Alert Prioritization in Transaction Forensics

Make your fight against financial crime more productive with auto-triaged Alert Prioritization

Most transaction monitoring (TM) systems today are so complex that they generate huge numbers of alerts, all of which have to be processed. Manually sifting through every alert usually turns up nothing much or simply clears out repeats—in fact, an average of 95% of all AML alerts are false positives.[1] Worse yet, alerts pointing to real financial crime can often lie at the bottom of the stack, letting bad actors go free and opening companies up to the consequences.

In a segment where over half of employees already feel burnt out,[2] dedicating the majority of an analyst's time to nonproductive alerts is not a good strategy for retention or for effective crime detection.

Hiring more investigators is costly, as is completely overhauling a TM system. Non-stop alerts, ground-down workers, and ever-growing alert backlogs make your company a target for emergent money laundering threats—fines, expensive consultant clean-ups, and reputational damage may be one slip-up away.

But what if a thin extra layer of automation was all it took for your existing TM to give your team the support they need to efficiently focus only on productive alerts—the AML investigations that actually require their valuable investigative skills?
It's possible with Alert Prioritization.

A risk-based approach to cutting out the noise

Augment—don't replace—your TM

- Intake transactions with your existing stack—Resistant AI is a simple add-on
- Alerts trigger as normal based on your ruleset

Categorize

- Resistant AI checks each alert for suspicious attributes
- Alerts are also assessed against already-cleared events; for one client, 75% of alerts were duplicates
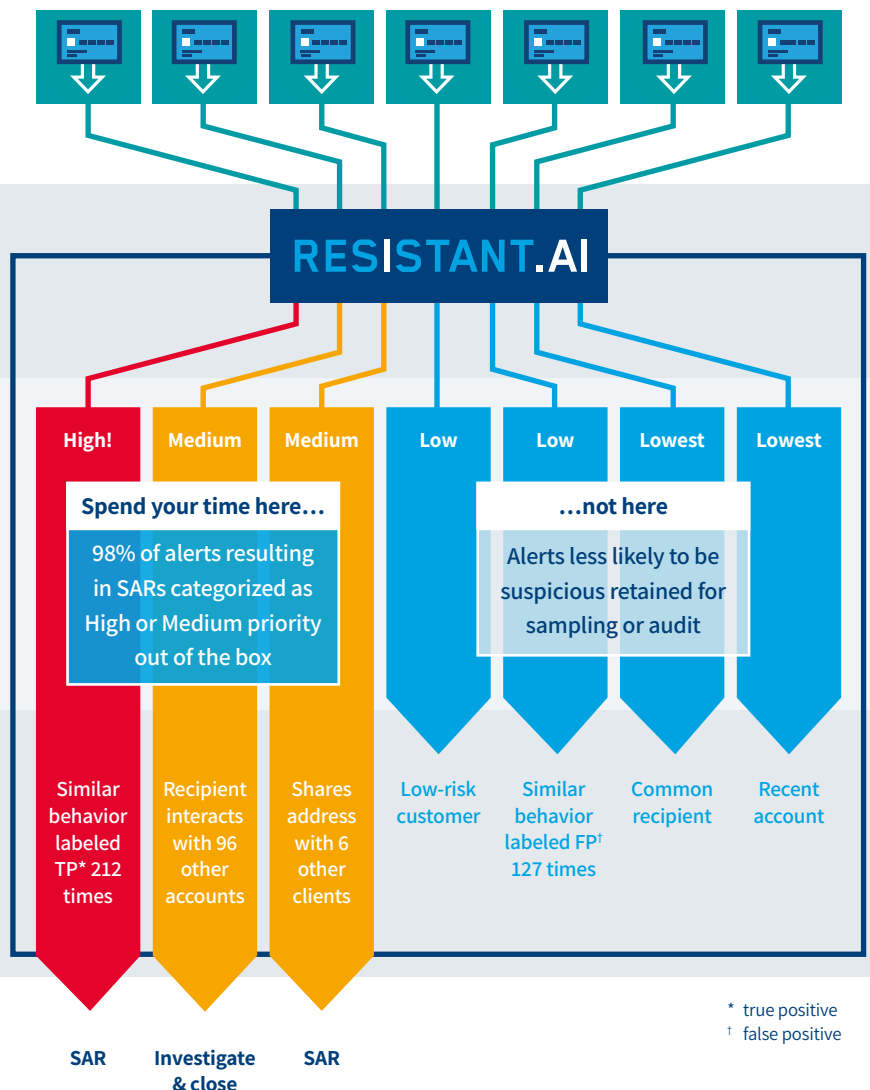
Prioritize

- Alerts are automatically and precisely sorted based on potential risk
- Medium and High are productive alerts: true positives worth investigating, and 25% become SARs
- Low and Lowest live up to their name risk-wise: most clients choose to sample them as a check once higher-priority alerts are dealt with

Contextualize

- Human-readable details enrich each alert, detailing why the alert triggered, why it was prioritized, similar transactions, and more
- Added info aids decision-making, further speeding up investigations

Analyze

- Analysts can use automatically triaged alerts and info to spend their valuable time investigating and adjudicating cases quickly and accurately

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| High! | Medium | Medium | Low | Low | Lowest | Lowest |

Spend your time here…
98% of alerts resulting in SARs categorized as High or Medium priority out of the box

…not here
Alerts less likely to be suspicious retained for sampling or audit

Similar behavior labeled TP* 212 times

Recipient interacts with 96 other accounts

Shares address with 6 other clients

Low-risk customer

Similar behavior labeled FP† 127 times

Common recipient

Recent account

SAR Investigate & close SAR

* true positive
† false positive

1 Joshua Fruth, "Anti-money laundering controls failing to detect terrorists, cartels, and sanctioned states" (Reuters, 2018)
2 "Compliance Officer Working Conditions, Stress & Mental Health 2022" (Corporate Compliance Insights, 2022)

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## Efficient compliance: save valuable investigative time

Making AI part of transaction monitoring—an approach welcomed by regulators[3]—lets our clients stay on top of the fast-moving financial landscape. A forward-thinking national bank is one Alert Prioritization user. Here's a before-and-after snapshot of their experience in numbers.

No action - 6,230

SAR - 284
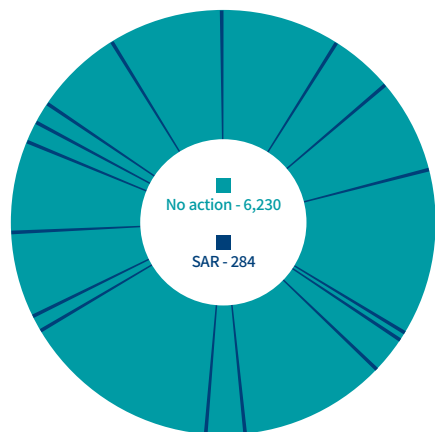
Fighting a losing battle

Without Alert Prioritization, investigators were tasked with investigating every alert coming in from their TM systems—in this dataset, that was over 6,500 alerts in six months, with more piling in and potentially burying wrongdoing.

Suspicious activities worth SARs were found, but only 284 times—just 4.6% of all investigations performed, as seen on the left.

SAR - 129
SAR - 151
Med 592
High 309
Lowest 1,209
Low 4,404
SAR 4
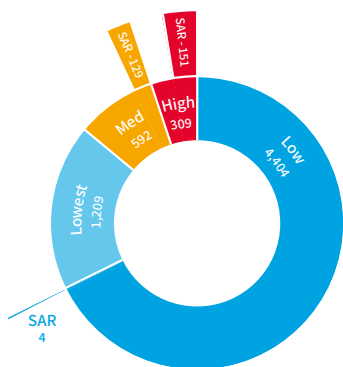
Investigation time better spent

After implementing Alert Prioritization, incoming alerts were automatically prioritized as High/Medium/Low/Lowest risk. Investigation time was spent only on High and Medium—900 cases, not over 6,000.

In total, 280 SAR-worthy cases were classed as High or Medium from the start—31% of investigations were productive, up from 2% in traditional alert management.

Truly smart Alert Prioritization

Our AI automatically classed 86% of alerts as Low or Lowest priority— meaning analysts safely cut 4 of 5 alerts out of their investigation workflow. This saves time and effort, plus it prevents backlogs in the first place—suspicious activities were dealt with right away without vast investigations teams.

Zero alerts resulting in SARs were found among Lowest-priority alerts; in other words, these are entirely unproductive alerts.

High and Medium alerts, meanwhile, were highlighted to easily become the focus of workers' time—productive alerts in the truest sense.

SAR spotlight

98.6% of all alerts leading to SARs were automatically sorted as High and Medium. The accuracy of our AI saved analysts significant time and effort while correctly identifying the suspicious transactions we're all looking for in the first place.

Traditionally, analysts were only filing SARs in 1 of every 23 investigated alerts. With Alert Prioritization, the SAR-to-alert ratio rose to 1 in 3—Resistant AI made it possible to focus on productive alerts only.

Train and comply

Efficient investigations and happy investigators mean less risk for everyone. But de-prioritized alerts are retained and have their benefits too: our client used these to train junior analysts, getting them familiar with the field and the TM system. This again allowed senior analysts to focus their valuable skills where they're needed while adding a seal of approval that Alert Prioritization.

Clients with limited investigatory resources may randomly sample nonproductive alerts prior to bulk closing them.

Greater Efficiency
5 x greater analyst productivity by safely de-prioritizing 4 of 5 nonproductive alerts

Better Results
31% of investigated alerts become SARs compared to 2% industry average [4]

3 "Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing" (FinCEN et al., 2018)

4 Joshua Fruth, "Anti-money laundering controls failing to detect terrorists, cartels, and sanctioned states" (Reuters, 2018)

www.resistant.ai | sales@resistant.ai

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