NICE Actimize

eBook

AI-Driven Enterprise Case Manager

Accelerating Fraud and Financial Crime Investigations

Current Challenges in Fraud and Financial Crime Investigations

Increasing Complexities in Financial Crime

Navigating Tightening Global Regulations

The Importance of Real-Time Data in Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

NICE Actimize

Current Challenges in Fraud and Financial Crime Investigations

Investigations are central to a financial institution's (FI) anti-financial crime program. Speed and efficiency in gathering and analyzing data and connections are critical for developing well-founded investigations with effective outcomes.

Despite the strong demand for analytical and investigative skills, approximately 85% of an investigator's tasks are administrative and non-analytical as part of anti-financial crime operations.[1]

These administrative tasks, like manual data collection, are exacerbated in firms that rely on outdated legacy systems. Scattered and inconsistent data across multiple platforms impede efficiency, create backlogs, and increase the likelihood of missing something—ultimately leaving firms vulnerable to nefarious actors and steep regulatory penalties.

Before looking at how AI and advanced analytics can address these pressing operational and compliance issues, let's dive deeper into the specific challenges that FIs currently face:

Increased complexity and scale of crime	Criminals use advanced technologies, methods, and networks to circumvent traditional controls.
Stringent global regulations	Global anti-money laundering and counter-terrorism financing (AML/CTF) frameworks are tightening, putting a regulatory burden on FIs.
Data management	The increased volume of data means that firms struggle to gather, analyze, and use this information quickly and meaningfully.

Current Challenges in Fraud and Financial Crime Investigations

Increasing Complexities in Financial Crime

Navigating Tightening Global Regulations

The Importance of Real-Time Data in Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

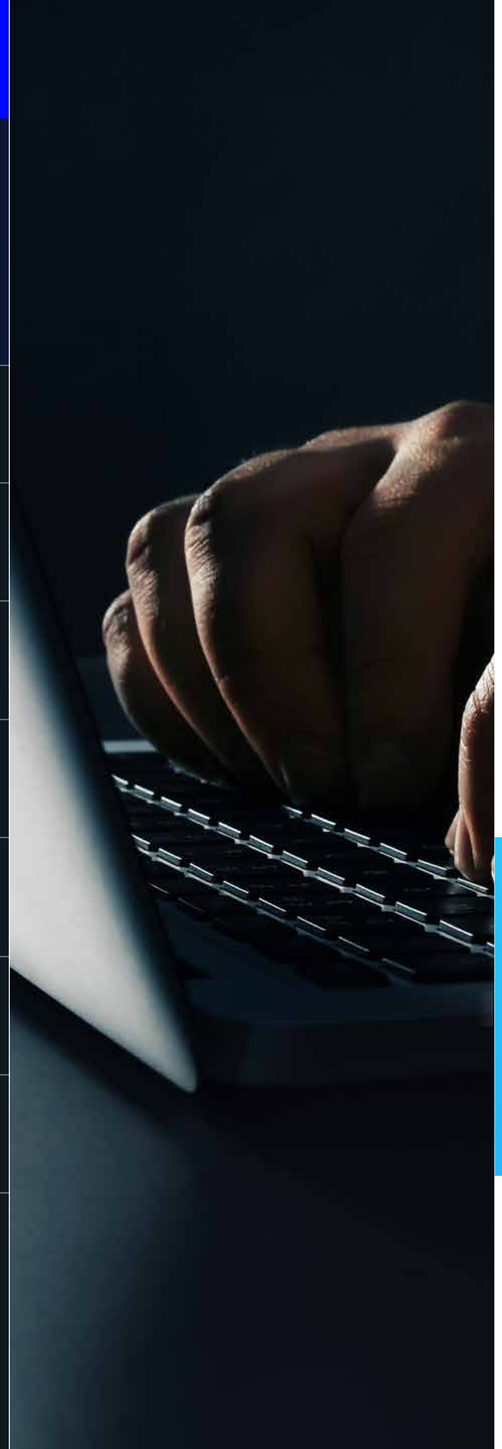
Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter



Increasing Complexities in Financial Crime

Fraud and financial crimes have become more refined over the last decade, driven by new technology, broader global networks, and the professionalization of organized crime. As criminals become more sophisticated, traditional methods of combating have become less effective. Firms with siloed data and isolated risk domains struggle to keep pace with rapidly shifting criminal typologies.

Today's criminals employ advanced methods across multiple channels. They routinely use shell companies and other opaque corporate structures to obscure ownership and facilitate money laundering, which complicates detection. In response, FIs' monitoring systems generate more alerts, of which false positives can create even more noise, and managing the accelerating volumes of alerts becomes insurmountable.

One analysis suggests that compliance analysts at most tier-one banks review about 1,000 alerts daily. Frustratingly, 99% turn out to be false positives[2]–exposing FIs to risk, regulatory scrutiny, and an ever-increasing cost of compliance to manage.

FIs must adopt new technology-driven strategies to manage the growing number and complexity of alerts.

Current Challenges in Fraud and Financial Crime Investigations

Increasing Complexities in Financial Crime

Navigating Tightening Global Regulations

The Importance of Real-Time Data in Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Navigating Tightening Global Regulations

Global regulatory requirements for AML/CTF are tightening, now covering a wider array of businesses. Efforts now target cryptocurrencies and virtual assets with new AML/CTF measures, and the requirements for beneficial ownership information are advancing, demanding ongoing updates and implementation by FIs.

In addition to adapting to these evolving regulations, firms must remain agile to effectively manage rapid and often unexpected changes. Amid these pressures, compliance teams also face budget constraints and staffing difficulties.

Recent research reveals that 70% of compliance teams face capacity challenges in their operations.[3]

To keep pace with dynamic regulatory changes, FIs must continually adapt their policies and procedures, leveraging real-time data to comply with shifting standards.

Increasing Complexities in Financial Crime
Navigating Tightening Global Regulations
The Importance of Real-Time Data in Investigations
Enhancing Case Management with Unified and Intelligent Systems
Advanced Analytics in Financial Crime Investigations
Advancing Compliance Reporting Through AI
AI: A Powerful Tool
Future-Proofing Financial Crime Management
ActOne's Impact in FIs
Connected Intelligence to Investigate Smarter

The Importance of Real-Time Data in Investigations

Investigations teams must swiftly integrate and analyze data from internal sources, such as transaction logs and KYC files, and external sources, such as adverse media or corporate records. Immediate access to accurate and comprehensive information is crucial, as it enables investigators to quickly respond when transaction patterns change or complex fraud schemes emerge. Delays and inaccuracies from outdated information severely compromises the efficacy of investigations.

Many FIs struggle with traditional, outdated systems that cannot easily integrate modern technologies, hindering data management and requiring extensive updates to accommodate new data types.

These older systems also struggle with data silos, which prevent the aggregation of information from various sources and lack the scalability needed to handle increasing data volumes.

To ensure no critical threats are overlooked during investigations, platforms should be flexible enough to quickly adapt rapidly to change and integrate new data sources in real time.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Realize Massive Efficiency Gains with Centralized Investigations

Gaining Deeper Knowledge with AI-Enhanced Risk Insights

Intelligent Workflows with AI for Smarter Automation

Advanced Analytics in Financial Crime Investigations

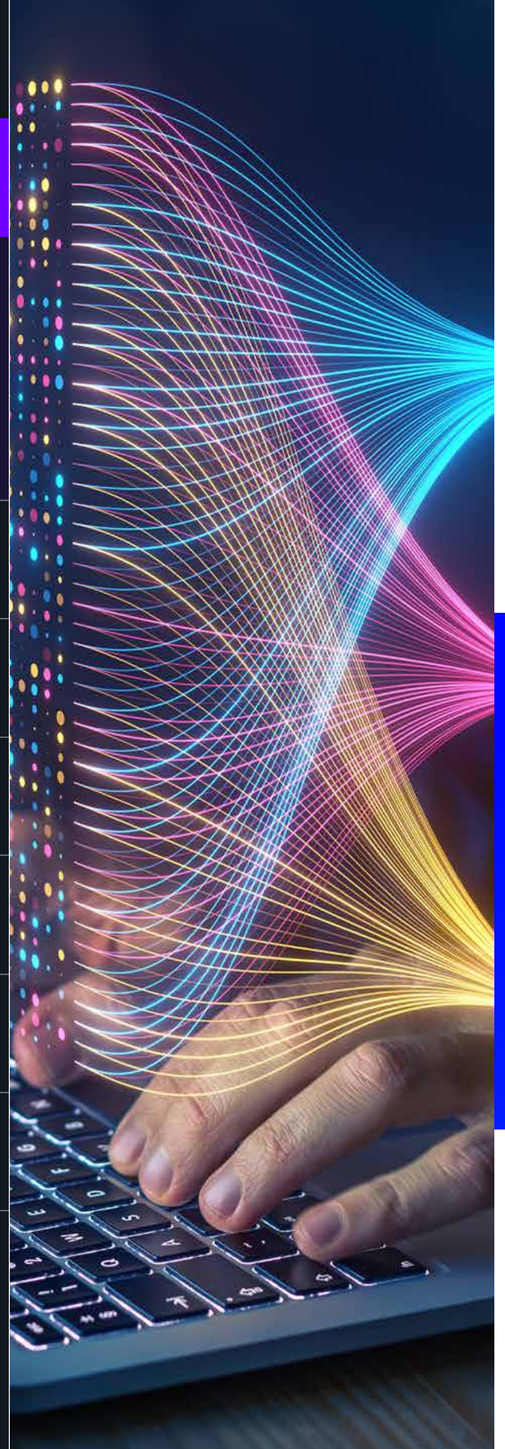
Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter



NICE Actimize

Enhancing Case Management with Unified and Intelligent Systems

In the compliance toolkit, a unified case management system accelerates investigations, reduces errors, and enhances decision-making capabilities.

Streamlined operations	A unified platform minimizes the need for multiple systems, allowing for quicker and more efficient investigations.
Enhanced insights	Combining data sources on one platform helps detect complex criminal patterns and entities more swiftly and accurately.
Operational excellence	Centralizing data improves user experience and operational effectiveness through standardized processes.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Realize Massive Efficiency Gains with Centralized Investigations

Gaining Deeper Knowledge with AI-Enhanced Risk Insights

Intelligent Workflows with AI for Smarter Automation

Advanced Analytics in Financial Crime Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Realize Massive Efficiency Gains with Centralized Investigations

In order to streamline the investigation process, all data points should be integrated into a single workflow. Using one platform allows investigators to quickly gain a comprehensive view of each profile without switching between multiple databases, logins, and data access points. This integration minimizes the time spent on manually retrieving and compiling data and reduces the likelihood of errors.

Context switching in investigations is both cognitively taxing and detrimental to productivity. Research has found that switching between applications, each with different interfaces, layouts, and data purposes, requires significant mental effort.

Frequent toggling between platforms can increase cognitive load, cutting into your team's productivity and creating stress.[4]

Financial crime investigations are inherently complex, requiring a clear, uninterrupted line of thought to establish links and form a coherent analysis. The context switching involved in piecing together disparate data is time consuming, distracting, and inefficient. Instead, a unified platform supports quicker and more efficient decision-making.

66% of Investigators access 3 or more systems during an investigation

– NICE Actimize

Ultimately, faster investigations enhance risk management practices and lead to cost reductions. By minimizing the need for multiple systems and reducing the cognitive stress on investigators, FIs can achieve greater operational efficiencies.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Realize Massive Efficiency Gains with Centralized Investigations

Gaining Deeper Knowledge with AI-Enhanced Risk Insights

Intelligent Workflows with AI for Smarter Automation

Advanced Analytics in Financial Crime Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Gaining Deeper Knowledge with AI-Enhanced Risk Insights

One common problem experienced by investigators is that multiple data points are stored across an institution, sometimes with different sharing permissions. A unified data platform helps curb data access difficulties.

Combining all alerts across a risk domain, with internal data and external sources, helps streamline financial crime investigations. Having one single consolidated view enriches customer profiles and alerts, helping investigators to detect suspicious patterns, discrepancies, or links more easily.

We've found that giving teams the big picture reduces investigation time for a single alert by 70%[5]

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Realize Massive Efficiency Gains with Centralized Investigations

Gaining Deeper Knowledge with AI-Enhanced Risk Insights

Intelligent Workflows with AI for Smarter Automation

Advanced Analytics in Financial Crime Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Intelligent Workflows with AI for Smarter Automation

Centralizing all information seamlessly onto a single platform simplifies the user experience. This standardization eliminates the need to gather data from disparate sources and replaces clunky, fragmented systems in favor of a cohesive and intuitive experience.

Automation enhances this integration, benefiting financial crime investigations with increased reliability. Well-known for reducing human error, automation also improves operational effectiveness by ensuring consistent processes.

Benefits of AI and automation

- Reduces human error
- Improves operational effectiveness
- Reduces costs
- Improves decision-making capabilities
- Promotes consistent processes
- Increases scalability

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advanced Analytics

The Role of Network Exploration with Machine Learning

Generative AI's Profound Influence Upon Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Advanced Analytics in Financial Crime Investigations

Adding intelligence empowers investigators to make faster, smarter decisions.

AI and Advanced Analytics	Aids in faster and more accurate detection and decision-making, helping investigators sift through data.
Network Exploration	Bolsters risk identification by ascertaining the risk of the subject entities' direct and indirect relationships.
Generative AI	Transforms investigation processes by automating data analysis, creating synthesized reports, leading to more thorough and accurate investigations.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advanced Analytics

The Role of Network Exploration with Machine Learning

Generative AI's Profound Influence Upon Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Advanced Analytics

Fraud and financial crime investigations are data-rich and time-critical. AI and advanced data analytics are essential to fulfill their function effectively. These technologies interpret and assess potential red flags and suspicious activities, refining an investigator's workflow.

Analytics helps financial crime investigations through:

Intelligent data analysis	This process sifts through vast volumes of data to detect patterns and anomalies, reducing an investigator's time spent on manual data reviews. By focusing on areas flagged as high risk, investigators can allocate their efforts more efficiently.
Generative AI	Advanced analytics presented through intuitive visualizations consolidate and highlight critical insights. Given that the human brain processes visuals more easily, these tools lead to quicker interpretations—working with a team's strengths.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advanced Analytics

The Role of Network Exploration with Machine Learning

Generative AI's Profound Influence Upon Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

The Role of Network Exploration with Machine Learning

Machine learning is a branch of AI that significantly augments an investigator's ability to understand and predict criminal activities. By analyzing historical data to identify patterns and spot anomalies, it helps investigators recognize subtle shifts in customer behavior, pinpoint outliers in customer groups, and flag transactions that resemble previously identified suspicious activities.

Identity resolution

These technologies merge fragmented data points or duplicative profiles into one singular file, eliminating redundancies and improving data accuracy. Identity resolution clarifies individual identities and their relationships within the data, allowing FIs to develop a unique and consolidated 360-degree view of each party.

Network analytics

Due to the complex layers of transactions and intermediaries, networks such as money mule schemes are difficult to detect with the human eye. Network analysis helps identify these intricate connections and patterns within data, leveraging deep integration from various sources. This approach is crucial for uncovering hidden risks—subtle patterns of illicit activity that would otherwise go unnoticed.

Predictive analytics

Based on established investigative patterns, predictive analytics can help forecast the likelihood that an alert will either result in a suspicious activity report (SAR) or be hibernated. This enables investigators to prioritize high-risk alerts first, using AI to bolster their findings. As a result, less time is wasted on false positive alerts, enabling a sharper focus on genuinely suspicious activity.

Advanced analytics and machine learning help transform raw data into actionable insights and intelligence. These advanced tools significantly enhance risk identification and management in investigations.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advanced Analytics

The Role of Network Exploration with Machine Learning

Generative AI's Profound Influence Upon Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

Generative AI's Profound Influence Upon Investigations

Recently, Generative AI (Gen AI) and large language models (LLM) have taken center stage, boasting exciting potential for FIs and their investigation teams. Here's how Gen AI is transforming the investigative process:

Pre-analysis and summary generation

Gen AI can analyze information before a formal investigation even begins, preparing and guiding subsequent analyses. Through a summary, investigators can quickly identify relevant connections and focus on deeper analytical tasks.

Data synthesis and narrative creation

By processing a wealth of data sources, including unstructured data like media articles and PDFs, Gen AI creates synthesized summaries and narrative reports. This helps investigators comprehend complex information quicker, forming logical connections more efficiently.

Logic testing and policy compliance

Gen AI tools can test logic, search for inconsistencies, and compare findings against an FI's policies and procedures. This helps teams carry out more thorough investigations.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

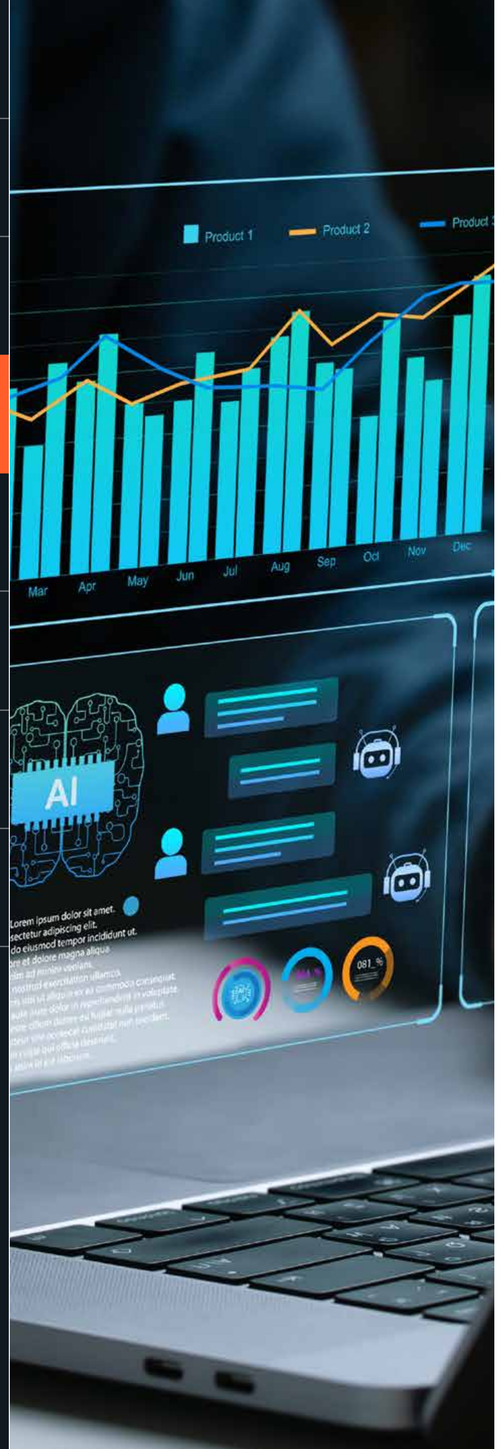
Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter



Advanced Compliance Reporting Through AI

The final step for an investigator is reporting suspicious activities through a SAR. Leveraging AI in this process transforms a traditionally time-consuming task into a swift and error-free one. Here's how:

Consistency and accuracy

AI technologies standardize the reporting process, ensuring each SAR meets global compliance standards without discrepancies.

Efficiency gains

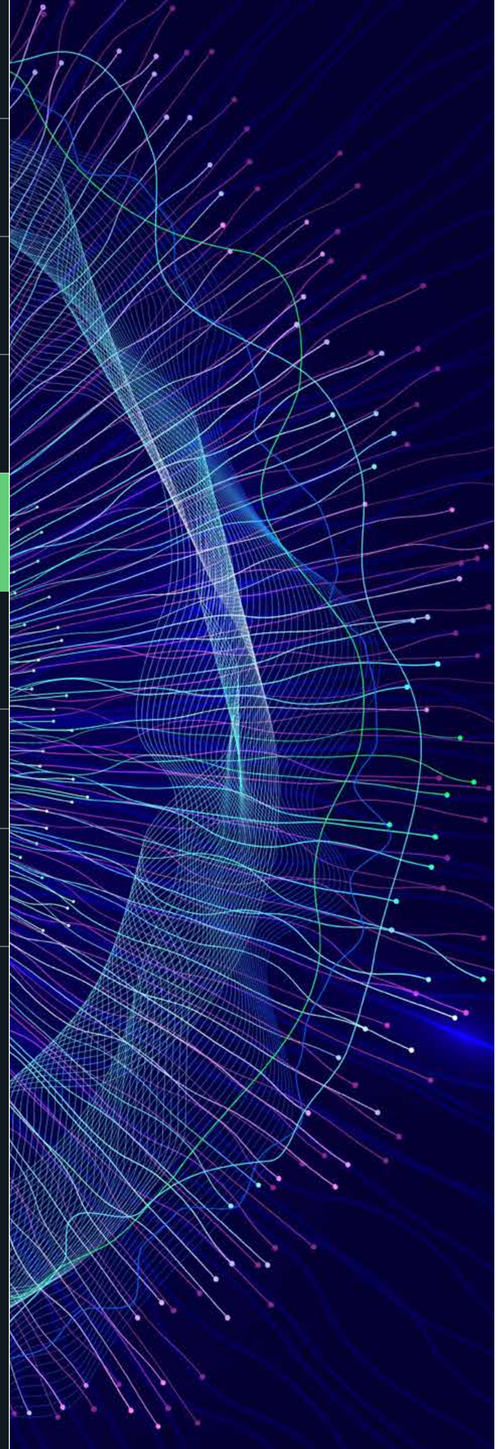
By automating SAR generation, AI significantly cuts down the time investigators spend on manual work, freeing them up to concentrate on more complex analytical tasks.

Adaptability to regulations

As compliance requirements evolve, AI systems can be updated to incorporate new regulatory changes, ensuring that reports always adhere to the latest standards.

By integrating AI into compliance reporting, FIs enhance operational efficiency and fortify compliance efforts—making it easier to manage risks in a constantly-changing regulatory environment.

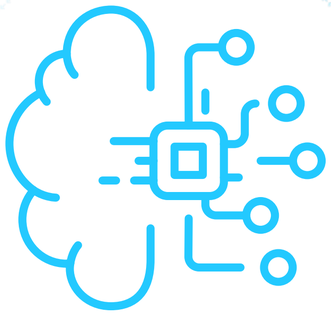
Current Challenges in Fraud and Financial Crime Investigations
Enhancing Case Management with Unified and Intelligent Systems
Advanced Analytics in Financial Crime Investigations
Advancing Compliance Reporting Through AI
AI: A Powerful Tool
Future-Proofing Financial Crime Management
ActOne's Impact in FIs
Connected Intelligence to Investigate Smarter



AI: A Powerful Tool

FIs can address their most pressing fraud and financial crime challenges using AI.

As firms struggle with sophisticated criminal activities, stringent regulations, and the lingering threat of fines and reputational damage, efficiency and greater effectiveness are crucial. By automating administrative and non-analytical tasks and using enhanced analytics to uncover subtle, hidden insights, AI frees investigation teams to focus on critical issues, driving operational gains and improving overall compliance.



Current Challenges in Fraud and Financial Crime Investigations
Enhancing Case Management with Unified and Intelligent Systems
Advanced Analytics in Financial Crime Investigations
Advancing Compliance Reporting Through AI
AI: A Powerful Tool
Future-Proofing Financial Crime Management
ActOne's Impact in FIs
Connected Intelligence to Investigate Smarter

NICE Actimize

Future-Proofing Financial Crime Management

Not to be overlooked, integration and extensibility are critical for maintaining long-term efficiency. Seamless integration with existing IT infrastructures ensures systems are robust and adaptable, while extensibility supports growth as an FI's operations evolve.

Ecosystem integration and compatibility

- **Key question:** Does the solution integrate seamlessly with existing IT infrastructure and support API integration for easy data exchange?
- **Why it matters:** Ensures the new solution integrates without disrupting existing workflows, minimizing technical conflicts, and maintaining operational continuity.

Support for custom development

- **Key question:** Can the system be customized to enhance functionality specific to the firm's processes?
- **Why it matters:** Offers the flexibility to develop custom features that cater to a firm's unique requirements and investigative needs.

Scalability

- **Key question:** Is the system designed to scale up and accommodate larger data volumes and more complex analytical demands?
- **Why it matters:** As data needs grow and case complexities increase, the system should be able to handle this expansion without compromising performance.

Extensibility and modular additions

- **Key question:** Can the system be easily extended with new modules as your needs change?
- **Why it matters:** Enable easy upgrades with new modules for advanced functions like performance measurement and operational analytics.

Current Challenges in Fraud and Financial Crime Investigations
Enhancing Case Management with Unified and Intelligent Systems
Advanced Analytics in Financial Crime Investigations
Advancing Compliance Reporting Through AI
AI: A Powerful Tool
Future-Proofing Financial Crime Management
ActOne's Impact in FIs
Connected Intelligence to Investigate Smarter

NICE Actimize

ActOne's Impact in FIs

ActOne at the center of fraud in financial crime investigations providing AI-powered enterprise case management delivers massive efficiency gains. Here are some examples:

Major US bank boosts due diligence efficiency

A leading US bank facing regulatory issues used NICE Actimize's ActOne, achieving a **67%** increase in customer due diligence productivity and doubling the efficiency of AML investigations.

Global investment bank cuts IT costs by 40%

A global investment bank consolidating its alerting systems with NICE Actimize's ActOne reduced its IT costs by **40%** while enhancing its risk monitoring capabilities. This strategic move significantly lowered the bank's overall risk profile.

Top US bank achieves cost efficiency and streamlined operations

A leading US bank faced challenges after several mergers left it with many different systems. By adopting NICE Actimize's ActOne, the bank centralized its fraud and AML investigations into one system. This led to a **20%** reduction in staff needed for these tasks and made the process of filing reports more efficient.

Regional US bank increases efficiency through consolidation

After a merger left a regional US bank with fragmented systems, it implemented NICE Actimize's ActOne Extend to unify these systems into one platform. This consolidation streamlined fraud investigations, boosted productivity, and enabled the existing staff to handle more alerts efficiently. It also improved management reporting, enhancing transparency across all levels of the organization.

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

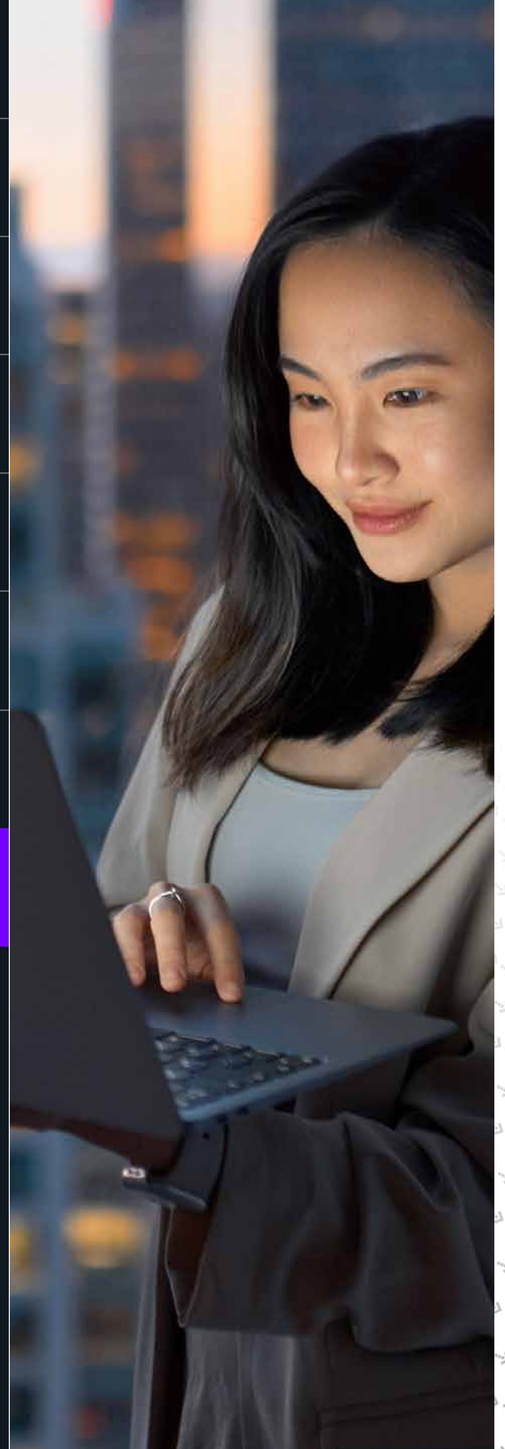
Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter



NICE Actimize

Connected Intelligence to Investigate Smarter

With over 300,000 active investigators using ActOne daily across all clients, NICE Actimize monitors 5 billion transactions daily. Regulators recognize NICE Actimize as a provider that delivers compliant, reliable solutions.

Widely adopted by global FIs of all sizes, ActOne is a comprehensive end-to-end case management platform that unifies financial crime investigations into a single view while providing the intelligence necessary to maximize efficiency and meet a firm's unique needs.

Learn more →

Current Challenges in Fraud and Financial Crime Investigations

Enhancing Case Management with Unified and Intelligent Systems

Advanced Analytics in Financial Crime Investigations

Advancing Compliance Reporting Through AI

AI: A Powerful Tool

Future-Proofing Financial Crime Management

ActOne's Impact in FIs

Connected Intelligence to Investigate Smarter

NICE Actimize

[1] https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/the-investigator-centered-approach-to-financial-crime-doing-what-matters

[2] https://www.niceactimize.com/compliance/blog-false-alerts-out-of-control-time-for-a-new-approach.html

[3] https://www.prnewswire.com/news-releases/new-research-from-workfusion-and-celent-reveals-ai-is-assisting-not-replacing-aml-compliance-jobs-according-to-93-of-banks-and-non-banking-financial-institutions-301964952.html

[4] https://hbr.org/2022/08/how-much-time-and-energy-do-we-waste-toggling-between-applications

[5] https://info.nice.com/buildastory.html

About NICE Actimize

NICE Actimize is the largest and broadest provider of financial crime, risk and compliance solutions for regional and global financial institutions, as well as government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers and investors assets by identifying financial crime, preventing fraud and providing regulatory compliance. The company provides real-time, cross-channel fraud prevention, anti-money laundering detection, and trading surveillance solutions that address such concerns as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence and insider trading.

© Copyright 2024 Actimize Inc. All rights reserved.

www.niceactimize.com