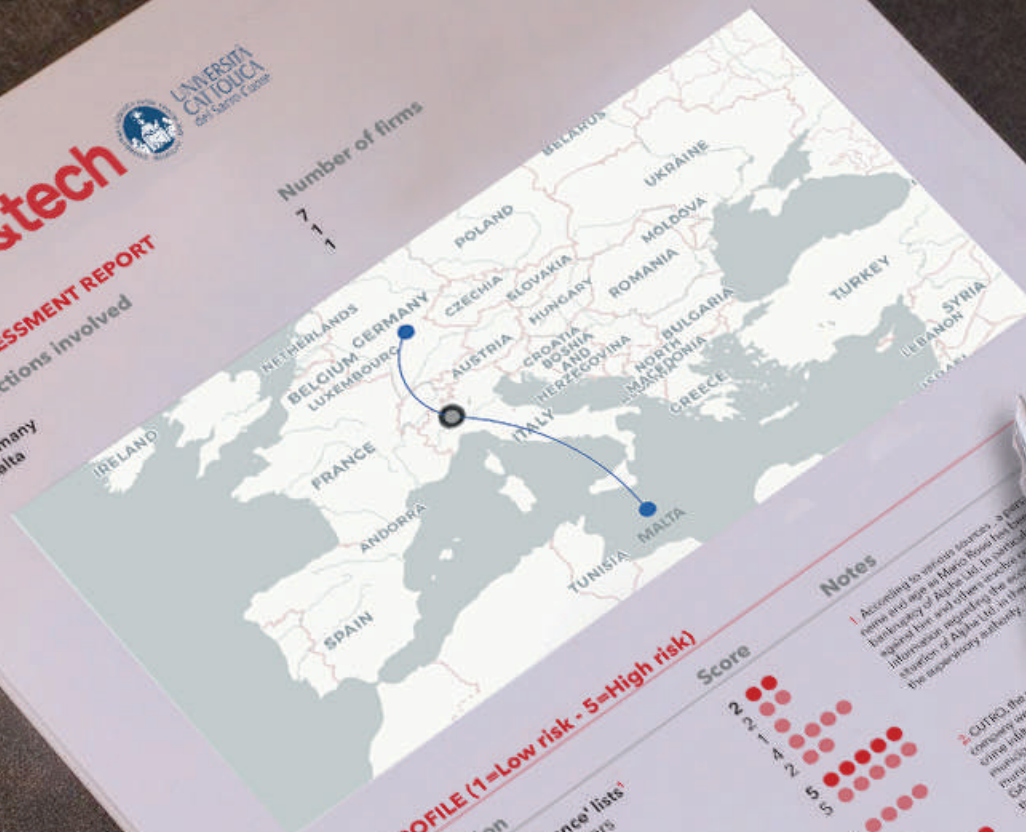


FOR AML/CFT AND THIRD-PARTY DUE DILIGENCE

www.crimetech.it



RISK PROFILE (1=Low risk - 5=High risk)

RISK PROFILE

Risk dimension

presence in 't

Local

- PROFILE (1 = Low risk dimension)**
- A) Presence in 'compliance' lists***
- PEP/Local administrators
 - Sanctions
 - Enforcement
 - Press Media

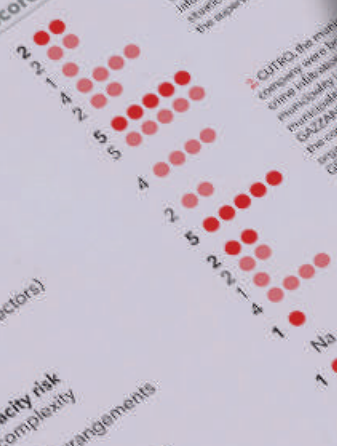
- Municipalities

- **territorial risks:**
 - Municipality risk (firm)
 - Municipality risk (shareholders)
 - Country risk

C) Sector risk

- Ownership opacity risk**
Unjustified complexity
Secrecy
Links with legal arrangements
Measures/whitelists

Score



Notes

Notes

According to several sources, a report from the same time and age as the March Board has been leaked to Alpha Ltd. In particular, the handwriting of Alpha Ltd. is particularly against the well known members of the information regarding the position of Alpha Ltd. in their own right, the supervisory authority.

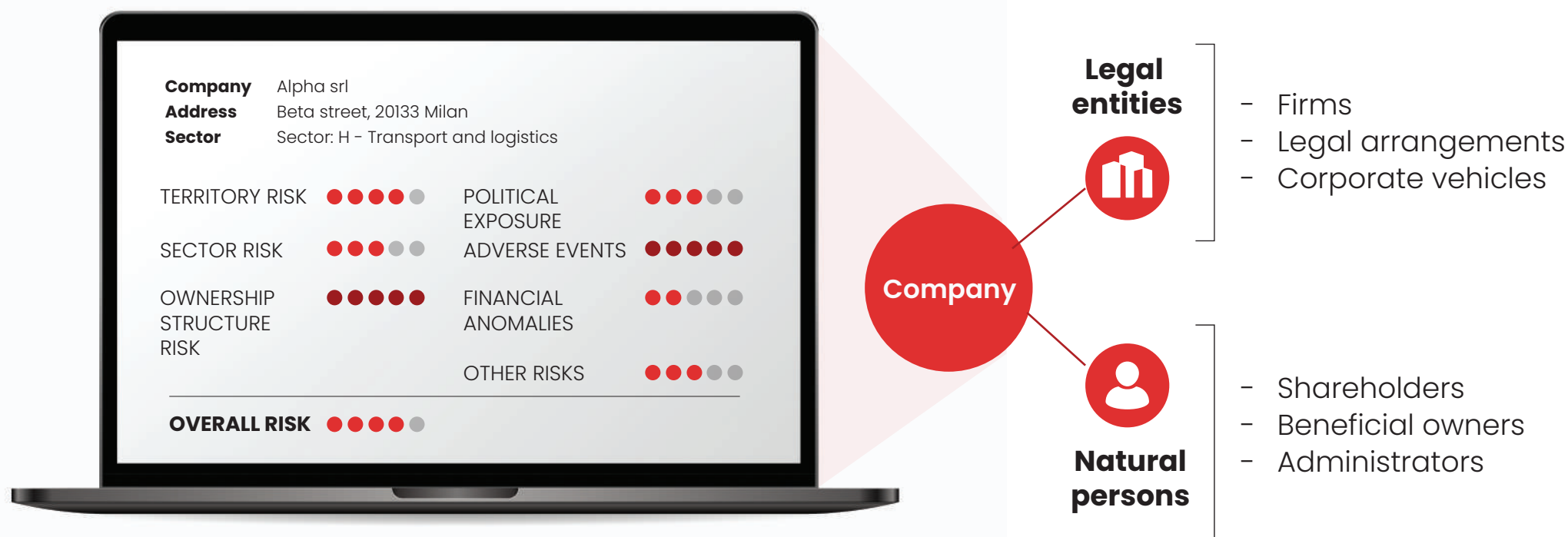


Crime&tech Risk indicators

Crime&tech offers the widest global portfolio of risk indicators for AML/CFT and third-party screening.

The risk indicators are based on models developed in our research projects.

They can be associated to **legal entities** (companies, corporate vehicles) and the **individuals** linked to them (shareholders, beneficial owners, administrators)



Crime&tech risk indicators

They allow to:



Incorporate the risk-based approach promoted by anti-money laundering (AML) and anti-corruption regulations



Move beyond traditional risk assessment approaches based solely on the check of 'compliance lists'



Cover firms at a global level (220+ countries, 400M+ firms), allowing to tackle the transnational nature of organised and financial crimes



Cover different risk dimensions, such as territorial risk, sector risk, ownership structure risk, financial and accounting anomalies, and other risk factors



Focus not only on "who" controls a firm, **but also on "how"** control takes place - the operational context, the whole corporate structure and its links



Reduce the information over-load by condensing high volumes of data into synthetic risk scores

End users and use-cases

Crime&tech indicators can be used by different players for many purposes:



Obligated entities
for AML/CFT due diligence



Anticorruption agencies
for public procurement integrity checks



Private companies for
on-boarding, reputational due diligence and
on-going monitoring of counterparts



Competition authorities
for cartel detection and
procurement fraud investigations



Law enforcement agencies for organized
crime, money laundering,
corruption and tax fraud investigations



Supervision authorities
for risk assessment and
monitoring of geographic
areas and business
sectors at high risk

Our portfolio of risk indicators

More than 20 different indicators, constantly evolving, and including among others:



Ownership structure

- Anomalous complexity of ownership structure
- Ties to opaque corporate vehicles and legal arrangements
- Lack of information on beneficial ownership
- Anomalous shareholding patterns
- Anomalous frequency of board rotations



Territory & Sector

- Firms in municipalities with high mafia risk
- Partners, BOs, or directors from municipalities with high mafia risk
- Links with high-risk countries (*several specifications*)
- High-risk economic sectors



Other risk factors

- Anomalous characteristics and background of BO/directors
- Anomalous frequency of name and address changes
- Anomalous date of incorporation
- High-risk legal forms (*country specific*)



Political exposure

- Politically Exposed Persons
- Local Administrators (in several EU countries)
- Shareholders, Beneficial Owners or Directors



Negative events

- Enforcement events
- Adverse media
- Sanctions
- Sanctioned professionals
- Mentions in Offshore Leaks (e.g. Panama Papers, etc)



Financial anomalies

- Shell company indicators
- Anomalies in the income statement
- Anomalies in the balance sheet
- Anomalies in cash flow

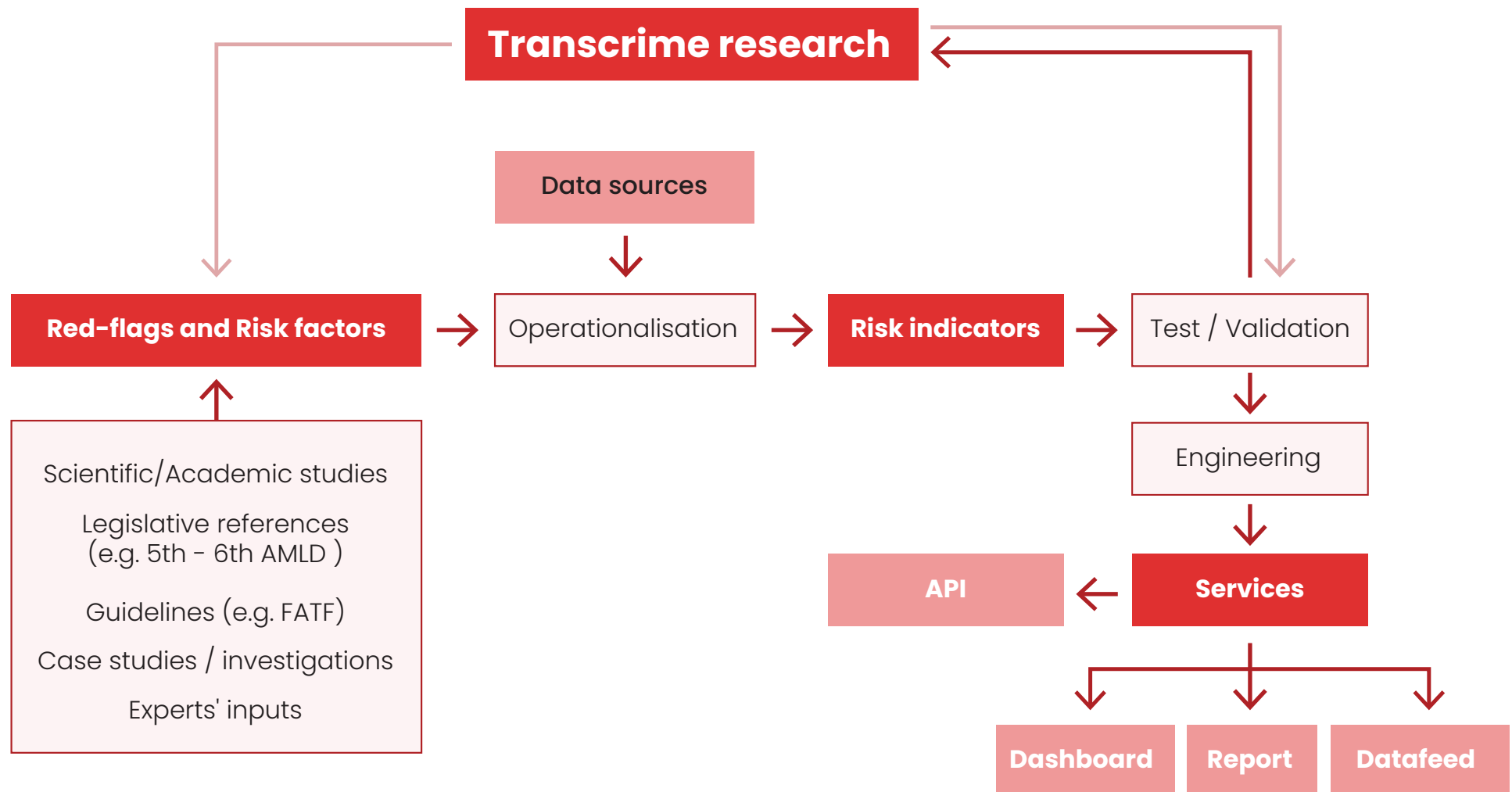


Countermeasures

- Anti-mafia white lists
- AGCM Rating
- Certifications (e.g. SOA)

Process and methodology

The indicators are developed using frontier analytical approaches, and following the research activities carried out by Transcrime and Crime&tech in previous research projects.



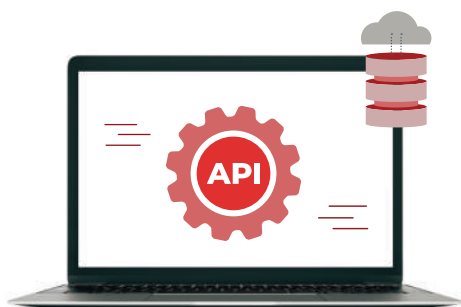
Delivery channels

Crime&tech indicators can be accessed through **four delivery channels**:

1

Webservices

through API connections to customer applications



2

Customised platforms

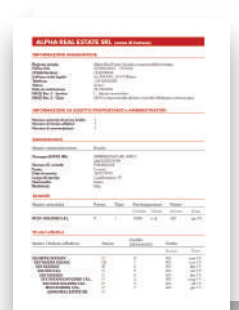
RISK MASTER
RISK VISIONER



3

Customised reports

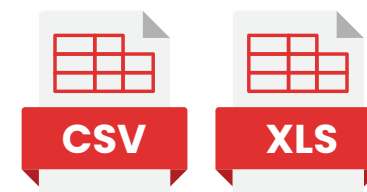
on companies and/or individuals



4

Datafeed

Through integration of flat files the customer can integrate into its applications



Scientific validation

The indicators are validated in their predictive power in several international scientific publications.

Crime&tech risk indicators have shown strong predictive power in identifying firms (and owners / directors) later affected by sanctions and judicial measures. In a test conducted on a sample of 13.4M million of firms and owners, **ownership risk indicators** correctly predict **82.6%** of firms affected by sanctions and **88%** of firms with partners affected by judicial measures.

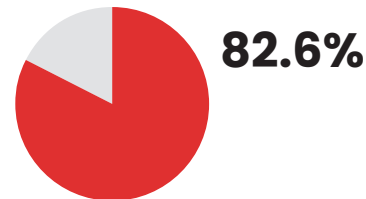
Discover the selected
list of publications on
the TOM webpage



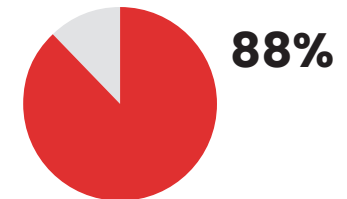
TOM – The Ownership Monitor
is an excellence R&D hub launched by
Transcrime and Crime&tech, for the analysis
of business ownership structures.

Discover more:

<https://www.transcrime.it/en/tom-the-ownership-monitor/>



Correct prediction
of firms affected
by sanctions



Correct prediction of
firms with partners
affected by judicial measures

	True Positive Rate	True Negative Rate	Overall Accuracy	AUC	Precision
SANCTIONS ON COMPANIES	82.6%	83.5%	83.1%	0.904	0.834
ENFORCEMENT ON COMPANIES	65.2%	76.4%	70.8%	0.785	0.734
SANCTIONS ON OWNERS	88.7%	84.7%	86.7%	0.921	0.923
ENFORCEMENT ON OWNERS	87.8%	92.7%	90.3%	0.921	0.923

Institutional validation

Crime&tech risk indicators have been developed and validated within international research projects involving numerous public authorities at international level and private companies



Law Enforcement Agencies	Anti-Corruption Authorities	Competition and Market Authority and other Public Authorities	Private enterprises and civil society
Europol Anti-Mafia Investigative Directorate Guardia di Finanza CNP – Cuerpo Nacional de Policía, Spain BFP – Belgian Federal Police, Belgium DCPJ – Direction Centrale de la Police Judiciaire, France ANABI – Romania ...and others	ANAC – National Anti-Corruption Authority, Italy AFA – Agence française anticorruption, France OPLC – Prevention and Fight against Corruption Office of the Balearic Islands, Spain ANI, Romania DNA, Romania NCPA – Network of Corruption Prevention Authorities of the Council of Europe (GRECO) ...and others	ADLC – Autorité de la Concurrence, France CCRL – Competition Council of the Republic of Lithuania, Lithuania UOHS – Urad pro Ochranu Hospodarske Souteze, Czech Republic National Anti-Mafia Directorate Lombardy Region ORGA – Agency for the management of confiscated property, Spain ...and others	Banks and AML obligated entities Companies in various fields (e.g. energy, IT) for supplier and third party control Organisations of investigative journalists (e.g. OCCRP, IRPI, RISE) ...and others

Data sources

Transcrime and Crime&tech possess in-depth knowledge of key data sources used in compliance/due diligence. Crime&tech indicators are calculated exploiting the following data sources (among others):

Corporate data



Compliance lists and negative events



PEP and Local Administrators



Other sources (among others)



Transcrime

- Joint Research Centre on Innovation and Crime (www.transcrime.it) of the Università Cattolica del Sacro Cuore
- Largest crime research hub in Europe
- Established in 1994
- 200+ research projects funded nationally and internationally
- Focus: organised crime, money laundering, financial crime
- Established network among European Law Enforcement, FIUs, Anti-corruption Authorities
- Approach: sociology, statistics, economics, forensic accounting, law, IT

Crime&tech

- Spin-off company of Transcrime – Università Cattolica del Sacro Cuore (www.crimetech.it)
- Risk models, risk indicators, IT applications for the assessment and prevention of criminal risks
- Processing of multiple data sources (official stats, judicial files, open sources, company data)
- Frontier AI approach (machine learning, text-mining, big data scraping)
- Certified ISO/IEC 27001:2022
- Partner of solution providers and data providers



From Transcrime
RESEARCH



crime&tech



to Crime&tech
SOLUTIONS

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ISO/IEC 27001:2022 certified

