



Analytics Answers

Enterprise Fraud and Misuse Management Cat and mouse

Many organizations across sectors have been victimized or may be vulnerable in some way to fraud, waste, and abuse. In general, an organization's approach to fraud may involve "pay and chase." In other words, the mouse has already escaped with the cheese, and static mousetraps are set in response. Not only is it too late, but the problem is that mice—like fraudsters—are determined, clever, and adaptive.

The risks to an organization can be profound. Financial assets, trade secrets, and organizational reputation may be compromised. More systems, more digitization, and more data provide the fraudster with ample opportunity to find and exploit the vulnerabilities. However, advanced technology frameworks now exist to help an organization seek out and proactively guard against threats. Referred to as Enterprise Fraud and Misuse Management (EFM), this approach gives users the ability to screen transactional activity for evidence of fraud in real time, and identify external fraud rings that may threaten an organization. The best mousetrap has always been a cunning cat that can continuously monitor and adapt to evolving conditions. That's exactly what EFM is designed to do.



Get inside your data

At Deloitte, analytics isn't just a good idea—it's a call to action. That's why we've launched the *Analytics Answers* series of solutions—practical, problem-specific tools that are ready to deploy today.

A better trap

The maturity model for an EFM solution considers multiple dimensions, from the scope of the enterprise protected to the techniques deployed. Organizations can tailor a solution across these dimensions for its particular environment and requirements.

Enterprise scope

Many organizations still take a channel—or siloed—approach to detecting fraud. A fraud risk or event in one channel is not necessarily considered in another part of the organization. EFM takes a holistic view of an organization, looking for fraud risks and patterns across channels, departments, and functions.

Temporal scope

A mature EFM solution provides the ability to screen for fraudulent behavior or indicators on a real-time basis. This allows an organization to remedy a fraud issue before it fully manifests itself and causes irreparable damage.

Advanced analytics

Many data scientists have recently moved from the laboratory into the operational environment. Advanced techniques—such as predictive analytics, social networking analysis, and geospatial analysis—provide organizations with sophisticated tools and capabilities to help them stay ahead of the nefarious actors.

Data profile

The very nature of data has rapidly evolved. Spreadsheets and structured accounting data have given way to complex, unstructured data sets across domains—email, social

media, video, etc. Further, the advent of big data—terabytes, petabytes, and beyond—introduce further complexity. A mature EFM solution can help cut through these complexities to provide organizational insight and diagnose incidents of potential fraud.

Bottom-line benefits

Deloitte's EFM solutions provide cutting-edge capabilities to an organization to help guard against increasingly sophisticated foes. These real-time detective powers can be tailored to an organization's specific requirements to provide the ability to help detect and identify fraud and misuse at an enterprise level.

Additional benefits may include:

- Increasing regulatory compliance, potentially avoiding costly fees and penalties.
- Uncovering hidden patterns, trends, and schemes that traditional fraud detection methods may miss.
- Measuring and helping improve performance by monitoring potential inappropriate activity to identify vulnerable areas of the organization.
- Producing cost savings by reducing waste and abuse.

Learn more and get connected

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 www.deloitte.com/us/analyticsanswers

Contacts

If you think your organization can benefit from an Enterprise Fraud and Misuse Management solution, we should talk. Please reach out to any of us to get the conversation started.

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