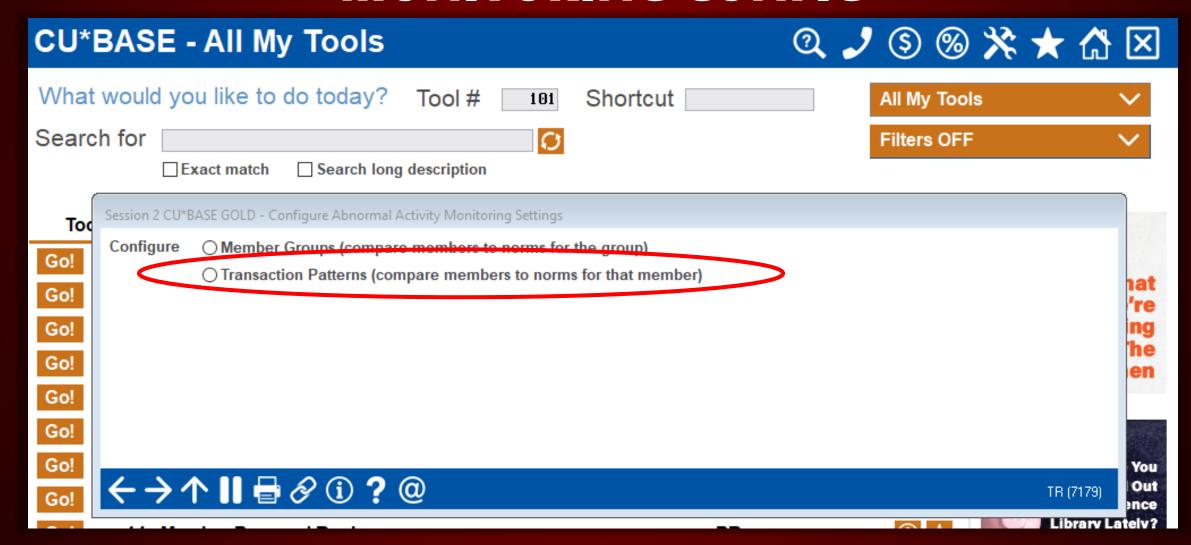
# ABNORMAL ACTIVITY MONITORING USING THE TOOLS YOU OWN

Marvin Johnson, NCCO, CAMS, CFE AuditLink Team Manager

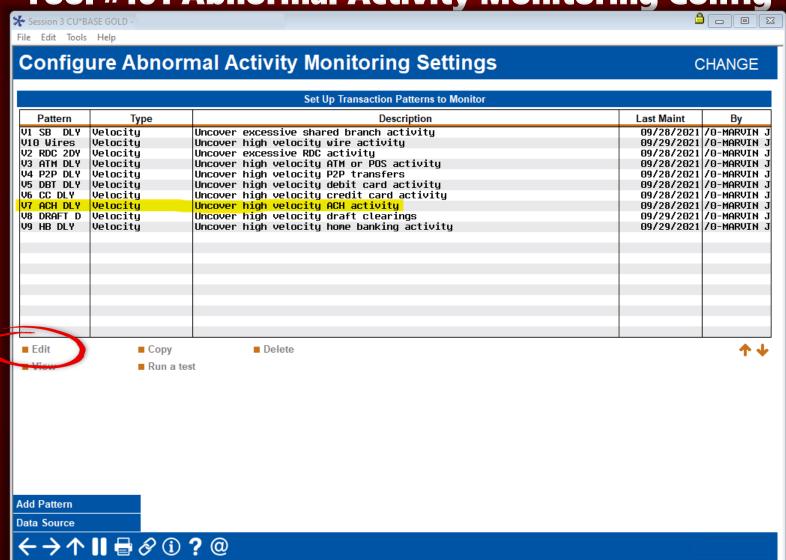
**AuditLink** 

## TOOL #101 ABNORMAL ACTIVITY MONITORING CONFIG



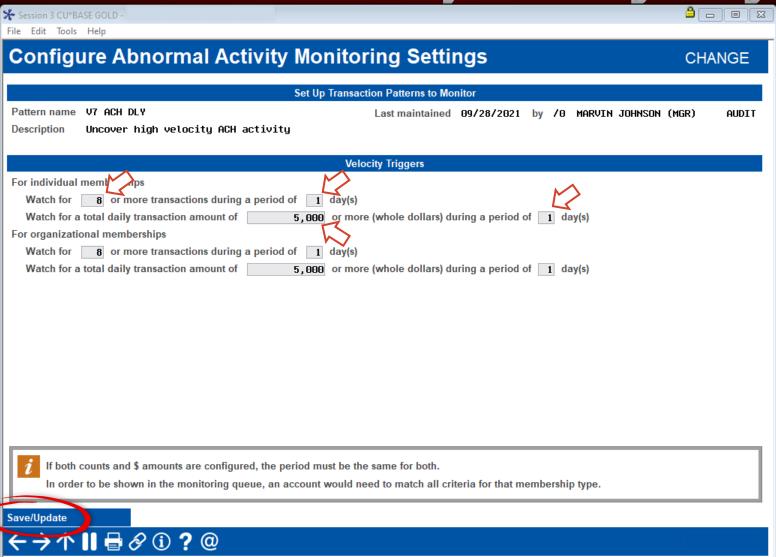
#### **CONFIGURE THE PATTERN**

**Tool #101 Abnormal Activity Monitoring Config** 

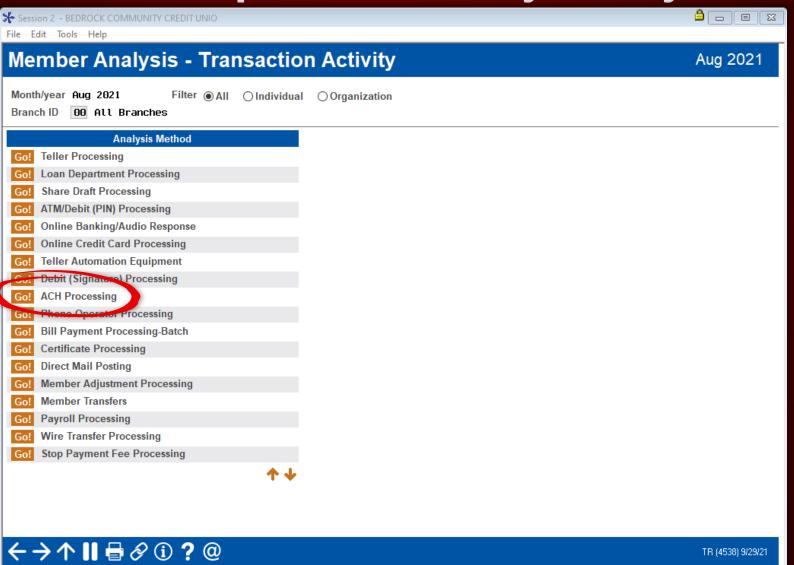


#### **CONFIGURE THE PATTERN**

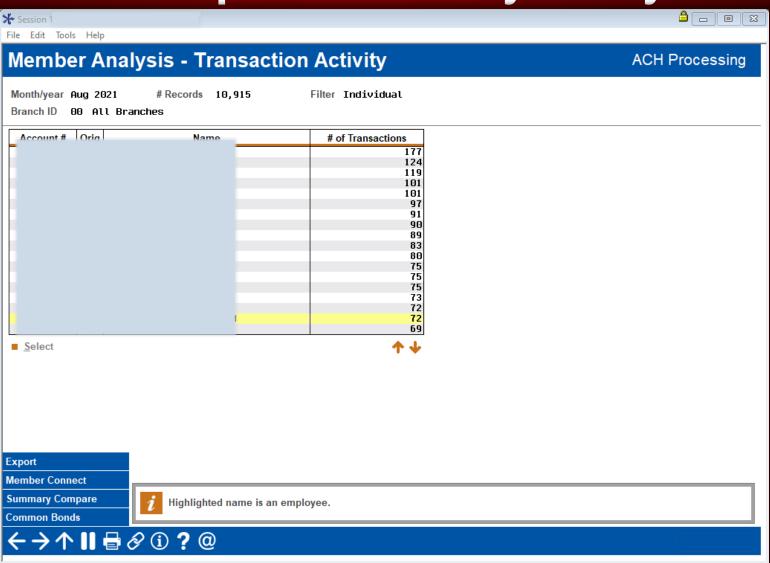
**Tool #101 Abnormal Activity Monitoring Config** 



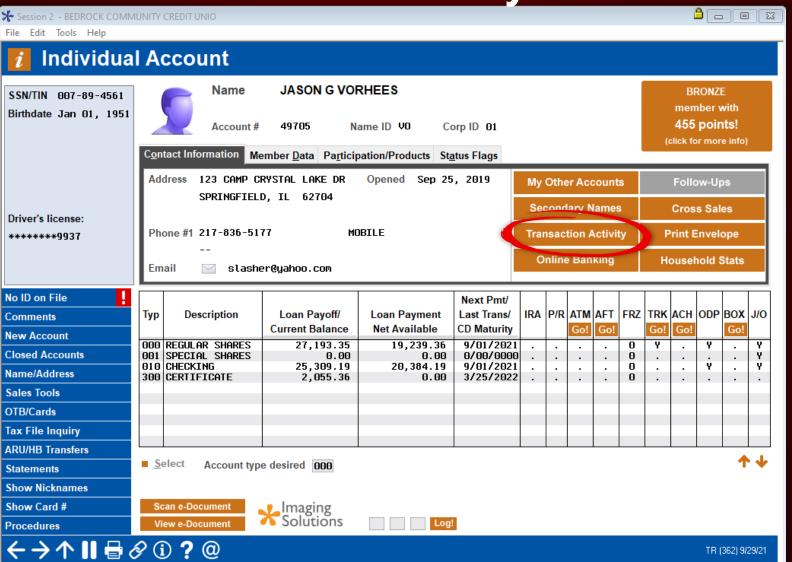
**Use Tool #775 Sample Transactions by Delivery Channel** 



**Use Tool #775 Sample Transactions by Delivery Channel** 



**Use the Transaction Activity Dashboard** 



#### **Use the Transaction Activity Dashboard**

	Cu	rrent Totals		1 Month Prior Totals			2 Moi	nth Prior Tota	als	3 Month Prior Totals		
Origin	Debits	Credits	# Tran	Debits	Credits	# Tran	Debits	Credits	# Tran	Debits	Credits	# Tran
TELLER PROCESS	0	10,214	3	0	0	0	1,500	0	2	20	0	1
SHARE DRAFT FR	0	0	0	18	0	2	0	0	0	4	0	1
LOAN DEPARTMEN	0	0	0	23,434	0	1	0	0	0	42,821	17,599	6
ACH NETWORK PR	12,851	13,487	124	15,770	9,374	177	16,980	34,816	182	13,915	16,307	175
ATM NETWORK PR	2,824	2,265	50	2,988	5,622	88	1,712	1,017	45	1,558	1,795	55
PHONE OPERATOR	3,000	3,000	2	0	900	2	520	0	1	0	0	0
												<b>+</b>

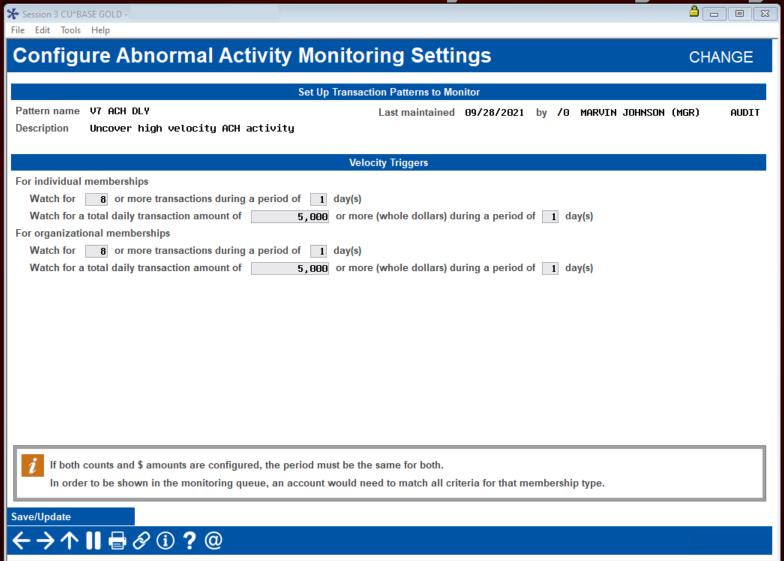
	(	Current Totals			1 Month Prior Totals			onth Prior	Totals	3 Month Prior Totals		
Origin (Cost)	# Trans	Cost/Trx	Total Cost	# Trans	Cost/Trx	Total Cost	# Trans	Cost/Trx	Total Cost	# Trans	Cost/Trx	Total Cost
TELLER PROCESS	3	1.25	3.75	0	1.25	0.00	2	1.25	2.50	1	1.25	1.25
Share draft fr	0	0.25	0.00	2	0.25	0.50	0	0.25	0.00	1	0.25	0.25
LOAN DEPARTMEN	0	1.00	0.00	1	1.00	1.00	0	1.00	0.00	6	1.00	6.00
ACH NETWORK PR	124	0.25	31.00	177	0.25	44.25	182	0.25	45.50	175	0.25	43.75
ATM NETWORK PR	50	0.25	12.50	88	0.25	22.00	45	0.25	11.25	55	0.25	13.75
PHONE OPERATOR	2	0.25	0.50	2	0.25	0.50	1	0.25	0.25	0	0.25	0.00
												<b>↑ ↓</b>
	Tota	ls	63.80			84.30			80.40			82.10

#### **Use the Transaction Activity Dashboard**

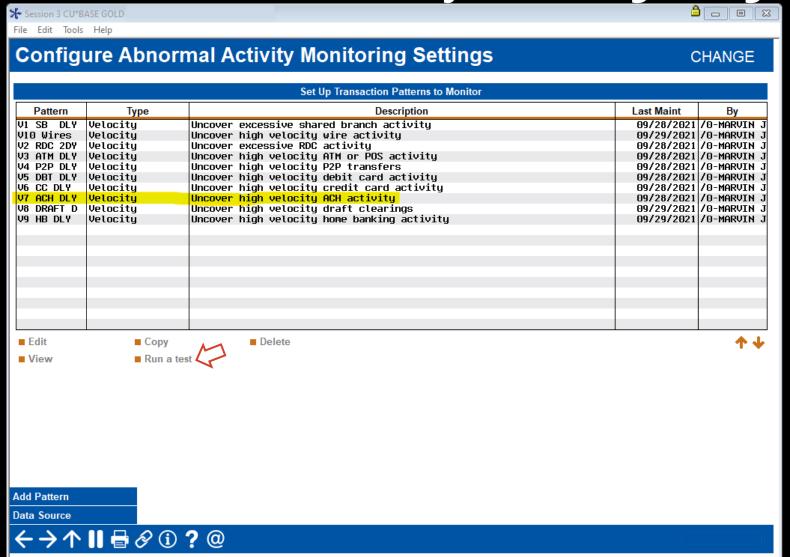
<u> </u>												
	Cı	ırrent Totals		3 Month	s Average T	otals	All Mbr	s Average T	otals			
Origin	Debits	Credits	# Tran	Debits	Credits	# Tran	Debits	Credits	# Tran	Debits	Credits	# Tran
TELLER PROCESS	0	10,214	3	507	0	1	1,001	1,468	2			
SHARE DRAFT FR	0	0	0	7	0	1	1,345	361	3			
LOAN DEPARTMEN	<b>9</b>	0	0	22,085	5,866	2	6,324	3,937	1			
ACH NETWORK PR	12,851	13,487	124	15,555	20,166	178	1,249	2,294	7			
ATM NETWORK PR	2,824	2,265	50	2,086	2,811	63	649	219	16			
PHONE OPERATOR	3,000	3,000	2	173	300	1	1,152	0	1			
DEBIT CARD PRO	2,639	0	57	6,959	7	65	990	68	26			
CREDIT CARD PR	337	0	10	137	0	5	430	53	8			
AUDIO RESPONSE	2,751	2,689	25	6,936	6,866	31	1,701	1,707	8			
AUTOMATIC SYST	0	0	1	0	18	3	28	13	1			
				1		'			'	ı		<b>4</b> 4
												•
Daily Averages	Com	pare to All M	lembers	Monthly Total	s							

#### **CONFIGURE THE PATTERN**

**Tool #101 Abnormal Activity Monitoring Config** 



#### **Tool #101 Abnormal Activity Monitoring Config**

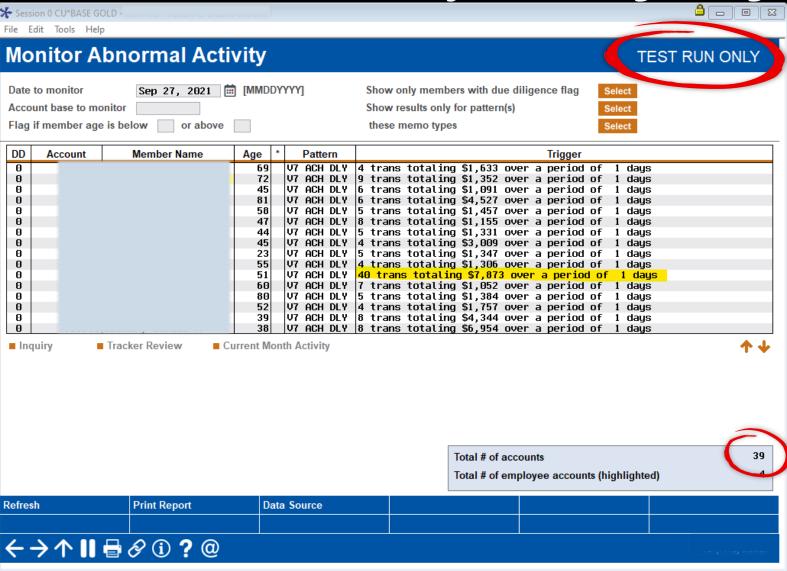


#### **RUN A TEST**

 Get real-time feedback on changes you made to the configuration

 Allows you to try different thresholds until you are comfortable with the resulting population

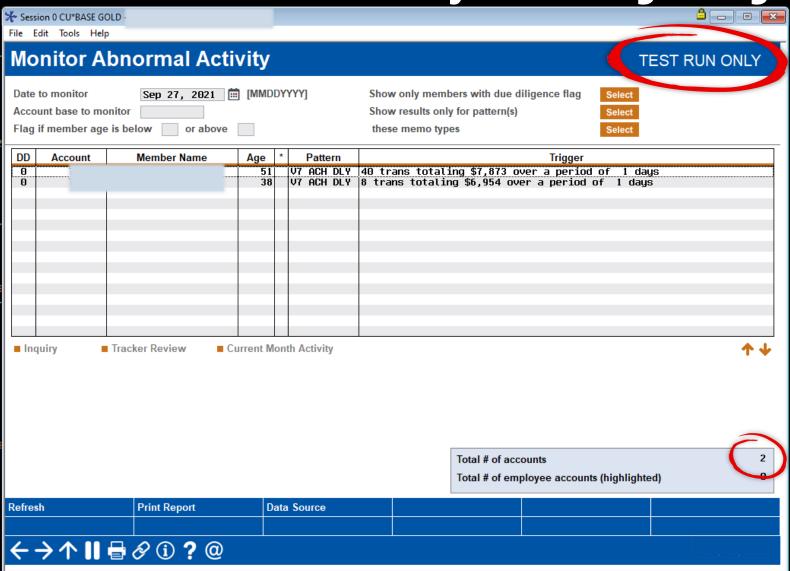
### Tool #101 Abnormal Activity Monitoring Config



## ASSESS THE TEST RESULTS

- Does it appear that the threshold(s) are set too low?
- Pulling in too many accounts?
- If yes, go back to the drawing board and adjust the configuration

#### **Tool #101 Abnormal Activity Monitoring Config**



## ASSESS THE TEST RESULTS

- Does it appear that the threshold(s) are set too low?
- Pulling in too many accounts?
- If yes, go back to the drawing board and adjust the configuration
- Do as many iterations as you deem necessary.

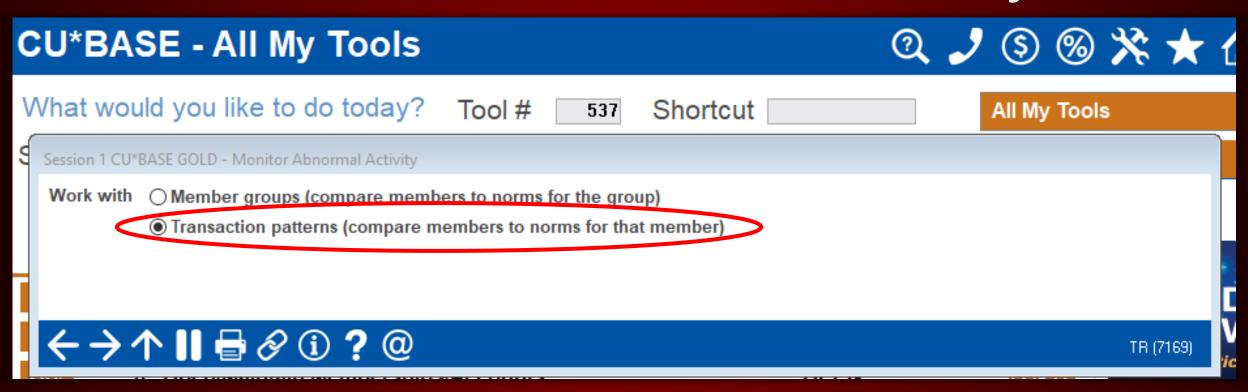
#### DOCUMENT THE CONFIGURATION

#### **Use the Config Tracking Sheet**

A	B	С	D	F	F		G	Н		1
							-			, , , , ,
ABC	Credit U	nion								
										Initial Configuration
	Changed by		Origin							
L	(Emp ID)	Pattern	Code(s)	Description	Individual					9/30/2021
					Individual					
27	MJ	V7 ACH DLY	11	Uncover high velocity ACH activity	Watch for		8	or more transactions during a period of	1 days	2 on 9/27, 2 on 9/20, 2 on 9/17
					Watch for a total daily transaction amount of	\$	5,000.00	or more (whole dollars) during a period of	1 days	
					Organizational					
					Watch for		8	or more transactions during a period of	1 days	1 on 9/20
					Watch for a total daily transaction amount of	\$	5,000.00	or more (whole dollars) during a period of	1 days	
					Individual					
28	,	V8 DRAFT D	2	Uncover high velocity draft clearings	Watch for		4	or more transactions during a period of	1 days	
					Watch for a total daily transaction amount of	\$	5,000.00	or more (whole dollars) during a period of	1 days	
					Organizational					
					Watch for		12	or more transactions during a period of	1 days	
					Watch for a total daily transaction amount of	\$ :	25,000.00	or more (whole dollars) during a period of	1 days	
					Individual					
29	\	V9 HB DLY	96	Uncover high velocity home banking activity	Watch for		7	or more transactions during a period of	1 days	
					Watch for a total daily transaction amount of	\$ 2	20,000.00	or more (whole dollars) during a period of	1 days	
					Organizational					
					Watch for		5	or more transactions during a period of	1 days	
					Watch for a total daily transaction amount of	\$ :	25,000.00	or more (whole dollars) during a period of	1 days	
					Individual					
30	\	V10 Wires	9	Uncover high velocity wire activity	Watch for		4	or more transactions during a period of	30 days	
					Watch for a total daily transaction amount of	\$ :	15,000.00	or more (whole dollars) during a period of	30 days	
					Organizational					
					Watch for		5	or more transactions during a period of	30 days	
					Watch for a total daily transaction amount of	\$ :	25,000.00	or more (whole dollars) during a period of	30 days	

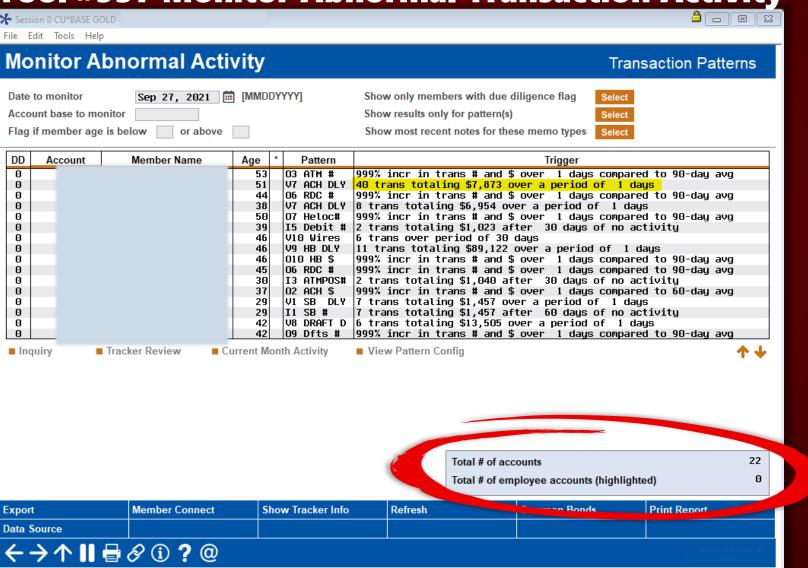
#### **HOW TO NAVIGATE**

**Tool #537 Monitor Abnormal Transaction Activity** 



#### **REVIEW THE ACCOUNTS**

**Tool #537 Monitor Abnormal Transaction Activity** 



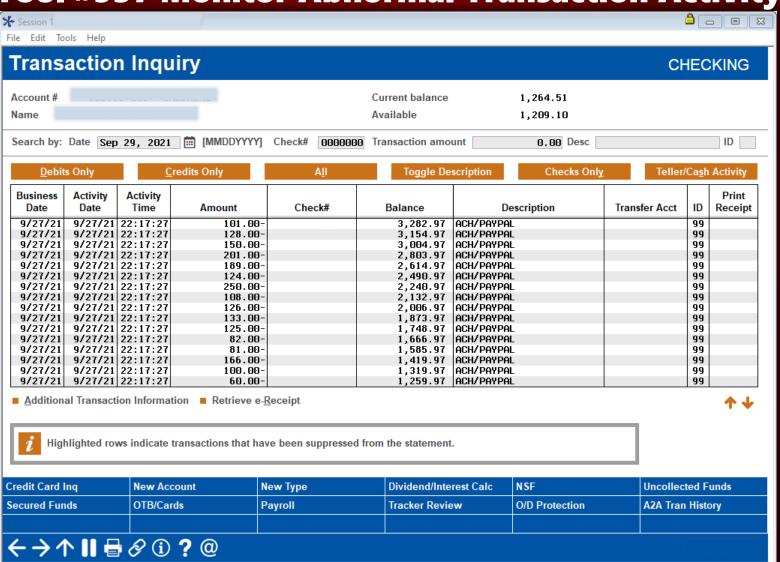
#### DOCUMENT THE ACCOUNT REVIEW

#### **Use the Account Review Sheet**

Α	В	С	D	E	F	G	н	1	J
AB	C Credit	Union							
	Activity	Review						Worthy of	False
#	Date	Date	Pattern	Account	Trigger	Configuration	Review Notes	Review	Positive
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
							Worthy of Review	0	0%
							False Positive	0	0%
							Total	0	

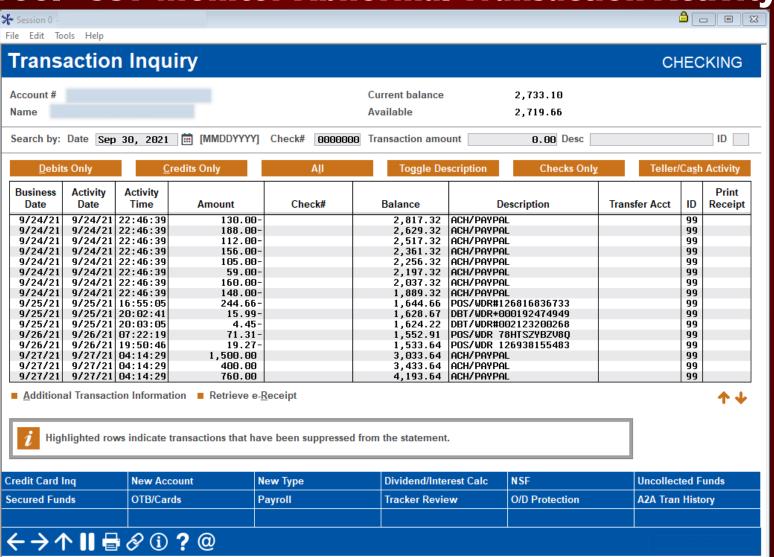
#### **REVIEW THE ACCOUNTS**

**Tool #537 Monitor Abnormal Transaction Activity** 



#### REVIEW THE ACCOUNTS

**Tool #537 Monitor Abnormal Transaction Activity** 



#### **DOCUMENT THE ACCOUNT REVIEW**

#### **Use the Account Review Sheet**

Δ	R	C	D	F	F	G	н		
A D (	Crodit	<b>∀</b> nion			· · · · · · · · · · · · · · · · · · ·	0	" -		,
			2	,				N1 .	
#	Activity Date	Review Date	Pattern	Account	<b>-</b> :	Configuration	Review Notes	Worthy of Review	False Positive
#	Date	Date	rattern	Account	Trigger	Configuration	Review Notes	Keview	rositive
							Predominantly comprised of incoming and outgoing		
							PayPal transfers. Account is funded by payroll direct		
							deposits, but also by large incoming PayPal transfers. Also		
1 9	9/27/2021	9/28/2021	V7 ACH DLY	123456	40 trans totaling \$7,873 over 1 day		noted other P2P apps such as Venmo and Cash app. MJ	X	
							8 transactions across 000 and 001. One \$4.7K payment to		
							Discover Card to overdraw 001 account. Nothing		
							suspicious noted, but larger than usual and account is still		
							overdrawn. Primarily funded by payroll direct deposit and		
2 9	9/27/2021	9/28/2021	V7 ACH DLY	654321	8 trans totaling \$6,954 over 1 day		transfers from 014 money market account. MJ	X	
							Funded by \$25K transfer from 010, Nothing suspicious		
3 9	9/28/2021	9/29/2021	I8 Draft #	987654	2 trans totaling \$24,540 after 90 days inactivity		noted. MJ		X
4	9/29/2021	9/30/2021	01 Debit \$	456789	380% incr in trans # and \$ over 1 day vs 90-day avg		Dentist charges. Nothing suspicious noted. MJ		X
5									
6									
7									
8									
9									
10									
							Worthy of Review	2	50%
							False Positive	2	0%
							Total	4	
<b>•</b>	Confi	g Tracking	Account	Review	Hit Tracking   🕣	i	: 1		

#### DETERMINE THE FALSE POSITIVE RATE

#### **Use the Hit Tracking Sheet**

Λ.												
Α	В	С	D	Е	F	G	Н	- 1	J	K	L	M
ABC	Credit L	Inion		M					. ^	П		
	M	3		Activity Date	Activity Date	Activity Date				9/2	27 - 9/29	
	Pattern	Туре	Description	9/27/2021	9/28/2021	9/29/2021		Total	WOR	FP	FP Ratio	Raise / Lower / Remain
8	18 Draft#	Idle	Idle activity for share drafts	3	1	2		6		6	100%	Raise
9	19 HB#	Idle	Idle activity for home banking transfers					0			0%	
10	I10 Wire#	Idle	Idle activity for wire transfers					0			0%	
11	01 Debit\$	Out-of Ord	Out of the ordinary debit card activity	6	3	1		10	2	8	80%	Raise
12	02 ACH\$	Out-of Ord	Out of the ordinary ACH activity					0			0%	$\sim$
13	03 ATM#	Out-of Ord	Out of the ordinary ATM activity					0			0%	
14 0	4 ATMPOS\$	Out-of Ord	Out of the ordinary ATMPOS activity					0			0%	
15	05 CC#	Out-of Ord	Out of the ordinary credit card activity					0			0%	
16	06 RDC#	Out-of Ord	Out of the ordinary RDC activity					0			0%	
17 (	07 HELOC#	Out-of Ord	Out of the ordinary HELOC activity					0			0%	
18	08 TLR#	Out-of Ord	Out of the ordinary teller line activity					0			0%	
19	09 Dfts#	Out-of Ord	Out of the ordinary draft clearings					0			0%	
20	010 HB\$	Out-of Ord	Out of the ordinary home banking transfers					0			0%	
21	V1 SB DLY	Velocity	Excessive shared branch activity					0			0%	
22 \	V2 RDC 2DY	Velocity	Excessive RDC activity					0			0%	
23 V	/3 ATM DLY	Velocity	Excessive ATM or POS activity					0			0%	
24 \	V4 P2P DLY	Velocity	Excessive P2P activity					0			0%	
25 \	V5 DBT DLY	Velocity	Excessive DBT activity					0			0%	
26	V6 CC DLY	Velocity	Excessive CC activity					0			0%	
27 ١	V7 ACH DLY	Velocity	Excessive ACH activity	2				2	2		0%	Remain
28 \	/8 DRAFT D	Velocity	Excessive draft clearings					0			0%	
29	V9 HB DLY	Velocity	Excessive home banking activity					0			0%	
30	V10 WIRES	Velocity	Excessive wire transfer activity					0			0%	
<b>•</b>	Config	Tracking	Account Review Hit Tracking						: [			

#### DOCUMENT THE CONFIGURATION

#### **Use the Config Tracking Sheet**

А	В	С	D	E	J	К	L	М	N	0
ABC	Credit U	nion								
					Initial Configuration					
	Changed by		Origin		•				Changed by	
	(Emp ID)	Pattern	Code(s)	Description	9/30/2021				(Emp ID)	Date of Change
27	MJ	V7 ACH DLY	11	Uncover high velocity ACH activity	2 on 9/27, 2 on 9/20, 2 on 9/17	8	or more transactions during a period of	1 days		
						\$ 2,500.00	or more (whole dollars) during a period of	1 days		
					1 on 9/20	8	or more transactions during a period of	1 days		
						\$ 2,500.00	or more (whole dollars) during a period of	1 days		
						_				
28		V8 DRAFT D	2	Uncover high velocity draft clearings		5	or more transactions during a period of	1 days		
_						\$ 3,000.00	or more (whole dollars) during a period of	1 days		
_						10	or more transactions during a period of	1 days		
	-					-	or more transactions during a period of or more (whole dollars) during a period of	1 days		
_ <b>F</b>						\$ 10,000.00	or more (whole donars) during a period of	Tuays		
29		V9 HB DLY	96	Uncover high velocity home banking activity		15	or more transactions during a period of	3 days		
		V31100E1	30	oncover mgn verserry nome summing activity			or more (whole dollars) during a period of	3 days		
						25,000.00	or more (miner demand) during a period or	5 0.0,5		
						5	or more transactions during a period of	3 days		
						\$10,000	or more (whole dollars) during a period of	3 days		
30		V10 Wires	9	Uncover high velocity wire activity		3	or more transactions during a period of	30 days		
							or more (whole dollars) during a period of			
_						3	or more transactions during a period of	30 days		
L							or more (whole dollars) during a period of			
<b>4</b> →	Confi	g Tracking	Account	Review Hit Tracking 🕀			: []			
		5					- N			

#### **NEXT SESSION**

- Best practices after the configuration is dialed in
  - How to incorporate the use of due diligence codes
  - Reporting capabilities
  - Using trackers to document your review

#### **COMING SOON**

- Configuration service offering targeted for mid-October 2021
  - Time studies have been underway to determine pricing

 Full account review service offering targeted for early 2022

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Meet The Team



Auditing (3)



Daily Monitoring (7)



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Transaction Face
Change Management and Data
Governance

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