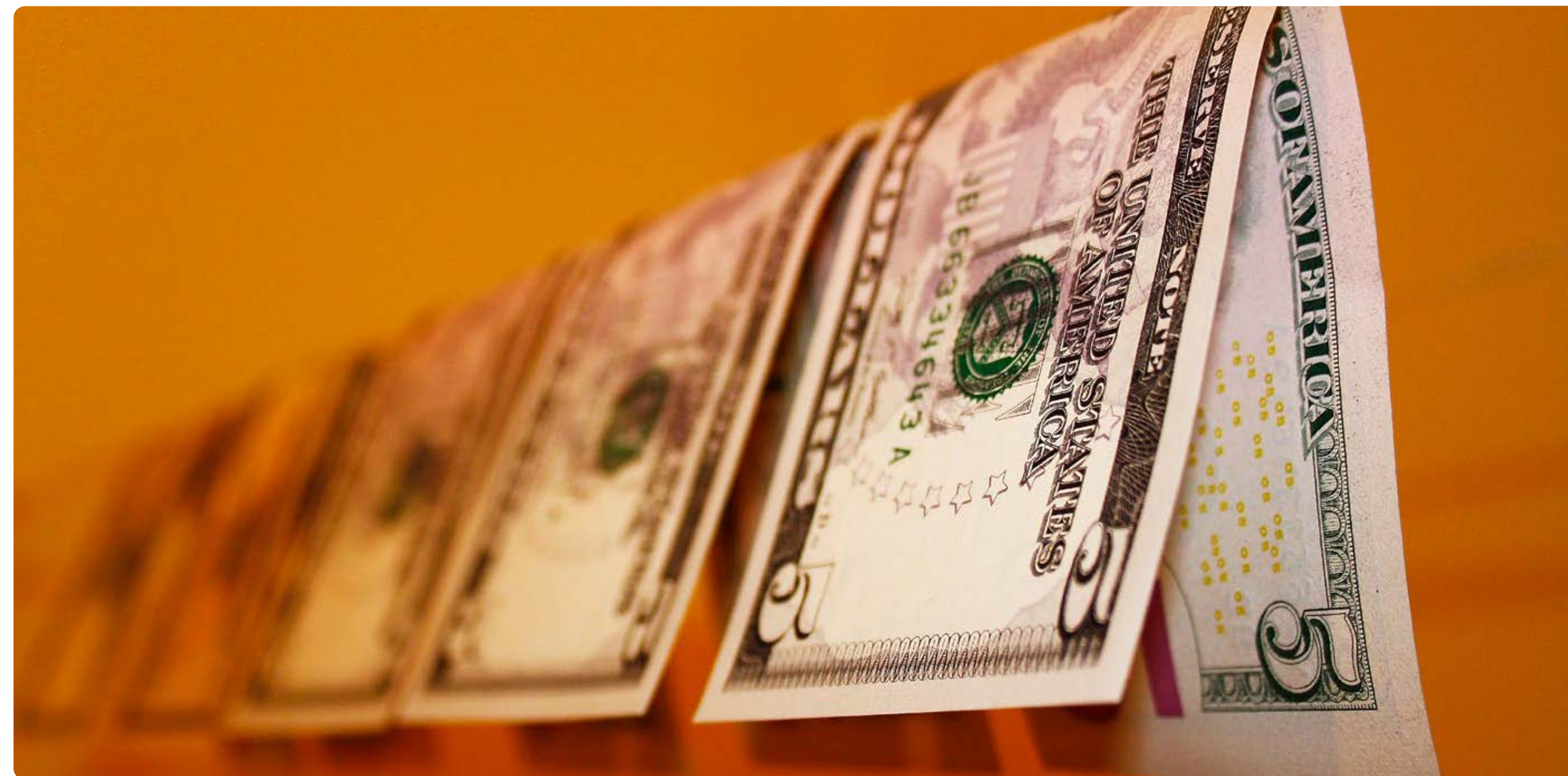
The United Nations Office on Drugs and Crime estimates the "amount of money laundered globally in one year is 2% to 5% of global GDP, or $800 billion – $2 trillion in current US dollars." Illicit proceeds move hidden and silently through the financial system, funding all types of criminal activity, from drug smuggling to human trafficking and terrorism.

Organizations failing to comply with anti-money laundering (AML) and other financial crime regulations face steep penalties, with costs rising. UK consultancy Duff & Phelps noted that globally, $706 million in AML fines were doled out during the first six months of 2020, compared to $444 million in 2019. Many of these organizations faced not just losses, but also reputational damage from the publicity of their cases.

Organizations continue to struggle with the growing volume and rapid pace of domestic and international regulations. A "check-box" compliance approach was once the goal of AML programs. But today, more organizations are looking at how AML can deliver a competitive advantage by demonstrating to stakeholders that ethics are a cornerstone of their strategies.

Here, analytics steps into the spotlight. It's proven that analytics helps organizations swiftly adapt their detection capabilities to criminals' sophisticated methods. But it also positions them to develop cost-effective, systematic and repeatable processes for money laundering and terrorist financing investigations.

SAS has been distinguished in anti-money laundering, being named Best in Class in **Aite Matrix: Case Management to Combat Global Fraud and Money Laundering.**

USING ANALYTICS:

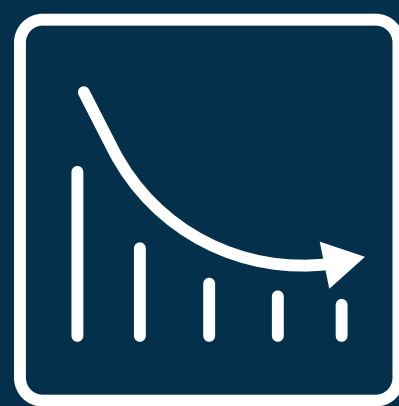Financial institutions lower false-positive alerts and boost their ability to spot true AML risks.

Insurers identify potential suspicious behavior related to terrorism financing.

Financial institutions reduce the cost of Bank Secrecy Act (BSA) and AML compliance and provide accurate, detailed reports to regulators.

Landsbankinn: Analytics powers anti-money laundering efforts.

90%
reduction in false positives

"SAS eclipsed the other competitors in offering all the features and functionality needed as well as expected in an enterprise case management solution. It is leading edge on adding capabilities to improve its case management solution and ensuring the products meet [financial institutions'] needs."

Aite Matrix: *Case Management to Combat Global Fraud and Money Laundering*

> ## READ MORE
> Ensure public security

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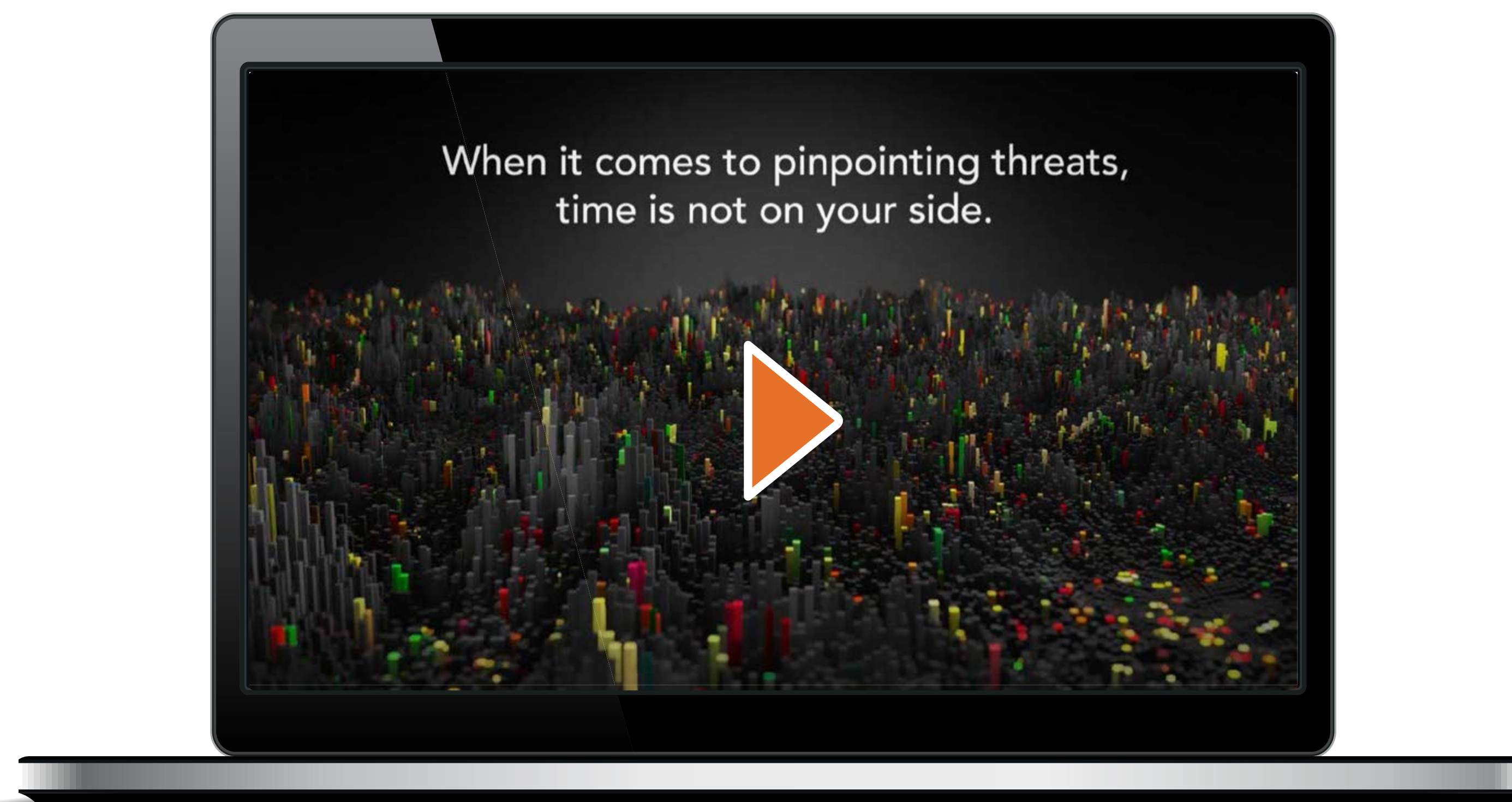
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ENSURE PUBLIC SECURITY

Law enforcement organizations need to prioritize responses to and investigations of crimes and matters of public safety – and guide actions for involvement in issues like mental health and drug addiction. **SAS can help.**

THREATS HAPPEN QUICKLY – AND CAN DISAPPEAR UNDER THE RADAR. WATCH THE VIDEO TO LEARN HOW SAS ANSWERS THE CALL FOR HELP.

When it comes to pinpointing threats, time is not on your side.

The growing levels of information available to public safety officers has heightened expectations of protection from crime and terrorism threats – even crisis response efforts. At the same time, calls for reform at all levels of law enforcement have intensified the need for methods that increase accountability. Yet the data required to meet these demands often exists in multiple places. And sometimes the same data has to be reentered by multiple users. This inhibits fast, collaborative information sharing, which is critical to early identification of high-risk situations pertaining to citizen safety.

Many public security departments are using analytics to inform policies and improve investigations. Officer readiness analytics helps agencies understand which internal programs are most effective at reducing preventable conflicts and inappropriate actions, while enhancing transparency. And analytics combined with investigation management capabilities helps first responders stay safe while protecting citizens in the most effective way possible. As a result:

• Local law enforcement agencies get a complete picture of a criminal offender.

• National law enforcement organizations build better workforces based on behavior and performance information – such as training, evaluation, commendation, absence and assignment history data.

• Fusion centers reduce the time required to identify reliable intelligence.

READ MORE
Protect health and social welfare

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PROTECT HEALTH AND SOCIAL WELFARE

When benefits are distributed, there is always the possibility that fraud – improper payments, waste or resource abuse – will be committed. Payers must ensure benefits are paid to the correct recipient and, in some cases, they must ensure recipient compliance with program rules after benefits are received.

At the same time, organizations must coordinate timely benefits delivery so that those with valid needs get help. Improving access and outcomes requires innovative methods. Processes must be improved so that provider capacity will increase and resources will be spent on benefit delivery – not just administration.

Government agencies and health care payers have turned to analytics to address a range of challenges. Analytics uncovers community needs, reveals barriers to obtaining help and quickly detects those who fraudulently obtain benefits. In turn:

- Payers and providers determine the true cost of clinical conditions, manage payment models more effectively and improve patient outcomes.

- Nations save valuable taxpayer dollars by detecting and eliminating improper unemployment payments to ineligible individuals.

> **READ MORE**
> Why SAS?

WHY SAS?

At SAS, we say that data doesn't drive your organization – decisions do. SAS can accelerate your path from data to decisions through a unified approach to fraud, anti-money laundering and security. Our approach is built on an artificial intelligence (AI), analytics and data management platform – SAS® Viya®– which runs on a modern, scalable, cloud-native architecture. This platform enables you to make better, data-driven decisions and maximize the value of your analytics investment while delivering trusted outcomes.

Our fraud, anti-money laundering and security solutions take you from data to decisions by providing:

• Integrated data management.

• Interpretable artificial intelligence.

• Omnichannel fraud detection.

• Collaborative intelligence and investigation management.

Analysts consistently position SAS as a leader in data and analytics, thanks to innovations such as machine learning and in-memory processing for decisions in milliseconds. We're backed by proven analytics leaders and a strong track record. With a variety of analytics and industry experts to complement your resources, and a global network of partners, we help customers of all sizes with implementation, integration, education and customization.

Every day as you make crucial decisions, SAS can guide the way for anti-money laundering or application fraud, child safety or claims fraud, procurement integrity or prescription drug misuse. When it comes to using analytics to make better decisions that have the power to change the world – we're all in this together.

"At SAS, our mission is to help you achieve [your goals] through the most trusted analytics. To build the most powerful, groundbreaking analytical solutions on the market so you can be more effective in catching the bad guys and keeping us all safe."

Gavin Day, Senior Vice President of Technology, SAS

SAS and Microsoft
are reimagining analytics
in the cloud – and accelerating
the power of AI for everyone.

> Learn how SAS helps organizations prevent fraud, achieve compliance and preserve security.

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