

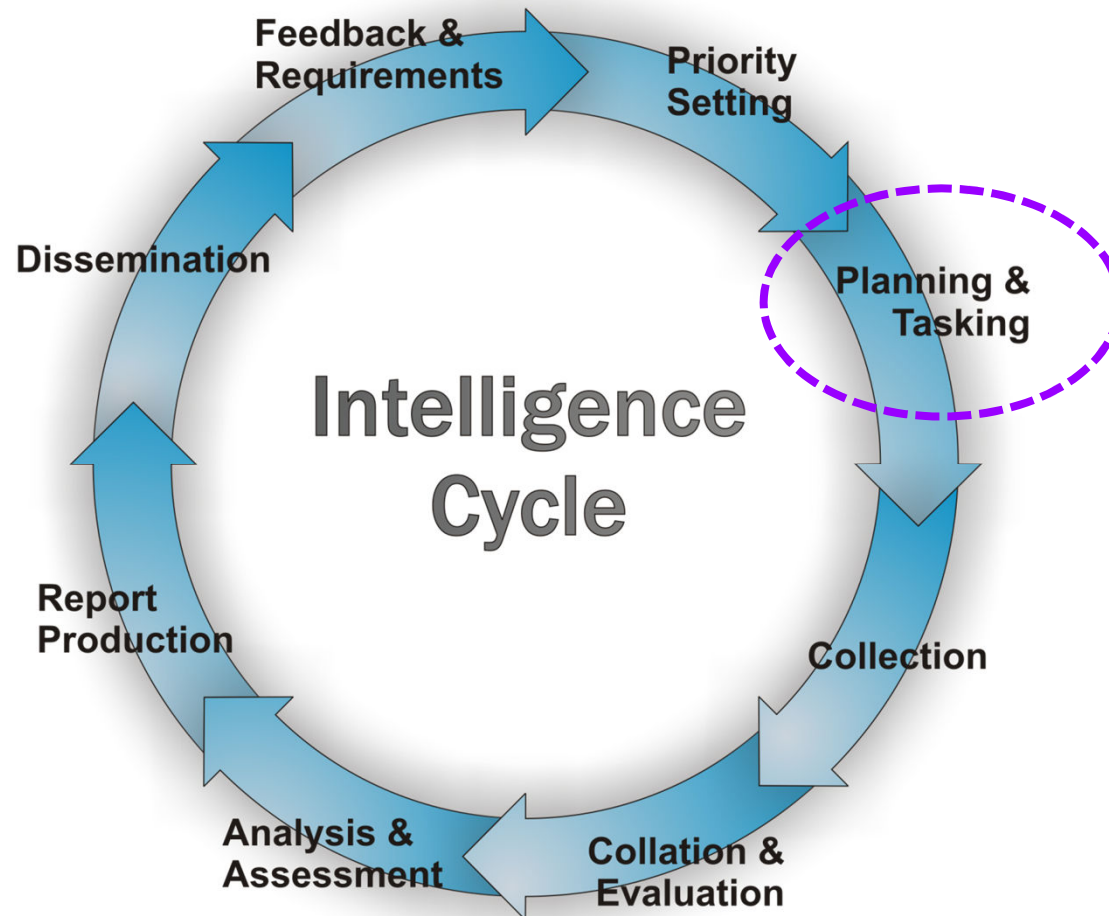


Strategic Analysis Course

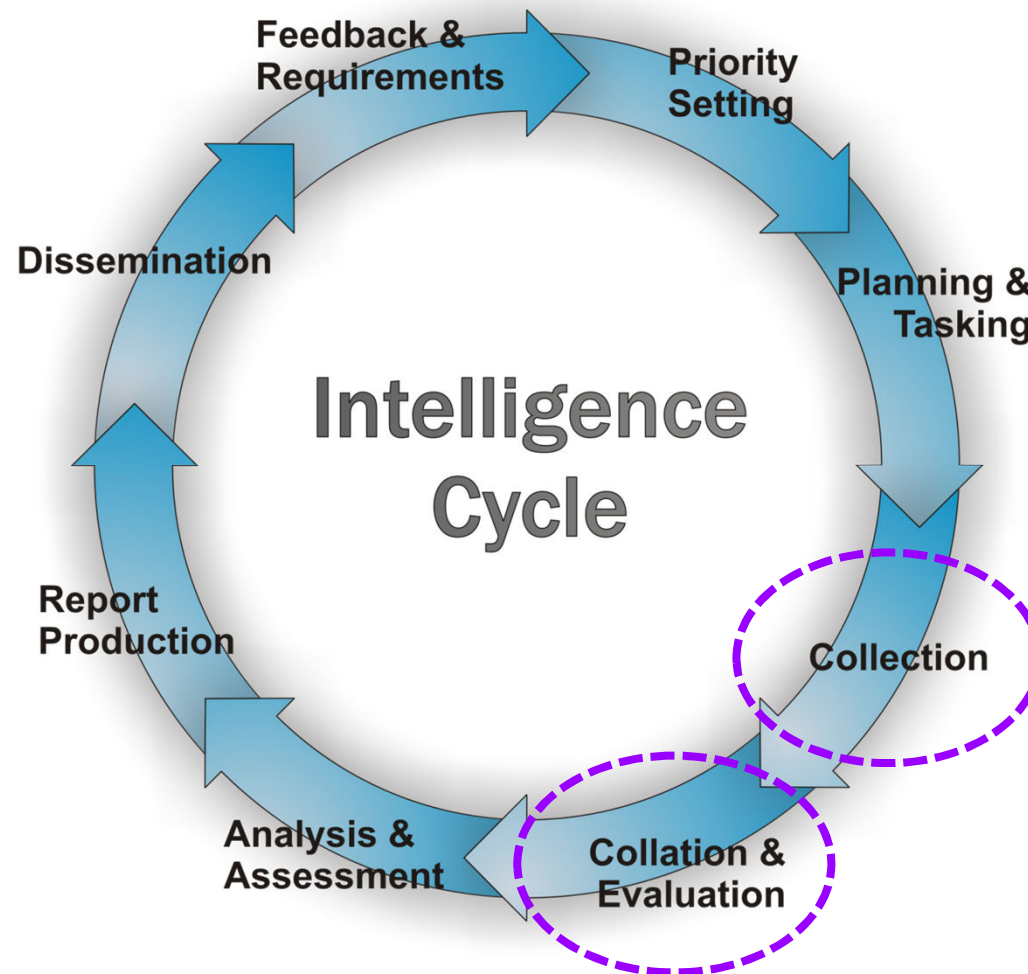
Session 7

Collection, collation and evaluation

The Intelligence Cycle



The Intelligence Cycle



What is Information?

Information is interpreted data.

When presented within a context it gives it greater meaning.



*Graded and processed
information forms the
basis of **Intelligence***

Types of information

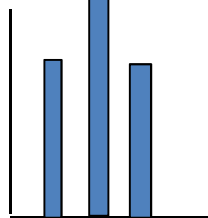
Quantitative

Numbers and frequencies

Easy to analyse
statistically

Reliable

Scientific



Quantity

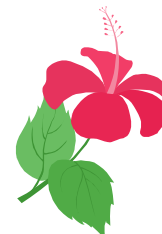
Qualitative

Meaning and experience

Difficult to analyse
statistically

Valid

‘Soft’ but in-depth

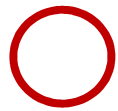


Quality

Types of sources

Open/closed

Open sources are accessible to the general public



Closed sources are only accessible to those with authority



Primary/secondary

Primary sources are firsthand, 'direct from the source'



Secondary sources are analyses from primary sources





List of sources

1. SAR's/STR's/CTR's
2. Governmental agencies
3. Foreign information
4. FIU Operational and Tactical Areas
5. Commercial databases
6. Private industry
7. Academia



FIU database information

Suspicious Transaction Reports (STRs) /Cash
Transaction Reports (CTRs)

➡ Transaction trends/tatterns

➡ Use of cash (zones, business)



Governmental agencies

- Central Bureau of Statistics
- Tax authorities
- Regulatory /Supervisory bodies
- Customs
- Law enforcement agencies



Foreign information

- Foreign liaison officers
- Other FIU's
- Global bodies
 - ➡ Egmont Group
 - ➡ FATF
 - ➡ IMF
 - ➡ World Bank
 - ➡ UN
 - ➡ Interpol

FIU Operational and Tactical Areas

- Information of operational/tactical cases
 - ➔ Prosecution statistics
 - ➔ Intelligence reporting
- Feedback from delivered Strategic Analysis products
 - ➔ Sanitised cases
 - ➔ Typologies

Commercial databases

- Worldcheck → Research profiles
- Lexis Nexis → Documents and record
- Dun & Bradstreet → Business information
- Local PEP's list → Potential individuals of interest
- World compliance

Private industry / sector

- Trade associations
- Reporting institutions
 - ➡ Information on new payment methods from commercial banks
 - ➡ Information on market trends and fluctuations from money remitters
- Private surveys



Academia

- Journals/Articles

Journal of Financial Crime. Emerald Group

Journal of Money Laundering Control, Emerald Group

Journal of International Money and Finance. Elsevier

- Research Methods

- Crime studies

Using the Internet

Search engines

- Plan and track your searches
- Write down key words and ideas before you start
- Save relevant pages in Adobe Acrobat, notepad or some other software program
- Maintain list of internet sites and databases
- Set a time limit for searching and use site maps on web sites

Risks of using the internet?

- Stay organized
- Security



Collection of information

- Create a list of sources
- Discuss ways to extract information from these sources
- Look into different types of information
- Create Information Collection Plan (ICP)



Information Collection Plan (ICP)

- Brief description of the project/analysis
- Specific data needed
- What insight the data may provide
- Purpose of data once collected
- Matrix with specifics on the data, such as
 - ▶ Source
 - ▶ Type
 - ▶ Date sent/received
 - ▶ Collection technique
 - ▶ Collation number



Example of ICP

Information Collection Plan						
Project Name:	Prepaid Cards					
Collection Objective (Questions)	Insight to be gained	Data Type	Data Elements	Data Source	Collection Technique	Outcome
What is the rationale for this project?	Current awareness of the link (potential and existing) between ML/TF and the use of prepaid cards	Reports/Papers	Existing Typologies, previous studies	Internet	Internet Search/Save documents by source	Summary of studies and their conclusions as to how ML/TF are/could be linked with the use of prepaid cards
	Identification of the gaps in the current understanding of the links between ML/TF and the use of prepaid cards	Reports/Papers	Unknown elements (references to what we don't know, what still needs to be done, etc)	Internet	Internet Search	Summary of the gaps in information as a rationale for this project
What do we know about the topic?	How prepaid cards work	Reports/Papers	Suppliers, types of prepaid cards, market size	Internet	Internet Search	List of key components
	Current risks related with the use of prepaid cards	Intelligence Reports	Summaries/Transaction Indicators	Operational/Tactical Department	Document search (confidential)	List of risk indicators identified from Intelligence Reports
		Commentary	Summaries/Overviews	Key Contacts (other FIU's, law enforcement agencies)	Informal Discussion	List of risk indicators identified from key contacts
		Statistics	Volume of STR's related with the use of prepaid cards and time series changes across zones and institutions	Internet	Internet Search	Patterns and Trends identified from Reports



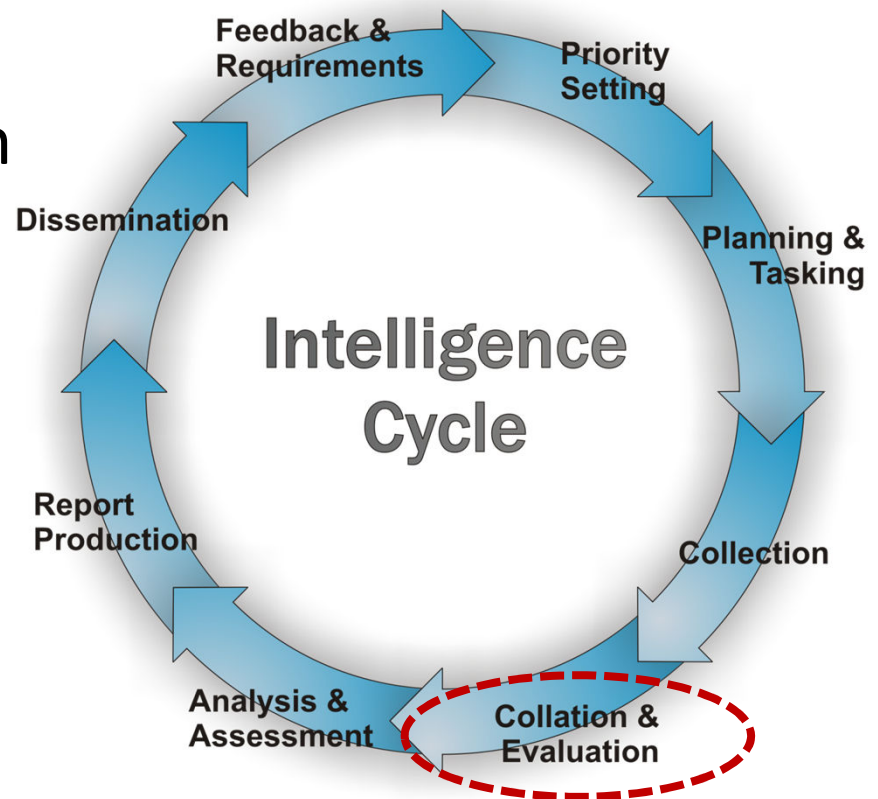
Collection of information

Take into consideration:

- Storage
- Retrieval
- Security
- Confidentiality

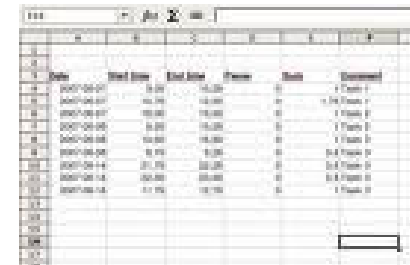
Collation of Information

- Assemble the information against the analytical questions
- Design a method to manage the collected data/information
- Group and sort your data

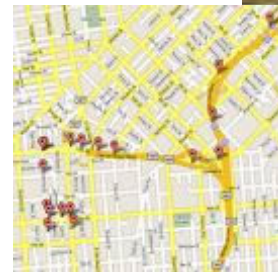


Working with Large Quantities of Data

- Binary 0's and 1's
- Telephone conversation
- Spreadsheet
- Texting
- Maps
- Good old paperwork

	Date	Start Date	End Date	Process	Rate	Comments
14	2007-08-01	01/08	01/08	0	0	1 Process 1
15	2007-08-01	01/08	01/08	0	0	1 Process 1
16	2007-08-01	01/08	01/08	0	0	1 Process 1
17	2007-08-01	01/08	01/08	0	0	1 Process 1
18	2007-08-01	01/08	01/08	0	0	1 Process 1
19	2007-08-01	01/08	01/08	0	0	1 Process 1
20	2007-08-01	01/08	01/08	0	0	1 Process 1
21	2007-08-01	01/08	01/08	0	0	1 Process 1
22	2007-08-01	01/08	01/08	0	0	1 Process 1
23	2007-08-01	01/08	01/08	0	0	1 Process 1
24	2007-08-01	01/08	01/08	0	0	1 Process 1
25	2007-08-01	01/08	01/08	0	0	1 Process 1
26	2007-08-01	01/08	01/08	0	0	1 Process 1
27	2007-08-01	01/08	01/08	0	0	1 Process 1
28	2007-08-01	01/08	01/08	0	0	1 Process 1
29	2007-08-01	01/08	01/08	0	0	1 Process 1
30	2007-08-01	01/08	01/08	0	0	1 Process 1



Working with Large Quantities of Data

► Software

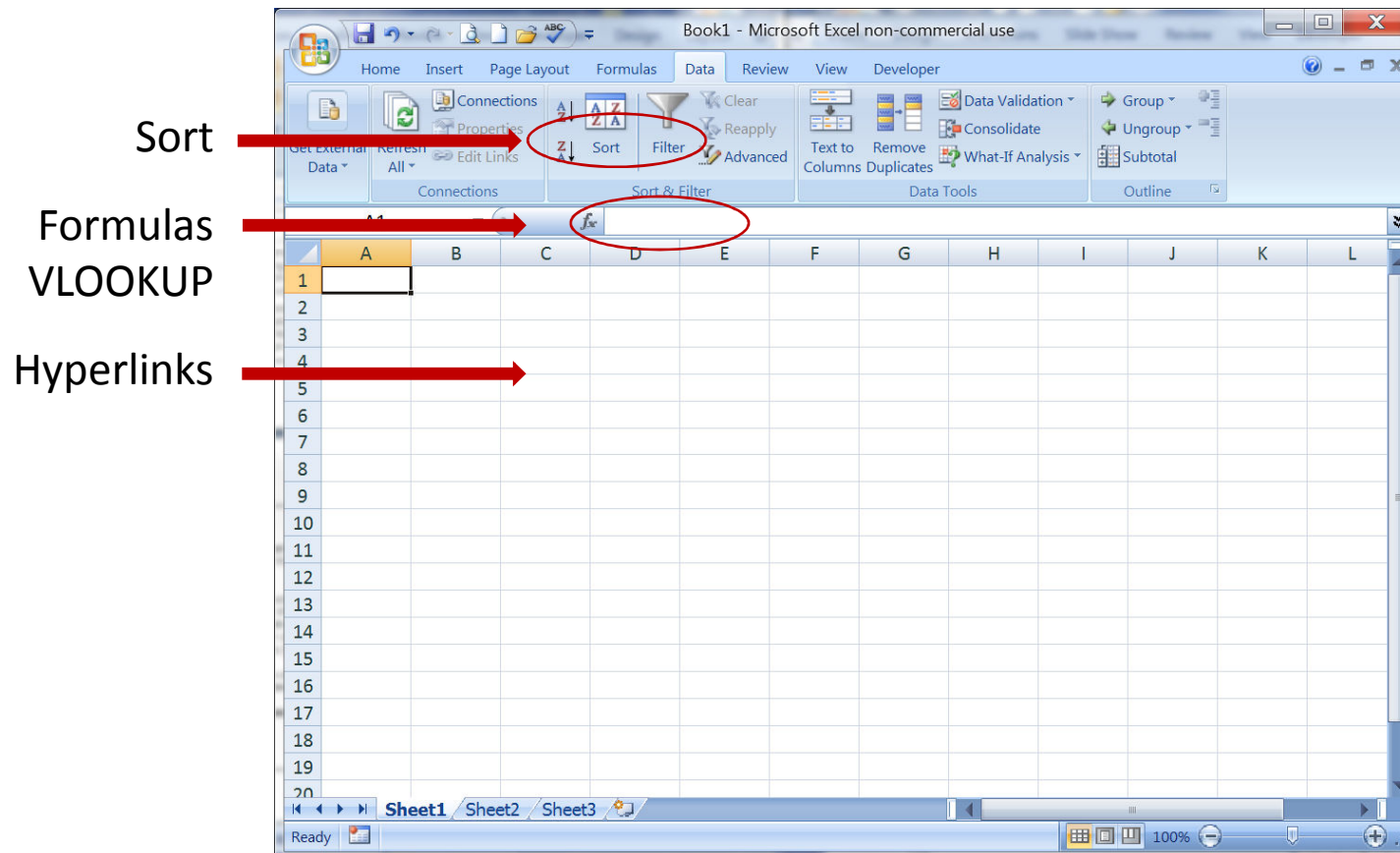
- Document management systems
- Access
- Cognos (business intelligence)
- Business Intelligence (BI) software
- Auto report generating for a given set of rules
- Statistical Analysis software



Cognos TM1

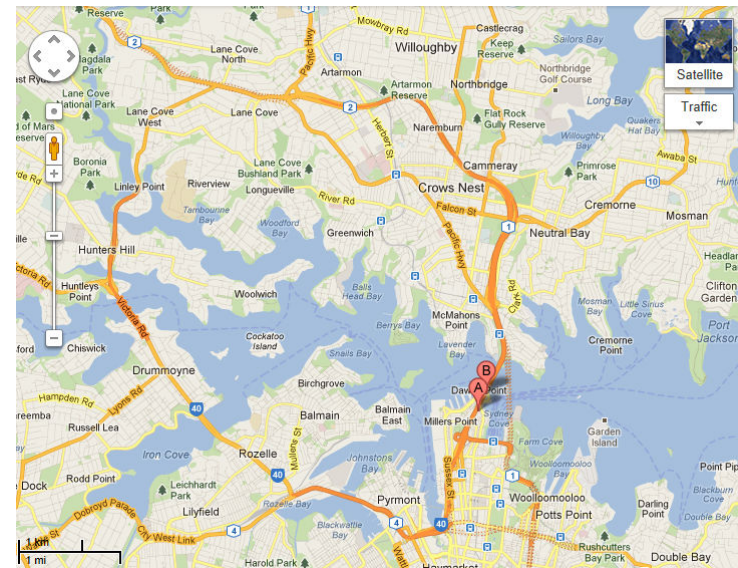
Working with Large Quantities of Data

► Spreadsheets



Working with Large Quantities of Data

- ▶ Pivot Tables
- ▶ Geographic Depictions
 - Google Earth/Maps
 - GIS software - ArcGIS
- ▶ Charting
 - i2



Data grouping and sorting

1. Standardize information:

- Generate a dictionary with equivalent text lines: E.g. Sánchez/Sanchez, Jon/John
- Remove abbreviations, double spaces, periods

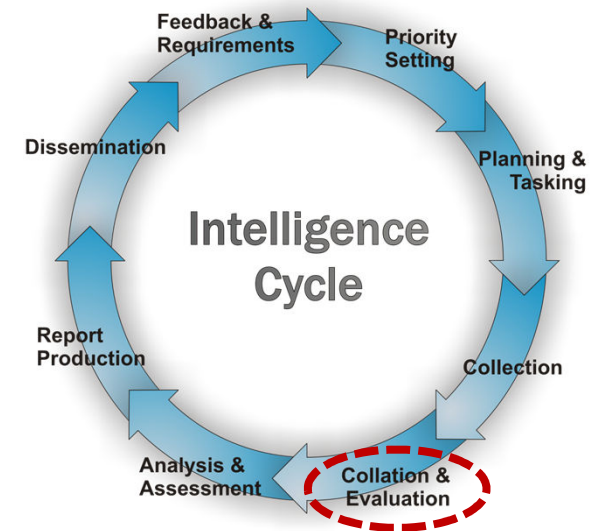
2. Sort data into categories

3. Matching and Linking

Evaluation

Evaluate quality of information by:

- Source (reliability)
- Relevance (to goal of analysis)
- Accuracy (if not, analysis will not be reliable)
- Timeliness (relevance to current situation)





Evaluation

Source

- Nature of the agency/author/entity
- Motivation of the source

Relevance

- Does the data relate to the main question?
- Does this relate to associated issues to the main question?
- Does this make sense with what we know?

Evaluation

- **Fact**

Data on reports in the FIU database

- **Opinion**

....“24-year old men who buy expensive cars must be criminals”

- **Allegation**

Police allege that Mr X is a drug trafficker.

- **Corroboration**

In informer tell us that a suspect has purchased a car. It was corroborated by his charge card statement.



Evaluating data

Reliability of information

Reliability of information sources is judged primarily from previous experience. It represents an estimate of how often reports from a given source are accurate.

- A** Completely Reliable
- B** Usually Reliable
- C** Fairly Reliable
- D** Not Usually Reliable
- E** Unreliable
- D** No Judgment

Evaluating data

Validity of information

An indication of how well an assessment actually measures what it is supposed to measure. Information is valid when it is free of 'systemic errors'.

1. Confirmed
2. Probably True
3. Possibly True
4. Doubtfully True
5. Improbable Report
6. No Judgment



Diagnostic reasoning

- Used to evaluate a single, usually new piece of information
- Structured approach
- Helps balance one's natural tendency to interpret new information as favourable
- Helps to validate reasoning
- Process is to try to refute alternative judgments
- Used extensively by the medical profession



Decomposition and visualization

- Limitations of human thought affects analysis
- External representation of the problem required
- Two common approaches:
 - Decomposition – breaking down the problem, issue or data
 - Visualization – organizing the parts visually
- All structured analytic techniques employ such approaches, in some way

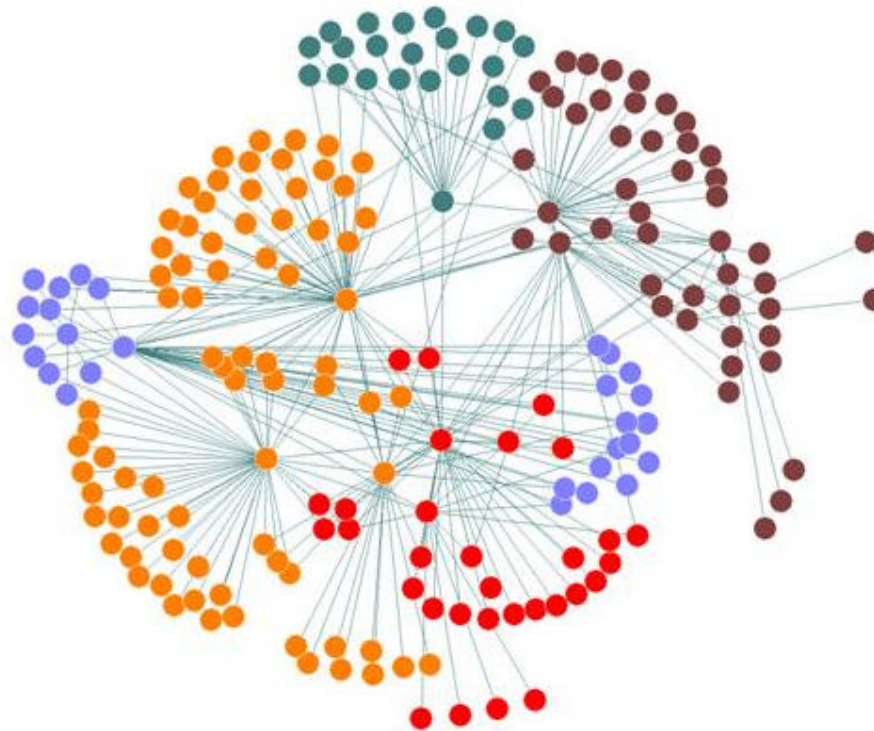


Data decomposition

- Chronologies and timelines – organize data on events or actions in relation to their relative timing or sequence
- Sorting by categories or sub-categories – by subset groups with the same or similar characteristics
- Ranking, scoring and prioritizing – on such measures as relevance, importance, immediacy or impact
- Matrices – to identify the relationships between two or more sets of variables, or within a single set

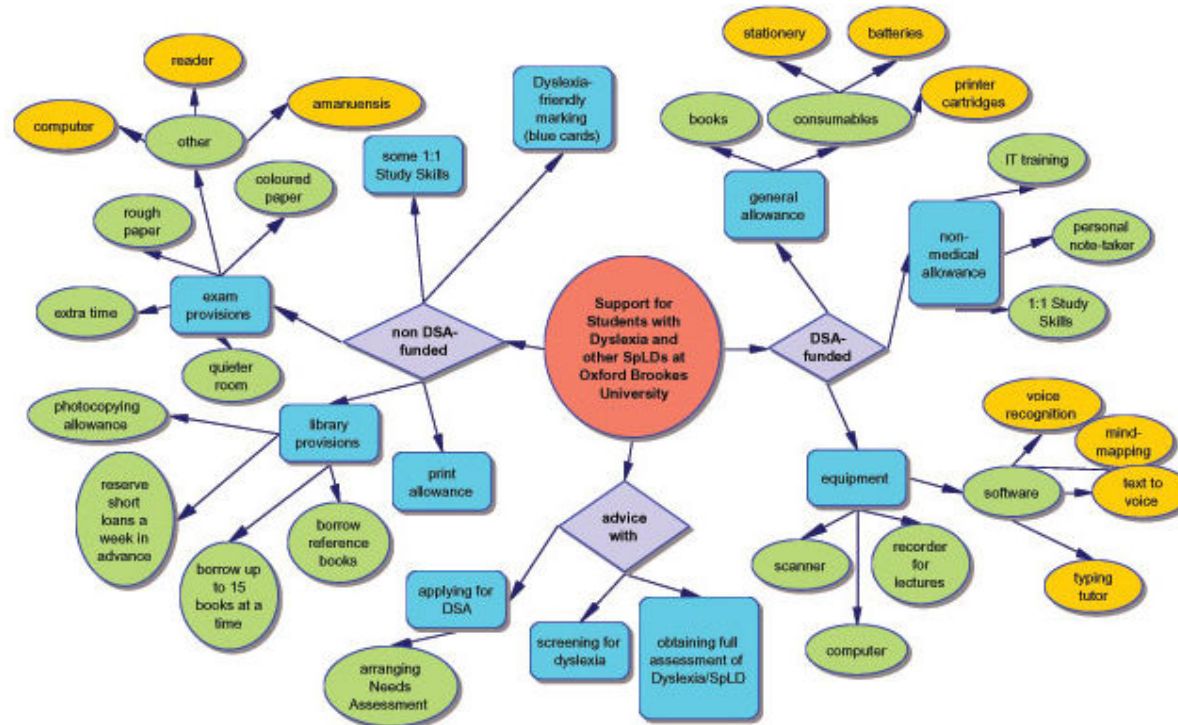
Data visualization

- Network, association, link analysis



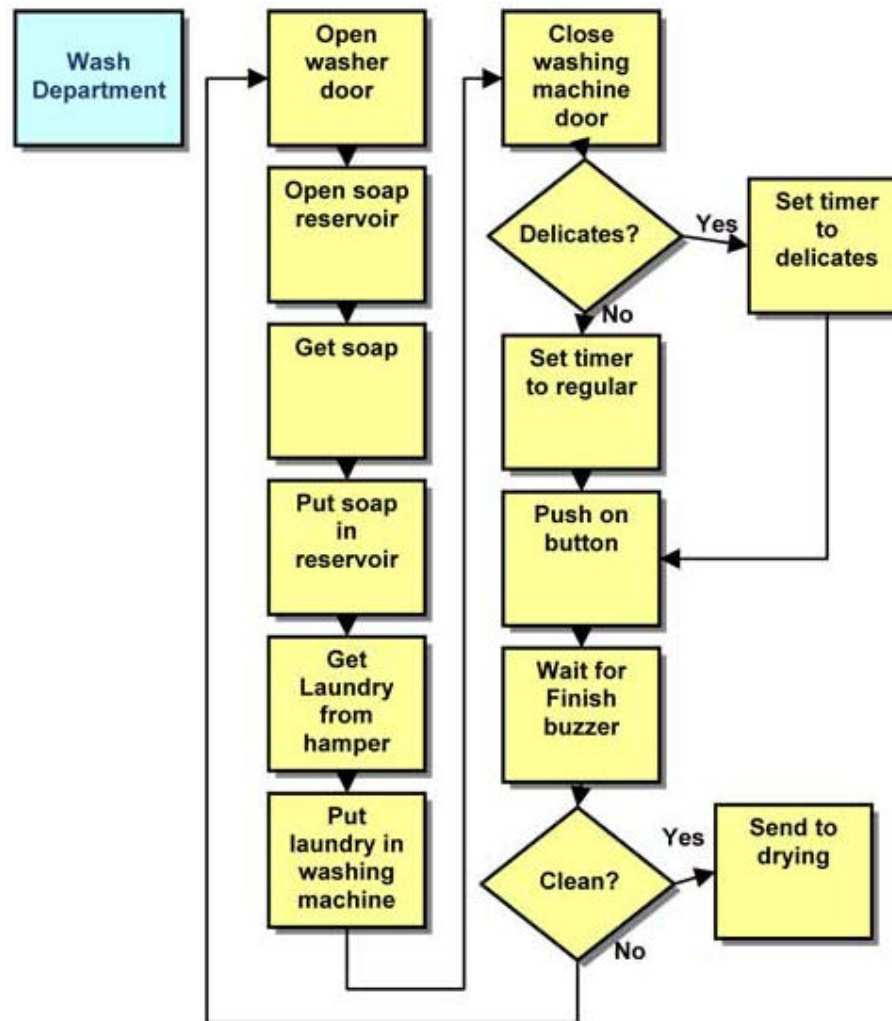
Data visualization

- Mind maps and concept maps

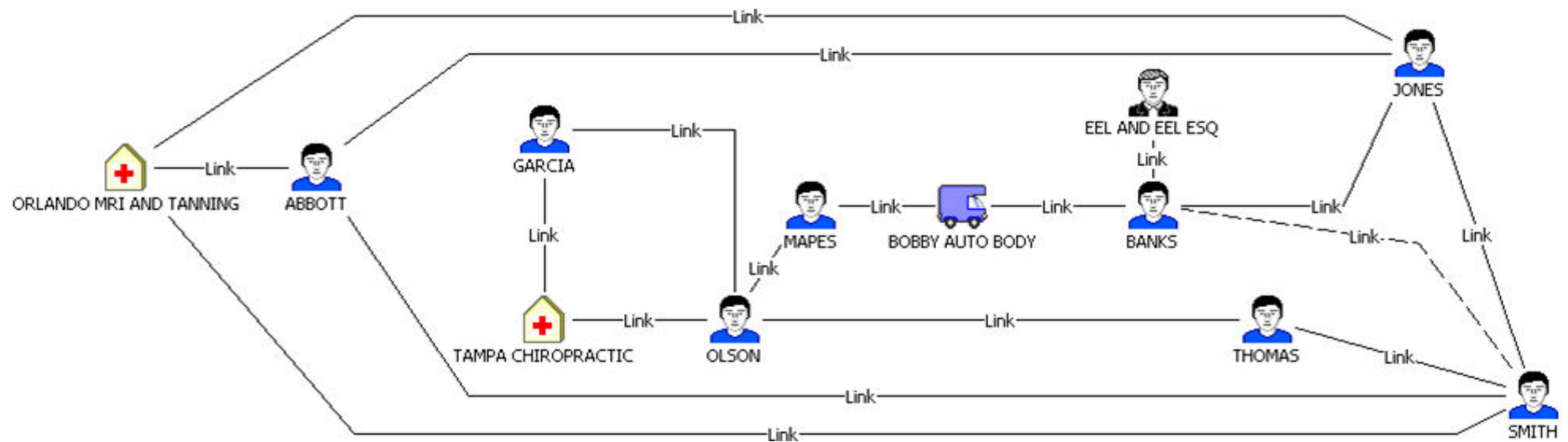


Data visualization

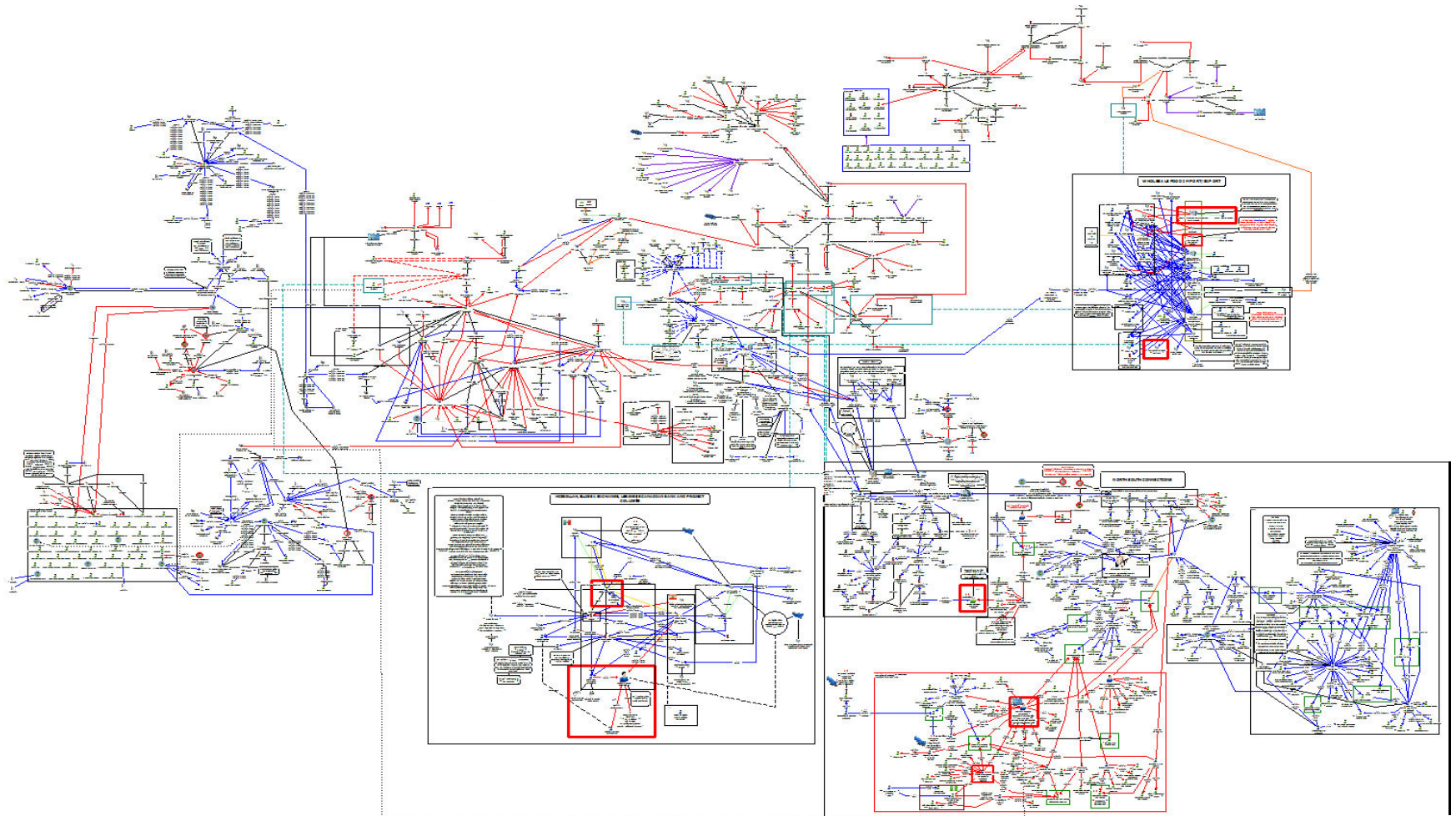
- Process maps and Gantt charts



Link chart example



Financial network linkchart





Activity

7.1 Link Chart



*The Egmont Group
of Financial Intelligence Units*

Questions

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