Project Outline

Institution:

Date:

**OUTLINE**

Money laundering has been one of the main challenges facing the bank industry in the recent past. This is due to the increased rate of such practices as drug trafficking, illegal gambling, and bribery. From these illegal practices, clients can transact their illegal cash into their accounts which jeopardizes the working of these banks. This is because the banks have to adhere to the set laws requirements. For example, according to the Bank Secrecy Act in the US, banks are expected to have fraud detection tools where fraud activities can be identified and the money launderers captured (Turner, 2003). This paper, therefore, will give an outline based on the requirements which are stipulated in the Amarcord case study.

Based on the case study given, it is true that many banks in the industry face the challenge of money laundering. As a regional bank with a large asset, Amarcord company is facing the same problem. The company faces the problem of not having material enhancement of its tools used to monitor and detect suspicious activities like money laundering (Alldridge, 2008). This, coupled with the fact that competing banks in the same industry and location are heavily investing in this area of predictive modeling and data analytics, it poses a greater danger because Amarcord failure to invest in this area may lead to it becoming less competitive compared with other banks in the region. Besides, it is also a challenge because this means the bank is not complying with the set laws in the US hence tarnishing its reputation.

As such, the company needs data analytic solution because of many reasons. The company is among the best with many customers in the region. Due to this, therefore, the bank needs data analytic solution to remain competitive in the industry and avoid losing clients to other banks. In addition, the type of channels the bank is using such as the internet and mobile are very prone to internet crime hence the need for data analytic solution. The bank also needs this data analytic solution to adhere to the laws of the land (Tatsuoka, 2002). The problem can be solved using the prescriptive data analytic strategy. This approach will describe what actions to take to address the problem in the company.

The received data from the requirements of Amarcord is such that its nature is prone to inconsistency and this leads to the need for ways to solve the problem (Masciandaro, 1999). This problem of data inconsistencies is solved by using new technology tools and group decision-making. Informed opinion, brainstorming, and judgment are some of the best modeling and forecasting approaches to use (Pregibon, 1984).

From the above, the company should utilize new ways of addressing fraud practices. The management should set aside a good amount of capital to invest in this sector which will promote its marketing as it will be able to compete with others favorably while adhering to the laws.

In conclusion, therefore, the practice of money laundering has been on the increase in the recent past in banks. This can be articulated to increase in illegal transactions and the new technology. it is therefore imperative as noted in the above discussion to come up with effective platforms for detecting this practice in the bank industry.

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