



## Institute for Development and Research in Banking Technology

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### **Programme on Fraud Analytics, February 23-24, 2012 at IDRBT, Hyderabad.**

We are glad to announce a Programme on Fraud Analytics, February 23-24, 2012. This is in line with the RBI guidelines given in its IT vision document. We give below the summary of the programme. We appreciate your active participation in making your technologies more reliable.

#### **Introduction:**

Banking has come a very long way in the past two decades not only abroad but also in India. While on hand, banks diversified their business into the so-called non-banking operations such as investment banking, insurance etc., information technology influenced banking so much so that it is now virtually impossible to think of banking without IT. Thus, banking now reached a point of no return. In the process, banks consciously tried to become sophisticated by introducing more delivery channels such as ATM, Internet banking, mobile banking (albeit in nascent stage) whose idea is borrowed from retail marketing principles of customer co-creation of products. Some banks even want to achieve the holy grail of banking i.e. customer centricity by consciously and proactively embarking on CRM thereby making them more customer friendly and customer focussed. The quintessential presence of IT in banking has also entailed a scope for committing frauds at various stages, where the fraud is perpetrated by various stake holders, external individuals alike. This created an opportunity for researchers to develop newer solutions to detect and circumvent frauds of various types. However, the perpetrators proved to be equally agile and clever, if not more and dished out newer modus operandi throwing challenges to the research community. In this context, it is worth noting that Indian banking system has also become equally vulnerable if not more and it is this situation that calls for R &D of newer and more effective solutions.

Frauds in banks spawn various divisions and activities. To mention a few,

- Financial statement fraud
- Fraud emanating from wantonly ignoring the poor quality of asset (operational risk)
- Fraud emanating from IT systems in banks
  - Phishing, spoofing, Identity theft etc.
- Credit card cloning/fraud
- Fraud from social engineering/shouldersurfing etc.
- Fraud emanating from transactions/ATM cash replenishment etc

While fraud is usually detected after it is perpetrated, it would be extremely useful if it is detected, red-flagged and prevented in near real-time. Given the nature and variety of frauds reported and also the amount of data that gets collected about them nowadays, it makes perfect sense to develop fraud detecting software by employing sophisticated soft computing technologies. However, some frauds being almost one-off occurrences or occurring with low frequency, they pose great challenge to the soft computing based data mining technology notwithstanding their reputation. It is at this juncture, we call for the adoption of knowledge-driven methodologies, their refinement by applying soft computing, and eventually coming out with seamless integration of these disparate methods of problem solving.

**Objective:**

This EDP discusses various aspects of fraud in banking and finance. It also introduces various analytical models from ground-up and highlights the research studies conducted at IDRBT on fraud analytics through case studies. The EDP also brings to the table the various advancements made in the industry through cases studies and demos.

**Contents:**

- Introduction to Fraud Detection through Analytics
- Introduction to Analytics: Statistics
- Introduction to Analytics: Data Mining
- Fraud Detection in Credit Cards-A Case Study and Demo- SAS
- Fraud Detection in Financial Statement Fraud- A Case Study
- Fraud Detection in Insurance Sector- A Case Study

**Participants' Profile:**

**This is specifically meant for Executives/GMs from Inspection wings of banks.**

**Faculty:**

Faculty of IDRBT, Guest Speakers from the Industry & Practitioners.

**Fee & Nomination:**

The fee for the programme is Rs.10,000/- + Service Tax 10.3% = Rs. 11,030/- (Rupees Eleven Thousand and Thirty only) per participant. **The Programme is non-residential, participants are required to make their own stay arrangements.**

Nominations accompanied by a Demand Draft drawn in favour of "IDRBT", payable at **Hyderabad**, India, may be sent before February 13, 2012 (email: [program@idrbt.ac.in](mailto:program@idrbt.ac.in); Fax: 040-2353 8080/2353 5157).

Please provide the following information for the nominations from your Bank/Organization.

- 1) Name of the Official :
- 2) Bank :
- 3) Designation :
- 4) Official Postal Address :
- 5) Mobile /Phone No. :
- 6) Email address :

Please depute two to three officials only from your bank / organization for this programme.

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