



*The Egmont Group  
of Financial  
Intelligence Units*

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Egmont Strategic Analysis Course  
Session 9  
Reporting

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Participant Manual



Version 30 October 2012



## 1. Introduction

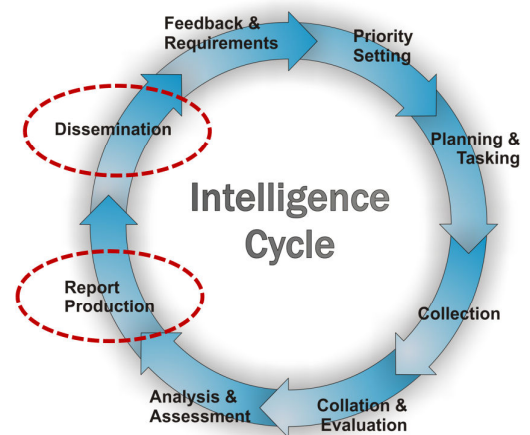
Reporting is an essential component of the intelligence cycle. In most cases, the analysis you are working on is intended for a specific recipient or group of recipients and is only of value if it is well presented and disseminated in a timely fashion.

The value of the analysis is in the eye of the end user so presenting your findings successfully is key to ensuring that your analytical work has maximum value.

### Reporting, Writing and charting

The purpose of reporting in a strategic context is to provide a detailed understanding of the environment and to give the reader all the information they need to make an accurate assessment.

Strategic papers offer a broader view of the whole picture, make arguments and summarise outcomes. The executives in your organisation are often the primary clients – a successful outcome is to provide advice to assist them in decision making – in order to achieve this, as the analyst, you will need to spell out the issue clearly, detail your process and methodology and draw considered conclusions.



## 2. Reporting

When reporting on your analysis, multiple factors must be considered such as,

- Who is the audience?
- What type of information is being presented?
- Timing requirements
- The preferred method/style of reporting: written or oral?

One of the most important factors in terms of reporting is your client's needs. As much as possible, your report should be tailored to your audience.

### Type of information

Ask yourselves the question: What type of information are you presenting in your report? Different information lends itself to different styles of reporting. Be mindful of the level of complexity of the issue at hand, and how to best convey the material to people who may have little or no background knowledge.



## **Timing**

The question of timing will also guide the style of your report. Perhaps the issue you've been studying has now been elevated to a priority issue, and you may need to deviate from your planned approach to complete it on time. A good strategic product must be relevant to the recipient, and timeliness is a critical factor here.

## **Method of reporting**

It's useful to note that reporting does not always have to be written. It can be oral as well. While we focus on written reporting as it is more common in strategic intelligence, there are definitely instances where oral updates may be required, especially on urgent issues.

# **3. Writing**

## **General rules when writing an intelligence product**

There are some general rules that should be followed when writing intelligence products.

### **Plain language**

The first is to use simple, plain language. Avoid using technical language or jargon unless your product is catered specifically to analysts in your field of expertise.

### **Unambiguous**

Ensure that the language you are using is not ambiguous or vague. Keep information straightforward and precise. A good practice is to use the active voice, which puts emphasis on actions as opposed to results. This makes the interpretation of statements much easier for readers, and facilitates their own analytical work.

### **Avoid bias**

In all intelligence it is imperative to avoid bias. To have pre-conceived ideas is to close off possibilities when assessing a situation and thus draw incorrect conclusions.

### **Distinguish between fact and fiction**

Along the same lines, it is important to distinguish between opinion and fact. Ambiguity can detract from the authority of the paper if the audience thinks it is reading opinion not fact. Explicitly note if something is a fact, an inference or an opinion to avoid misleading the audience.



## **Maintain accuracy**

As mentioned previously, language is a powerful tool and the words you choose can present content as fact when that might not be the case. Accuracy is important in order to maintain your professional reputation and the integrity of the report.

Don't dismiss other views. If your views are different, but you have done your research and analysis thoroughly, then you have a solid foundation to base your conclusions on and that's okay if they are different to others.

It is important to circulate your drafts not only for proof-reading, and feedback but also to trigger comments from others. It's a great way to pick up inaccuracies, encourage ownership (and thus possible uptake of recommendations), and help an analyst who is 'report blind' or may be experiencing 'tunnel vision'.

## **Consider alternative conclusions**

There may be significant value in providing alternate conclusions or judgements. Nothing is 100% and this allows analysts some leeway in their conclusions. Nevertheless, it remains critical to provide a balanced view while only including those conclusions that are backed up by analysis.

## **List both known and unknown facts**

Having completed an assessment, the analyst is often left with more questions than answers. In other words, due to certain factors such as availability of data, the analysts may have identified some unknown facts (intelligence gaps) that are as important as what we do know.

### **For example**

Mr X is recorded as making regular cash deposits in excess of AUD 50,000 however there is no known income stream or source of income for these funds.

The absence of a known source of income is an important finding in itself, and can prompt additional avenues of research. This is true for most intelligence gaps, in that they tend to drive future work.

## **Provide references and sources**

It is essential to provide references and sources for the information in your product. This allows verification and gives credence to your analysis. For more advanced products, grading the reliability of sources is important as well. You can use a narrative description rating or the admiralty system). The mechanism you chose will allow the audience to judge the material they are reading.

## **Be concise**

All intelligence needs to be concise and to the point. Managers don't have time to read mountains of reports. It is good practice to use Executive Summary or Key Findings sections to highlight all major points and conclusions. These should be on the first page and easy to find.



## **Use visuals**

Use visuals in your products. Complex information is often difficult to break down in written form. Use diagrams and charts, which are particularly effective at conveying complex financial arrangements.

## **Articulate the urgency of findings**

A second rule is to clearly articulate the urgency, if any, of your findings. This will help managers with their own workload and will enable them to establish the priority of your product in the context of other timeframes. Similarly, the findings and implications of your report needs to be timely to be considered and incorporated into planning and decision making processes.

## **Provide realistic recommendations**

In some cases, strategic products may offer recommendations. These recommendations need to be realistic, actionable, and in line with the client's interests and abilities. There is little point making a recommendation that can never be acted upon. Recommendations should be in line with tasking and take into account the agency's direction and responsibilities.

## **Essential information**

Also, make sure that the essential information is included with your report. Sometimes your product may require annexes, copies of source documents, maps, etc. These should all be provided when appropriate.

## **Apply security classifications**

Finally, always ensure that info is classified appropriately and distributed to people with the right classification. Make sure you specify distribution constraints, if any. For instance, many classified products require permission from the author before being distributed to third parties.

## **Typical Contents**

Generally, a strategic product may feature the following sections. They do not have to be in this particular order; however products do tend to start with -

- **Key Findings** or Assessment sections, followed by
- **Introduction** or problem stated
- **Background** section or context.
- **Facts**  
The section named "Facts" on the slide would contain the bulk of your analytic work, typically presented from the general to the specific, although that may not always be the case.
- **Conclusion/Assessment**  
Finally, if not already presented at the beginning, the report can be wrapped up with a section on Assessments or Conclusions. These section



highlight the main analytic findings and are typically used by readers to judge the relevance of the product. As a result, content in these sections should address the ubiquitous 'so what' question.

## 4. Charting

The issue of visual representation of information and data has come up quite a bit so far. In the rest of this session, we will look at a couple of different types of charts that can help you convey information effectively.

We use charts because they help to assemble and organise information, making it easier to see links, gaps and relationships. They can help you during the analysis process (making them a analytic tools), an they can be re-used as reporting aids, to help readers understand your content.

For the most part, charts are static representation and may need to change over time. Having said that, if you are presenting you analysis in a presentation, you may use dynamic imagery to show fluctuating trends or activity over several days, months or years.

### Charting protocols

Before going through the various kinds of charts available to you in strategic analysis, it's important to remember that a chart can have as much value (if not more) as any other piece of information or intelligence. As a result, is has to be properly guarded and manipulated.

Every chart should have -

- a security classification (even if it's unclassified),
- a project name
- the name of the person who is responsible for the project,
- name of the individuals who have prepared the chart (because that may not always be the same person who is responsible for the project) and
- the date on which the chart was prepared. You can also indicate that using versions.

### Common Charts

In financial analysis, there are five main types of charts used.

- (a) Event Flow Chart
- (b) Commodity Flow Chart
- (c) Link Chart /Financial transactions
- (d) Geographic / spatial distribution
- (e) Time-series analysis



The first three tend to be used as operational/tactical tools, however they can still be applied very effectively in strategic analysis. The two last types of charts, geographic distribution and time series analysis, is typical of strategic analysis.

While we go through these five chart types, keep in mind that they can be combined. In fact, analytical product can be most effective when presenting information from multiple angles to emphasize key findings and give an overall picture.

#### **a. Event flow chart**

The purpose of an event flow chart, as its name implies, is simply to show the flow of events that are of interest. By illustrating information in time and space, we can clarify the relationship between people and events, which is particularly helpful in complex scenarios.

Typically event flow charts include -

- Circles indicate particular events
- Arrows connect the events and show the event flow direction
- Where the flow between events is unconfirmed or possible, a dotted line is used
- When two or more events occur simultaneously, they should be vertically stacked
- Outcomes as a result of events are shown as a square
- Golden rule is, wherever possible, to have no crossed lines – they cause confusion.

It's really important to use certain protocols, such as the ones I've just mentioned when using these types of charts. Within an organization, everyone should have the same way of illustrating specific types of relationships and events. Nevertheless, it's always good practice to include a legend on your chart, especially if you suspect it may be shared with recipients outside of your organization.

Remember to keep it simple and summarize – include enough detail to cover the incident without being wordy.

#### **b. Commodity Flow Chart**

A commodity flow chart is very similar to an event flow chart, however this one illustrates the movement of a substance (in this case two different kinds of drugs) between different people.

We have a combination of elements on this chart:

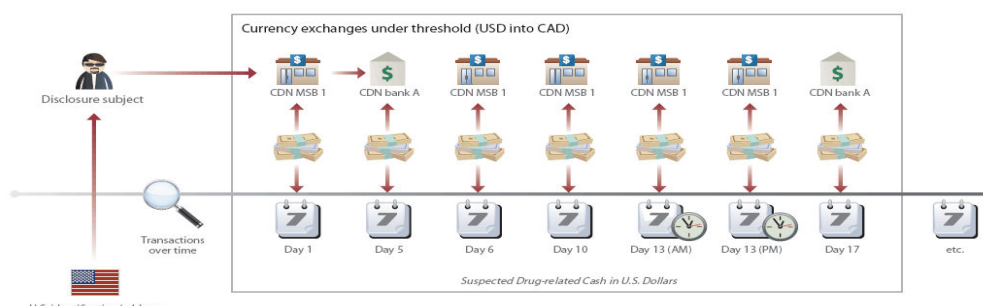
*We have an organization, indicated by the square at the very top.  
We have 10 people, some of which are the recipients of methamphetamine (khaki circle), others that are distributing or receiving cocaine (red octagon).*



The lines in between these entities indicate the amount of drugs and the date distributed – some of those dates are unknown. And finally, the arrows show the direction of the flow of the commodity.

There are two other components, a legend and an identification field, which complete the chart.

Sanitized case example: Suspected laundering of drug proceeds



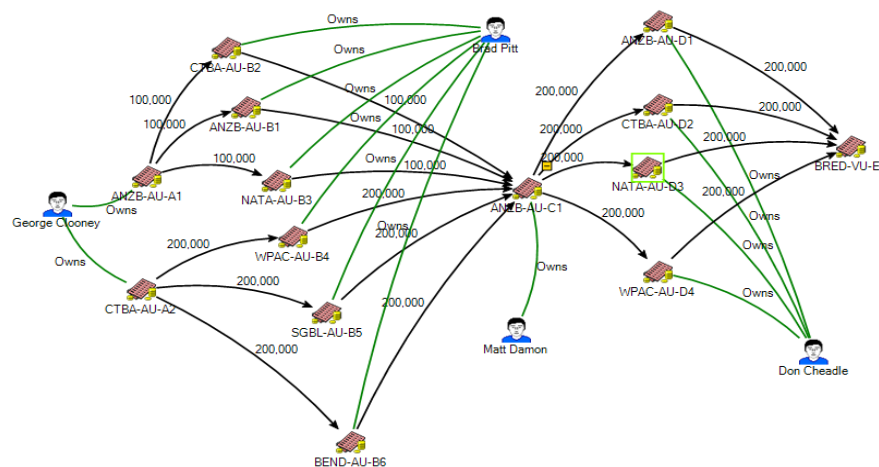
Although the example here was prepared for the purpose of criminal investigations, this kind of chart can certainly be adapted for financial intelligence. (Ex: instead of showing the flow of drugs, the chart could illustrate the movement of cash by mules).

Source: [http://www.rff.com/commodity\\_sample.htm](http://www.rff.com/commodity_sample.htm)

### c. Financial Transaction link chart

The third type of chart is the link chart. I suspect many of you are familiar with it, since it tends to be used quite a bit by tactical and strategic analysts in Financial Intelligence Units.

A link chart allows you to see at a glance the relationships between different accounts and beneficiary customers. Quite simply, it allows you to visualise a network of activity. It's very similar to the event flow chart, however the focus is on the social network of individuals and their financial activities.





It's important to note that charts are an aid to analysis, not analysis in themselves. They help visualise what can be complicated relationships by:

- Identifying relationships between various entities
- Illustrating how entities are linked together
- Clarifying the nature of relationships
- Identifying primary entities, accounts and key links

At the same time, they do not tell the whole story. Often, charts omit contextual information and make certain relationships look more definite than they actually are.

#### **d. Time series analysis**

Time series analysis can be very effective for illustrating large types of data sets over time.

Time series charts can be particularly useful during the analysis process, because they help the analyst focus on what appear to be significant dates and thus help focus future research.

Time series are also very effective as reporting tools, because they can help show the effects of certain variables (such as new regulations, international events, etc.) on the issue being studied. When accurately modeled and well explained, this type of chart is quite insightful.

## **5. Dissemination**

The prime purpose of writing a strategic analysis product is to get the information and assessments to decision makers. As a result, time is critical and effective dissemination is an integral to your success. However, before you press the 'send' button or mail your report to recipients, consider the following:

- Is the report still appropriate for the originally identified audience?
- Is there a wider audience that might also find it useful?
  - Primary / secondary clients- refer initial tasking
  - Maybe the full report and a summary version for a different audience.
- The report should be disseminated as widely as will be useful – not only provide info to those who receive it but to allow the analyst to follow up and receive feedback, too.



## **Dissemination – policy and legislation**

In most cases, the legislation of the FIU will determine who can access certain information. Similarly, country legislation will govern privacy concerns. These regulations act as constraints on the type of information you can share with partners.

Similarly, determine if your FIU has signed MOUs with specific countries? If so, what policies are in place around the dissemination of material? Sometimes, policies and procedures can add weeks to the dissemination process and greatly affect the timeliness of your product (which is why it is helpful to look these up in advance).

## **Dissemination – security considerations**

In terms of the security considerations, it is essential to observe the appropriate rules regarding classification. You need to classify a document to the level of the highest material sourced in your report. The client and any other recipients should be cleared appropriately.

Depending on your target audience, it may be necessary to write multiple versions of the report:

- the full report
- compressed/summary version
- version with higher or lower classification.

Keep in mind that the report may contain sensitive information, and I'm not referring strictly about the material itself. The report may also reveal the agency's interest, methods, sources, as well as personal information on targets. As a result, to ensure appropriate distribution, caveat each page or even each paragraph if using a variety of classified and unclassified sources.

The report should also be disseminated as widely as required. This provides valuable information for the recipients, but also allows you as the analyst to receive feedback from multiple sources, helping to improve future iterations of the products.

In fact, feedback from recipients may provide direction and impact priority setting and future requirement gathering.

Consideration should be given to 'need to know vs. need to share .... who needs to see it/ who is able to see it?]

## **Stakeholder input and feedback**

As we discuss the stages and processes involved in successfully doing our work, we will occasionally talk about the importance of feedback. This remains true for the importance of input from outside stakeholders.

Strategic intelligence assessments both support and depend on criminal intelligence and security intelligence partners. We take information from a variety of sources and rely on relationships and feedback with partners and clients to ensure we are on track. Regular dialogue helps ensure the success of the analytical product, and promotes collaboration on future initiatives.

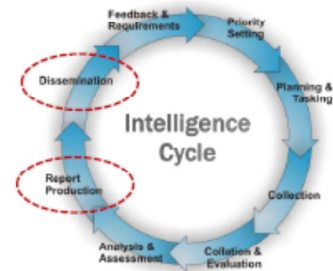


## Strategic Analysis Course

### Session 9

### Reporting

- Report and present your findings
- Disseminate your findings



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### Writing, Reporting and Charting

Strategic Analysis gives:

- background to the environment
- supporting information
- the reader the information to understand the possible consequences or implications

Reporting requires the Analyst to:

- articulate the issue and background
- demonstrate the methodology and process they followed
- draw conclusions
- make recommendations, if required

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### Reporting

When reporting on your analysis, consider the following:

- Who is the audience?
- What type of information is being presented?
- Timing requirements
- The preferred method/style of reporting: written or oral?

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### General rules when writing an intelligence product

- Use simple, plain language
- Avoid ambiguity and metaphors – don't hint
- Avoid bias and subjectivity
- Differentiate between fact and judgements

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### General rules when writing an intelligence product

- Use language to qualify statements when you are not 100% sure of their accuracy e.g.  
 "research indicates that....."  
 "analysis suggests that....."  
 "reported activity is indicative of...."
- If an opinion is requested ensure that you articulate "it is the opinion of the writer that...."
- Do not be afraid to assert your views, even if they contradict your colleagues

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## General rules when writing an intelligence product

- Consider alternate conclusions, and include when appropriate  
e.g. Whilst it does appear that the funds being sent overseas by Mr X is for the purpose of purchasing narcotics for distribution, it is possible the funds are part of the transactions of his legitimate import/export business.
- List both known and unknown facts
- Provide sources and reasons
- Be concise.

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## General rules when writing an intelligence product

- Use diagrams and charts
- Clearly articulate the urgency
- Recommendations are realistic
- Ensure that essential information is included with your report
- Ensure security classifications are used where appropriate

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## Typical contents

- Executive Summary / Key points / Assessment
- Introduction / Problem statement
- Background / Context
- The Facts
  - Concise
  - General to specific
  - Visuals
  - Gaps in knowledge
- Conclusion /Assessments

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## Charting

- Assembles and organises information
- Clarifies dynamic relationships
- Highlights information gaps
- Shows what is known and what is suspected
- Charts are analytical tools
- Charts are reporting aids
  - *'A chart is a picture and a picture paints a thousand words'*

## Charting - Protocols

Every chart should have:

Security classification:  
Operation or project name:  
Name of the case officer:  
Name of person who prepared the chart:  
Date chart was prepared:

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## Common Charts

1. Event Flow Chart
2. Commodity Flow Chart
3. Link Chart /Financial transactions
4. Geographic / spatial distribution
5. Time-series analysis

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8<sup>th</sup> June 09      12<sup>th</sup> June 09      20<sup>th</sup> June 09      21<sup>st</sup> June 09      24<sup>th</sup> June 09      28<sup>th</sup> June 09

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Timeline of events in 'The Matrix' (June 9 - June 26, 2009):

- 9th June 09:** Neo, Trinity, and Morpheus meet at the Oracle's house.
- 12th June 09:** Multiple deposits \$600,000.
- 20th June 09:** Money transferred to Homer imports (\$500,000).
- 21st June 09:** FBI seizes Big cocaine in on flight 303.
- 24th June 09:** Sally picks up drugs from flight 303.
- 26th June 09:** Steve and Steve return to Darwin.
- Steve and Steve depart Dallas flight 190.**
- Dave and Steve travel to Dallas Texas.**
- Dave, Sally and Steve meet at Darwin Hotel.**

Additional context for June 21 and 22:

- 21st June 09:** Steve and Steve meet Sally in Car park. Australian Federal Police arrest all three. Big Cocaine is also in the vehicle.
- 22nd June 09:** Steve and Steve return to Darwin.

Dave and Steve drug run  
Prepared by Kevin  
Date: 2/2/10

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## 2. Commodity Flow Chart

Diagram illustrating the currency exchange and threshold process for a Discretionary Agent (DA).

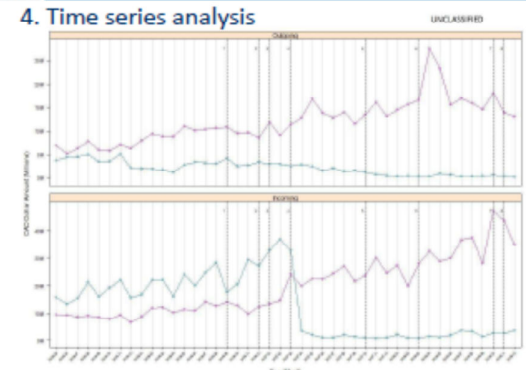
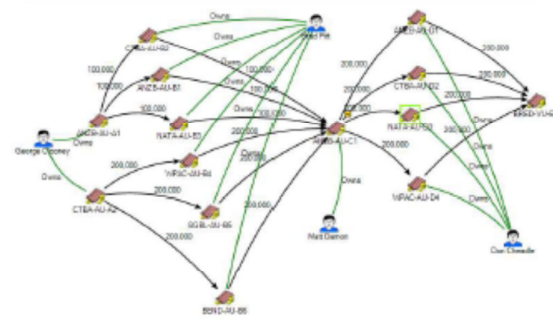
The process starts with a Discretionary Agent (DA) and an Examination threshold. The DA initiates a currency exchange from USD to CAD. The process then follows a sequence of steps:

- Day 1: USD to CAD
- Day 2: USD to CAD
- Day 4: USD to CAD
- Day 14: USD to CAD
- Day 15: USD to CAD
- Day 17: USD to CAD
- Day 18: USD to CAD
- etc.

The diagram shows the flow of currency exchange and the threshold process.



#### 4. Time series analysis



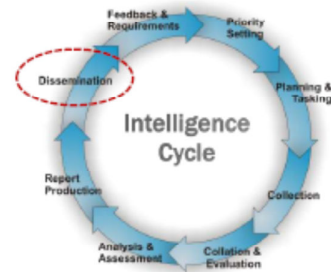


## 5. Heat map



## Dissemination

Report needs to be disseminated to those who need the information in a timely manner



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## Dissemination – policy and legislation

Have regard to:

- Legislation that governs dissemination of private / personal information
- The FIU's internal policies



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## Dissemination – security considerations

- Classification
  - Classify appropriately
  - Client's security clearances
- Protective security
  - 'Need to know'
  - Appropriate markings
  - Caveats
  - 'need to know vs. need to share .... who needs to see it/ who is able to see it?

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## Stakeholder input and feedback

- Input from:
  - Other databases
  - Non-financial intelligence
  - Joint assessments
  - Conferences
- Feedback
  - From partner agencies feeds into the success of intelligence products

# Questions

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