

Reliably Identify Customer and Third-Party Relationship Risk

Improve entity matching, automatically qualify alerts and establish a prioritization of risk.





The customer screening challenge

Validating customer databases and third-party relationships against sanctions, politically exposed persons (PEPs), reputationally exposed persons (REPs) and other lists can generate hundreds of thousands of alerts. Manually assessing each alert is a time-consuming process and determining whether further investigation is required can put considerable strain on compliance resources. Manual errors, such as approving a questionable relationship, can raise compliance risk.

LexisNexis® Firco Entity Resolution Filter is a powerful secondary screening filter and surveillance tool that reliably identifies customer and third-party relationship risk. It provides additional detection capabilities that increase accuracy, manage false negative risk and substantially decrease false positives. With fewer false positives to review, compliance teams can focus efforts on the most relevant, highest-risk alerts.

Prioritizing risk

Entity resolution is a process to determine the likelihood that two database records represent the same real-world entity (e.g., individuals, companies) by comparing available data points.

Firco Entity Resolution Filter explores patterns of interaction and analyzes customer data against watch lists to uncover relationships and flag anomalies that were previously undetected. The solution risk ranks matches by severity and applies a likelihood score to deliver a prioritized assessment of customer risk. Matches with the most severe consequences and greatest likelihood of being true rise to the top.

Unlike solutions that rely on machine learning or human decision making, Firco Entity Resolution Filter does not require frequent retraining or the need to consume large data sets to be effective. It uses a statistical model for record linkage that relies on stable sources of data to determine whether a given hit is the same as the entity on the watch list.

Two unique capabilities

Firco Entity Resolution Filter comprises two unique capabilities: the Exposure Index and Strength Index. Together, they form a powerful core that facilitates data matching. Alerts with the most severe consequences and greatest relevance are quickly identified and flagged for immediate attention.

SI	EI	# Hits	Tags
7	100	1	PEP
8	100	1	REP
16	100	1	Sanction
14	100	1	PEP
7	100	1	Sanction
3	100	1	REP
11	97	1	REP
14	94	1	REP

Exposure Index
 Answers the question:
If this match is a customer, how much could it impact our institution?
 The higher the score, the higher the potential risk

Strength Index
 Answers the question:
What are the chances this is a true match?
 The higher the score, the greater the likelihood of truth

Exposure Index

Exposure Index is a patented methodology for ranking the relative political and criminal exposure of individuals and entities in reference databases. An automated, daily process, the Exposure Index offers a precise and auditable solution that prioritizes risk based on severity. It helps you answer the question, “If this match is our customer, how much could it impact our institution?” The higher the Exposure Index score, the greater the potential risk.

The data is graphically displayed in a scatter plot to easily segregate results so you can confidently identify high-risk, immediately-actionable matches, discard non-matches and have a manageable number of potential matches for review.



Strength Index

Strength Index is an alert scoring and prioritization framework that helps answer the question, “What are the chances that this is a true match?” To determine the likelihood that any two records refer to the same person or entity, the Strength Index considers various factors and data points, such as name frequency, date of birth, nationality and other information. This information is used to develop a score—the higher the Strength Index score, the greater the likelihood of a true match.

Firco Entity Resolution provides full transparency for regulators. It offers insight into why a particular Strength Index score was reached. For example, it is able to demonstrate the weighting by components that factor into a decision.

Increase efficiency

By prioritizing alerts with the highest risk and greatest likelihood of being true, Firco Entity Resolution Filter improves operational efficiency and provides the optimal balance of risk mitigation and alert management.

Patented risk-ranking methodology measures daily exposure within large databases

Alert scoring based on the likelihood of a match dramatically improves relevance

Statistical methodology provides full transparency to explain why certain decisions were made

User-defined risk levels based on your firm’s risk tolerance



Comprehensive benefits

- Greater precision in risk detection
- Fewer false positives and low-quality alerts for increased operational efficiency
- High-performance, high-volume screening for rapid onboarding
- Ongoing monitoring to stay ahead of changing risk
- Full audit trail for traceability
- Highly configurable to meet specific organization or line-of-business needs



The importance of quality data

We recognize the value of high-quality data. We offer sanctions, PEPs, enhanced due diligence and other watch lists from regulatory and enforcement agencies around the globe to arm you with the up-to-date information you need to protect your organization.

For more information, call 800.658.5638 or visit risk.lexisnexis.com/FCC



About LexisNexis® Risk Solutions

LexisNexis Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

Our solutions assist organizations with preventing financial crime, achieving regulatory compliance, mitigating business risk, improving operational efficiencies and enhancing profitability.

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