Artificial Intelligence

A New Tool in Fighting Fraud

Presenters
Sierra Forensic Group (SFG), headquartered in Chicago, Illinois, is a boutique forensic accounting firm specializing in assisting clients with matters involving financial fraud, investigations and analysis as well as litigation support and dispute consulting. SFG utilizes a variety of analytic tools and forensic technologies. We assist clients around the globe and have a particular expertise with organizations in Latin America.

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What is AI or Cognitive Computing

Artificial Intelligence or Cognitive Computing is software that gives machines the power to perform specific tasks that normally require human intelligence such as visual perception, speech recognition, decision-making, and language translation.

Artificial Intelligence is not a single technology or function.
Applications for AI Capabilities

<table>
<thead>
<tr>
<th>Legal Research</th>
<th>Pricing and Budgeting</th>
<th>Litigation Strategy</th>
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<tr>
<td>&quot;What is the nature of the tolls, and how can we get them?&quot;</td>
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Al in Various Industries

The 5 industries most affected by Artificial Intelligence

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<tr>
<th>Healthcare</th>
<th>Finance</th>
<th>Customer Service</th>
<th>Transportation</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI health information</td>
<td>Customer targeting based on predicted data analysis</td>
<td>Automated place recognition or voice recognition</td>
<td>Directors and real time traffic data</td>
<td>For all the features, look at Google Maps</td>
</tr>
<tr>
<td>DB and EHR management</td>
<td>EHR management</td>
<td>Call centers</td>
<td>EHR management</td>
<td>Automated packaging processes</td>
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Three examples of technology revolution that will have an impact on manufacturing industry:

1. Internet of Things (IoT): The network of physical objects that contain embedded technology to communicate and interact with their internal states or the external environment.

   - **What Are Your Things?**
   - **You have things**
   - **You have data**
   - **Internet / devices**
   - **Data**
   - **Remote Control**
   - **The Right Strategy**
   - **Start by connecting the services you already have**
   - **Combine the data you already collect**
   - **Generate new insights to create new business value**

2. Cloud: It allows you to set up what is essentially a virtual office to give you the flexibility of connecting to your business anywhere, any time.

   - **Access to automatic updates**
   - **Reduced IT costs**
   - **Collaboration efficiency**

   - **01 Cloud**
   - **02**
   - **03**


   - **Productivity savings**
   - **Reducing condition monitoring processes**
   - **Revolutionizing product and service quality**
Artificial Intelligence in Various Industries

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AI in the Accounting & Finance Industry

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Benefits of AI in the Accounting & Finance Industry

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Improved Productivity and Reduced Costs:
- Simplify the process of recording transactions.
- Automate the entire workflow of researching, getting purchase approval, purchasing, receiving, storing, and retiring assets.
- Follow controlled process to eliminate risks.

More Accurate and Transparent Data and Reporting:
- Transparency of data used for reporting.
- Easier to find and correct errors.
- Storage and search software technology advances allow for easy document management.

Better Customer Service:
- US Bank uses AI to determine best time to call clients.
- Automate mobile banking.
- Chat and customer service bots.
How AI Helps Identify Fraud and Monitor Compliance

AI Identifying Fraud and Monitoring Compliance

Management of:
- Compliance records
- Contracts
- Other important documents

Banking Industry

Identifying fraud and monitoring compliance

Third party risk management

Corporations

Have to deal all the time doing due diligence to their third parties in order to minimize all different kinds of risks. For example reputational, corruption, and non-compliance with internal policies and external requirements.

Banking Industry

Spends thousands of hours going over countless pages of regulatory compliance filings, loan agreements, and other records to determine whether they comply with laws, terms, and conditions.

AI Identifying Fraud and Monitoring Compliance

Systems Built on Machine Learning Technology

Stunning Reductions in the Time and Effort

More Efficiency, Transparency, Reduced Probability of Risks
How AI Helps Identify Fraud and Monitor Compliance

Identifying Fraud:

- **Rogue employee detection**
  - Catching employees opening fake accounts.
  - Finding multiple accounts using the same e-mail or IP address.

- **Trader monitoring**
  - Learns trader personalities and behavior.
  - Increases the precision of suspicious trading, helping avert costly false alarms.

**KYC**

Algorithmic machine learning models with a layer of human-like cognitive reasoning can:

- Analyze vast amounts of data.
- Search the web and find patterns that can strengthen and streamline the KYC processes.
- Identify red flags.

Money laundering detection:

- Monitoring reports, news items and regulatory alerts can be evaluated as risk indicators using AI.
- Those alerts indicating the greatest risk exposures can be subject to further analysis.
### How AI Helps Identify Fraud and Monitor Compliance

#### Monitoring Compliance:
- **Law and regulation parsing:**
  - AI software can extract specific rules in lengthy regulatory documents and send them to people and departments that need to comply.
- **Identification of regulation and policy updates:**
  - Cognitive engines can understand and analyze high volumes of regulatory changes and verify that a business is alerted to the most up-to-date policies.

#### Identification of units, products and processes affected by compliance requirement:
- Neuro linguistic programming systems can analyze documents to identify people, products and processes affected by legal and regulatory changes.

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### How to Prepare
# How to Prepare

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<th>Focus</th>
<th>Individuals must be focusing on their insight and expertise and finding customers in need of those offerings.</th>
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<td>Self-Education</td>
<td>Individuals hoping to survive and thrive in the age of artificial intelligence must begin by educating themselves on forthcoming technologies.</td>
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<td>Market Yourself</td>
<td>Market yourself to your clients as someone who understands and has mastered the future, rather than someone who stands to be eliminated by it.</td>
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<td>Innovative Thinker</td>
<td>Embrace AI technology in an effort to provide more value to clients.</td>
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**Questions?**

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**Thank you!**