

FRAUD MANAGEMENT

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Information Management Solutions & Services



Adastra Fraud Management System (AFMS)

A cost-effective solution for rapid return on investment

AFMS is comprehensive modular solution developed by Adastra for fraud detection and investigation support, used most frequently by insurance, banking, and telecommunications organizations. Its universality and scalability make AFMS highly effective in other fields as well. AFMS continues to expose hundreds of fraud cases per year, and prevents countless others. The current second generation solution includes increased flexibility, faster automation, as well as optimized intuitive software for fraud case management.

Value Proposition

Insurance

Experts estimate that one in ten claims involves some level of fraud; spread across the value generated by Canadian insurance (\$37 billion in 2007, 60% of which is paid out in claims) fraud costs the industry more than \$2 billion per year. Not surprisingly, fraud has become a central focus of insurance companies and watchdog organizations. Because of a general public perception of fraud as a victimless low priority offence, as well as a proliferation of cases and escalating investigation and prosecution costs, companies often opt to pay out. The accumulated losses associated with many "minor" fraudulent claims are nevertheless significant, and any solution able to lower the prevalence of fraud even by a small amount, can produce significant savings.

AFMS helps produce savings by regularly monitoring, detecting, and evaluating non-standard insurance events on the basis of client analysis, the subject of insurance, and its agents and liquidators. AFMS brings a greater degree of control and surveillance, limits risk, and increases the effectiveness of investigations, and the success of prosecutions.

Banks

The implementation of AFMS is an important component for banks seeking to meet regulatory demands regarding fraud control and monitoring. Among the most frequent fraud attempts affecting the banking sector are the misuse of payment cards, money laundering, and fraudulent loans issued as the result of identity theft. Effective fraud prevention includes the monitoring of loan applications and payment behaviour, the tracking of potential cases of applications driven by identity theft, client behaviour via internet banking portals, and deposit/withdrawal tracking of potentially risky transactions.

Telecommunications

Telco companies must often contend with delinquent accounts and the abuse of subsidized campaigns. Internal fraud is particularly problematic: unscrupulous employees and business partners take advantage of their access to company systems (an issue also faced by insurance companies). AFMS detects non-standard events and suspicious cases, and ultimately prevents fraud and its associated costs. The deployment of AFMS in telecommunications covers near-realtime aggregations of CDRs, long term evaluation of customer behaviour, and the evaluation of current customer behaviour (frequently called numbers, directions of calls, call locations, etc.).



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THE SOLUTION

AFMS includes data integration into analytical data marts; data cleansing; business rule configuration and management; and the processing and storing of data, on- and off-line, to provide critical accurate data support to both automated processes and frontline staff.

Indicators, scores, weights

To detect fraudulent behaviour, AFMS customizes existing indicators, scoring them according to the degree of risk represented.

Filters

Scored indicators are then filtered, and cases identified as suspicious are loaded into a report for further evaluation. Changes to filter settings are performed by creating a new version of the filter; the original versions are available at any time for tracking and evaluation.

Reports

The report on suspicious cases displays the details of each case and includes a list of point scores. With reports, it is always possible to inspect the filter setting along with the relevant indicators, date of creation and its author.

Workflow

AFMS documents the entire workflow process to enable monitoring and audits of responses and their effectiveness.

Flexibility

Users can reconfigure metadata settings and adjust the application to their requirements.

Security

Due to the sensitivity of fraud-related information, security is resolved on the level of database access and AFMS configuration access.

BENEFITS

Savings

As perpetrators are caught, there is a significant reduction in the volume of fraud committed.

Competitive advantage

A unique system that detects and prevents fraud, and ultimately saves companies money, is a decisive factor in gaining an advantage over the competition.

Reduced demands on IT

Within AFMS, required reports are independently created by users. Reports can be automatically generated at set intervals and in near-real-time, which relieves IT departments of repetitive tasks.

Credibility

Fraud is ultimately paid for by honest clients. Therefore, the fight against fraud not only saves the company money, but also improves its reputation, thereby increasing customer loyalty and satisfaction.

Meet regulator expectations

AFMS helps organizations meet and exceed the requirements of regulators, especially for internal controls and monitoring systems.

Cost effectiveness

The modular structure of the solution makes it more easily integrated with existing Data Warehouse infrastructures. Costs can be reduced further by leveraging prior technological and business investments.

EXTENDED VALUE

AFMS-consolidated data is an information source that can be used for many other purposes. In addition, the general rule-based scoring module of the latest AFMS generation is capable of scoring any data with any scoring rules. In this way, the architecture created for AFMS can be further leveraged for increased profit in areas such as customer segmentation, marketing campaigns, sales support or claim settlement with low additional cost.