What does SAS® Anti-Money Laundering do?
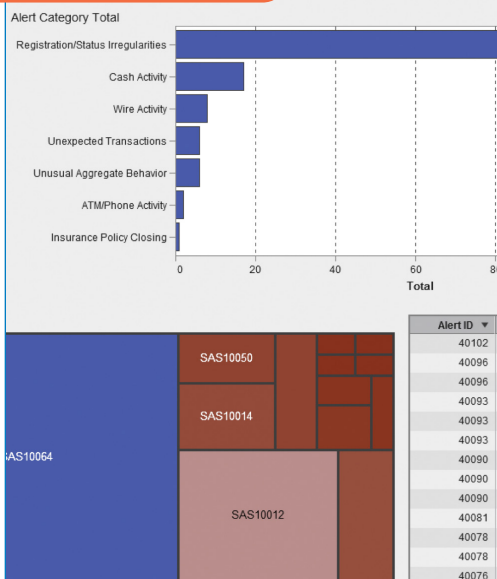
SAS Anti-Money Laundering helps you comply with anti-money laundering (AML) and counterterrorist financing (CTF) regulations by taking a risk-based approach to monitoring transactions for illicit activity. The solution uses multiple detection methods to monitor more risks, in very large data volumes, in less time.

Why is SAS® Anti-Money Laundering important?

SAS Anti-Money Laundering enables you to safeguard your financial institution's reputation and avoid fines and penalties associated with noncompliance. You can get answers to the questions that have often been asked, but never answered due to time, resource and cost constraints. In addition, reduced processing time frees up computing resources for other uses, which reduces your total cost of ownership.

For whom is SAS® Anti-Money Laundering designed?

It's designed for AML/CTF compliance departments within financial institutions.

SAS® Anti-Money Laundering

Reduce false positives, lower your cost of compliance and increase operating efficiency

More stringent regulatory requirements – backed by high-profile enforcement actions – have motivated many banks to reassess their AML and counterterrorist financing programs to identify and fill any gaps in control and oversight.

SAS offers an end-to-end AML solution that covers all steps involved in AML processes across all key areas – including suspicious activity monitoring, customer due diligence, watchlist filtering, correspondent banking scenarios and peer group anomaly detection.

SAS Anti-Money Laundering provides a common analytical platform that combines context-specific intellectual property and module-based solutions to provide more complete protection and the ability to meet compliance demands with greater speed and accuracy than ever before. With SAS Anti-Money Laundering, you can finally get answers to questions that have often been asked, but were previously unanswerable due to constraints in time, resources and organizational costs.

Key Benefits

- **Monitor more transactions in less time**. With SAS, you can process your transactions in a single night, as well as test, tune and simulate scenarios in less time. Array processing lets you monitor multiple risks during a single pass of the data, so you can add numerous scenarios and risk factors with little to no impact on processing time – no matter how large your data volume.

- **Improve alert quality and accuracy**. Our rules and weighting process scores alerts prior to passing them on to investigators. This significantly reduces false positives, cuts staffing hours required for triage, and more accurately identifies actions and relationships that present the greatest risk.

- **Conduct faster, more thorough investigations**. A configurable alert management hub gives you a holistic view of work items, including the aggregation of alerts at the subject level. The intuitive, customizable interface provides fast access to all relevant information – including customer, account and transaction data – which speeds the review and decision process for more efficient triage.

- **Identify organized crime rings**. With entity link analysis, you can visualize transactional relationships to understand the source of funds and behaviors that may indicate organized rings.

- **Reduce AML compliance costs**. Fewer false-positive alerts mean your investigative resources spend less time processing exceptions without sacrificing coverage. And that means there's more time available to focus on high-risk events and the handful of valid exceptions that need a human decision.

- **Get up and running quickly**. SAS Anti-Money Laundering includes a banking-specific data model optimized for financial crimes analytics and incorporates data management best practices from more than a hundred successful implementations, enabling a faster implementation time.

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THE POWER TO KNOW®

Overview

SAS Anti-Money Laundering enables financial institutions to automatically monitor customers and counterparties for potential money laundering or terrorist financing behavior, document the decision process and – if applicable – file pre-populated regulatory reports with the appropriate authorities.

As an integrated component of the SAS Financial Crimes Suite, the solution provides a common technology platform for easier sharing of data and analytics, while reducing administrative costs.

Data Management

SAS Anti-Money Laundering provides comprehensive data management capabilities that give you access to cross-channel data via an easy-to-use, intuitive interface, for a clear view of behavior across channels and relationships.

A proven, financial services-specific data model – which maps transaction records to support transaction, account, customer and household dimensions – includes the core schema for preparing transaction data for nightly batch analysis. A knowledge center data schema supports data retention and investigation.

In addition to transaction data, the solution supports nonmonetary event data, geographic data, risk lists, third-party data, associate data and a variety of customer information data.

Suspicious Activity Monitoring and Reporting

Alert reports are intuitive and interactive with ready-to-use dashboards where you can drill down for more detail with near-real-time updates. Visual analytics administration and reporting is available even on mobile devices. A robust, flexible scenario engine automates transaction monitoring and behavior detection for SAR filing. Using advanced analytics with data visualization, you can create scenarios that use a variety of techniques:

- **Automated business rules**. An easy-to-use, web-based rules authoring environment empowers analysts and investigators to independently write or revise monitoring rules whenever they need to – no computer programming skills required.
- **Peer group analysis**. Compare an entity's current behavior with its historical behavior, as well as the behavior of its peers. You can include multiple peer groups and detect outliers both above and below expected behavior.
- **Behavioral profiling**. Analyze historical account activity and use behavioral modeling techniques to detect anomalous activity for an entity's normal expected behavior.
- **Entity link analysis**. Visualize the flow of funds between remitters and beneficiaries to provide a more complete view of account activities. The system also displays all other incidents and cases related to a subject.
- **Customer risk rating**. Automatically integrate a customer's onboard risk score with actual transactional behavior to identify high- and medium-risk customers for more stringent monitoring. You can review a customer's risk classification periodically (e.g., annually, semiannually or as needed). And compliance analysts can create new classifiers whenever necessary – without having to involve IT staff.

AML Optimization

With scenario tuning investigators can quickly identify – and focus efforts on – the most critical cases, while also freeing company computing resources for other uses, which reduces your total cost of ownership.

Correspondent banking scenarios are included to account for evolving hub-and-spoke alerts. And a relationship grid allows investigators to quickly assess details associated with parties involved in any related behavior.

All scenarios are parameterized, so you can configure thresholds to meet specific needs. You can also constrain scenarios by any data attribute – geography, account type, customer type, line of business, etc. – so that it only applies to specific groups of customers or accounts.

Flexible suppression capabilities let you exclude specific entities – at the company, account or customer level – from the alert queue for specific types of behavior, so that valuable investigative resources are not wasted on trusted account holders.

The system uses a powerful array processing method for alert generation that allows multiple scenarios to be deployed while making a single pass against the database. This means more risks can be monitored in a shorter period of time versus SQL-based systems that must perform numerous database scans.

Nightly batch routines run against the core data schema, which comprises a combination of account, party, household, cash flow, associate and CIP/KYC information. Selected scenarios are run against the core, and transactions that meet defined criteria become alerts.

A powerful ranking engine attached to the scenario engine risk-ranks each alert based on a variety of factors (e.g., customer or account risk, scenario risk, number of past alerts, or the probability that the alert will result in a regulatory filing). This approach reduces your audit and regulatory risks because it objectively and consistently reduces low-quality alerts and escalates meaningful alerts for investigation.

Rankings are flexible, and investigators can prioritize alerts and focus their efforts on those that are of greatest concern. By focusing on the highest-scoring alerts, financial investigation units can reduce staff hours allocated to triage and devote more time to legitimate investigations.

Automated business process workflows provide a detailed audit trail of activities performed within the system. They can also be monitored to ensure compliance with your institution's policies and procedures.

SAS Anti-Money Laundering includes our award-winning data mining and statistical analysis software to analyze the histories and trends of past alerts. With the insights gained, you can reduce investigative workloads and improve the quality of alerts. Several standard management reports are included for reviewing alert output, analyst productivity, alert aging and more. You can use what you learn for model tuning and optimization. This can significantly reduce false positives, and reduce investigative workloads.

Investigation and Alert Management

A flexible alert management hub provides complete, centralized case management capabilities. In addition to internally generated alerts, the system can display alerts generated by other transaction monitoring systems. Conversely, alerts generated by SAS Anti-Money Laundering can be exported to third-party case management systems if desired.

A web-based interface gives investigators a holistic view of work items and easy access to the knowledge center database, which serves as the system of record for regulatory and auditing purposes. This enables more informed and efficient triage – and more timely risk mitigation. Specific user views of data are persisted throughout the user experience.

Easy-to-use visualization tools include a business intelligence dashboard that provides visual access to key performance indicators for a dynamic view of the most recent trends. You can see a customer's complete pattern of behavior, which enables you to determine what's normal for the subject, review triggering transactions, and access CIP and other demographic information as needed.

When you receive an alert, you also get a clear description of why the alert was generated, along with supporting information, so you can make decisions more quickly, consistently and efficiently. The interface also lets you choose what information is displayed, and you can tailor its presentation to your specific needs.

An administrative tab allows a "super user" to grant rights and privileges – including alert routing and suppression, and SAR creation and filing – to other users.

Case notes are available to investigators to more easily add and post notes, helping to retrieve, sort and add new categories as needed.

Adding to investigator efficiency are global search capabilities – including the ability to search through multiple attachments such as Microsoft Word documents, Microsoft PowerPoint, Adobe PDFs, and other files.
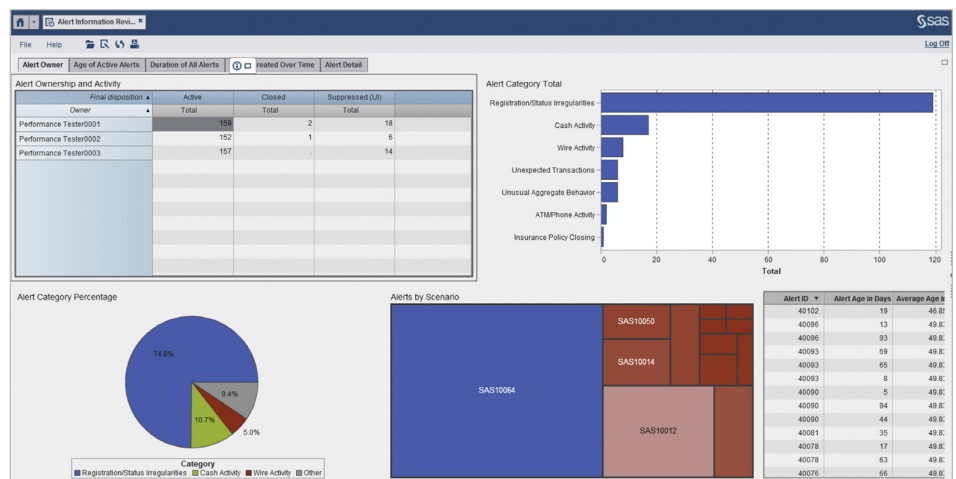
SAS Anti-Money Laundering Dashboard Reporting.

Key Features

Data Management
- A banking-specific data model:
  - o Maps transaction records to support transaction, account, customer and household dimensions.
  - o Includes the core schema for preparing data for nightly batch analysis.
- A knowledge center data schema supports data retention and investigation.
- Supports multiple data types (nonmonetary event data, geographic data, risk lists, third-party data, associate data and a variety of customer information data), in addition to transaction data.

Suspicious Activity Monitoring and Reporting
- Out-of-the-box dashboards – even on mobile devices.
- Scenarios and risk factors applied to transactions to detect suspicious activity.
- Alert generation for events that meet rule parameters.
- Alerts subjected to additional workflow processes (suppression, risk scoring, routing).
- Easy-to-use, point-and-click interface that enables:
  - o Creation and tuning of scenarios and risk factors.
  - o Creation of customized routing rules for workload distribution.
- Flexible suppression capabilities.
- Adaptive predictive alert rules identify when a model needs to be rescored and prompt the system accordingly.
- Pre-populated reports for regulatory reporting.
- Ability to easily operationalize processes.

Key Features *(continued)*

AML Optimization
- Predictive models score the likelihood that an alert will contribute to a productive investigation.
- Event handling is governed by sophisticated analytic models, which reduces the reliance on individual parameter sensitivity.
- Generalized models are deployed initially, then re-scored against your organization's data after the system is up and running.

Investigation and Alert Management
- Web-based investigation interface provides access to knowledge center database, the system of record for regulatory and auditing purposes.
- Administrative tab lets "super users" grant rights and privileges to other users.
- Displays alerts generated by other transaction monitoring systems and exports system-generated alerts to third-party case management systems.
- Global search allows for searching of multiple file-type attachments.
- Extensive scenario tuning capabilities for investigator efficiency and reduced costs.
- Scenario builder enables testing, tuning and simulating scenarios in seconds.
- Correspondent banking scenarios and a relationship grid for assessing details associated with involved parties.
- Ability to constrain scenarios by any data attribute – geography, account type, customer type, line of business, etc.
- Powerful array processing allows multiple scenarios to be deployed while making a single pass against the data.
- Ability to copy scenarios and quickly segment in seconds.
- Parameterized scenarios for configuring thresholds to meet specific needs.
- Rapid access to customer, account and transaction data.
- A powerful ranking engine.
- Nightly batch routines run against the core data schema, which includes account, party, household, cash flow, associate and CIP/KYC information.
- Automated business process workflows, including detailed audit trails of activities performed within the system.
- Self-serve data visualization with mobile access to get fast answers on critical questions.

Integrated Case Management
- An easy, web user interface supports the management, investigation and reporting needs of analysts and investigators.
- Documents and retains all actions performed on alerts and cases for audit and regulatory review.
- Automatically identifies alerts that may be related to existing cases.
- Range-based or threshold-based alerts let people subscribe to reports and receive notices when a report changes.
- Integration with SAS Office Analytics and SAS Add-In for Microsoft Office.

Watch List Matching and Customer Due Diligence/KYC Risk Scoring and Classification
- Automatic integration of onboard customer risk scores with transactional behavior.
- Ability to reassess customer risk classifications as needed and deploy scenarios based on KYC risk segments.
- Automatic documentation of information gathered during enhanced due diligence.
- Includes samples that mirror examples in the FFIEC BSA/AML examination manual.
- Ability to import sanctions and other watch lists to identify persons, organizations or high-risk jurisdictions that represent regulatory risk.
- Fuzzy matching logic increases the accuracy of entity matches.
- Ability to create complex matching rules for a custom, risk-based approach to client screening.
- Ability to work transaction, party or counterparty matching lists as alerts or cases.
- Combines functionality with the Dow Jones Watchlist service.

To learn more about SAS Anti-Money Laundering, download white papers, view screenshots and see other related material, please visit sas.com/antimoneylaundering.

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