

Memento Extends Enterprise Fraud Management Platform With High Performance, Real-Time Fraud Detection

Award winning, next generation platform combines proven real-time and batch fraud detection in a unified high performance architecture

Burlington, MA, September 9, 2009 – Memento, Inc., a leader in enterprise fraud management, today announced a ground-breaking approach to real-time fraud detection. Memento’s approach extends its award winning fraud management platform by adding high performance, low latency, real-time fraud detection to address a range of fraud scenarios where fraudulent transactions and other inappropriate events are required to be blocked “in flight” to avoid risk and limit loss.

Diversity of Fraud Scenarios Requires Both Batch and Real-Time Fraud Analytics

Fraudsters perpetrate their crimes in a variety of ways. Some fraud attacks play out over time – days, weeks, or months – and can only be detected through analysis of complex behavioral patterns over this prolonged period. Detecting these patterns requires an approach that can effectively aggregate a daily volume of hundreds of millions of transactions and application events from multiple sources, find and track the fraud patterns as they emerge, and alert fraud analysts at the appropriate time in the fraud cycle. Other fraud attacks emerge quickly, are fast moving, transactional, and often short-lived. Preventing these attacks requires rapid, real-time detection and transaction blocking supported by analytics that can respond in milliseconds to detect fraud among thousands of concurrent transactions.

“Enterprise fraud management solutions should include batch and real-time monitoring, as well as real-time transaction blocking,” said Paul Whitelam, Vice President of Product Management for Memento. “Memento has integrated all of these approaches into a unified, high performance architecture. The result is a highly scalable, cost-effective, fraud management platform that can combat a wide variety of fraud scenarios across the enterprise.”

	Example Use Cases	Requirements
Batch fraud analysis	<ul style="list-style-type: none"> • Collusive network detection • Account takeover • General Ledger fraud • Check fraud • New account fraud • Employee fraud • First party fraud 	<ul style="list-style-type: none"> • Aggregate hundreds of millions of transactions daily • Analyze massive amounts of information for emerging patterns and anomalous behavior • Allow forensic research over billions of transactions spanning a year or more
Real-time fraud analysis	<ul style="list-style-type: none"> • Online “card-not-present” transactions • Debit card • Credit card fraud • Online banking 	<ul style="list-style-type: none"> • Low latency, millisecond risk analysis of transactions • Simultaneous analysis of tens of thousands of events per second • Flexible integration with transaction processing systems for in-flight transaction blocking • Leverage aggregated repository of transaction history

Business Value from Innovative, CEP-Enabled Real-Time Fraud Detection

Today’s fast-moving financial services industry has seen dramatic growth in real-time interactions between institutions and their customers, including online bill payments, ATM transactions and mobile banking. Real-time payment methods – e.g., debit cards, credit cards, wire and card-not-present transactions – are also growing, and are under constant attack from fraudsters. The increasing volume of real-time transactions places a premium on the performance and scalability of fraud protection solutions, while at the same time financial institutions are under constant pressure to keep the total cost of ownership under control.

The cornerstone of Memento’s approach to high performance, low latency real-time fraud detection is to layer advanced analytics on top of a modern, industry standard Complex Event Processing (CEP) engine. In contrast to older, proprietary approaches, CEP engines are now recognized as the required, standard foundation for a range of real-time applications. Memento’s CEP engine has been proven to deliver high quality results in a broad range of financial services institutions requiring high performance real-time results: from trade surveillance to online loan applications, and more.

For example, CEP-based real-time fraud detection has enabled one of the largest suppliers of student loans to transform itself into an online business while mitigating the risk of online attacks. The former government entity uses over 35 fraud detection patterns to combat fraud and ensure student loans are processed correctly.

“The benefit of Complex Event Processing (CEP) for real-time decision making comes in four different ways: better decision quality, faster response, reduced information glut, and reduced costs,” says Roy Schulte, Distinguished Analyst, Gartner, “Real-time fraud detection is potentially a killer application for CEP.”

A Comprehensive Approach to Enterprise Fraud

Real-time fraud detection is the latest addition to Memento’s enterprise fraud management platform, offering the industry’s most flexible, fast, and accurate solution including:

- **High performance, low latency real-time processing.** With Memento’s architecture, data is collected in real-time from any number of sources and processed immediately – allowing users to act in real-time and minimize loss.
- **Innovative data management.** Memento Security avoids costly and inflexible relational database approaches for importing data. With patent-pending innovations and through leveraging search engine indexing techniques Memento Security offers the fastest, most scalable solution for aggregating disparate heterogeneous data, with many customers indexing hundreds of millions of transactions every day and enabling forensic research across billions of transactions.
- **Data orchestration.** Memento handles massive amounts of data in both real-time and batch modes, and gives full visibility into the associated processes through market leading IT process automation capabilities. Memento provides an intuitive graphical user interface to define data and process flows, as well as a management dashboard that illustrates the status of the IT processes.
- **Multi-faceted detection analytics.** Fraud is a dynamic, ever-changing threat. Through a variety of analytical techniques, Memento Security offers the most flexible solution available, and also enables business users to create and modify scenarios, perform behavior profiling and collusive network analysis and discover emerging fraud patterns in both real-time and batch fraud scenarios.

- **Collusive network discovery.** This critical aspect of forensic research allows investigators to identify suspicious connections, follow the fraud trail, and uncover related fraud threats before losses occur. Memento Security provides sophisticated, collusive network discovery, including graphical network diagrams that highlight relationships and linkages based on a variety of account attributes, account relationships, and account behavior.
- **Case management.** Memento Security empowers analysts with intelligent prioritization of alerts, supported by integrated forensic research capability, and cross-channel alert aggregation and link analysis that facilitates enterprise-wide detection and investigation. Case investigation is supported by workflows that can be customized base on role, alert type, priority and other factors. Memento Case Manager also serves as a centralized repository for management-level and more detailed reporting and summary dashboards.

“Financial institutions are looking for future-proof fraud management solutions that can not only solve their near-term needs, but also expand to help them achieve their strategic objectives,” said BC Krishna, Chief Executive Officer of Memento, “Memento is uniquely positioned to meet these requirements by offering an enterprise fraud management platform that combines next generation approaches for both real-time and batch fraud detection.”

About Memento

Memento, Inc. (www.mementosecurity.com) is a recognized leader in enterprise fraud management. Memento Security – the company's award-winning solution – is an innovative platform for monitoring, detecting, and investigating fraud and inappropriate activities by a wide range of fraudsters, from trusted insiders to criminal outsiders. Used by the world's largest and most influential financial institutions, Memento solutions are business-focused, easy to use, and quick to implement. By detecting inappropriate activities early and precisely, Memento gives enterprises the information they need to prevent loss, protect revenue and mitigate risk.

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