

## Case Study

# Tier One North American Bank Identifies 1800+ Mule Accounts Using IFM Mule Detection Solution

## The Customer

A top-five North American bank, offering a comprehensive suite of financial services to both retail and commercial clients, partnered with NICE Actimize to enhance its fraud detection capabilities. Initially driven by a requirement to monitor inbound transactions, the engagement soon expanded to proactively address the growing threat of mule activity.

## The Result

The bank transitioned from a reactive to a proactive stance, disrupting mule activity before it could escalate. Results from the analysis also informed broader fraud prevention strategies and regulatory reporting.

**1873**

mule accounts  
detected

**\$2.8M**  
/month

in total credits identified  
in mule accounts

**3x**  
increase

in mule account  
identification compared  
to the previous solution

## The Challenge

The bank's existing mule detection program was rules-based and generated a high volume of false positives, limiting its effectiveness. The P2P requirement for inbound monitoring exposed critical gaps, with limited coverage for inbound transactions, creating opportunities for criminals to exploit as fraud tactics evolved.

With the financial industry facing a surge in mule activity, and increasing pressure on fraud teams to take action, the bank recognized the need for a more adaptive, analytics-driven solution. Traditional static rules were no longer sufficient. The institution required a system that could build behavioral profiles, identify deviations and adjust to evolving criminal tactics.

### Key Challenges

- Lack of inbound monitoring
- High false positive rates
- Pressure on fraud teams to address mules

## The Solution

NICE Actimize deployed a purpose-built mule detection solution that leveraged:

- **Inbound Monitoring: Capturing suspicious activity at the point of entry, before funds are moved**

Unlike traditional systems that focus primarily on outbound transactions, the NICE Actimize solution includes robust inbound monitoring capabilities. This is critical for detecting mule activity early, before illicit funds are moved or laundered. By analyzing the origin, frequency and characteristics of incoming transactions, the system can flag suspicious deposits in real-time. This allows the bank to freeze or investigate accounts before they become fully operational in a mule network, aligning with strategic risk mitigation goals and banking requirements to monitor inbound transactions.

- **Behavioral Analytics: Profiling account behavior to detect anomalies**

Traditional rules-based systems often rely on static thresholds that fail to capture the nuanced behaviors of mule accounts. NICE Actimize's behavioral analytics continuously monitor account activity to establish dynamic behavioral baselines. By analyzing patterns such as transaction frequency, session duration, deposit timing and fund movement velocity, the system identifies deviations that may indicate mule activity. For example, a sudden spike in inbound transfers followed by rapid outbound transactions can trigger alerts, even if individual transactions appear benign in isolation.

- **Collective Intelligence: Using cross-institutional insights to enhance model accuracy**

One of the most powerful differentiators of the solution is its use of collective intelligence, an anonymized, cross-institutional dataset that provides a broader view across the financial ecosystem. This data feeds into machine learning models, enriching them with patterns and typologies that may not yet be visible within a single institution. As a result, the bank benefits from early warning signals and more accurate risk scoring, even for newly emerging mule tactics.

The solution was powered by machine learning models trained on a rich feature set. Some of the top predictors of mule activity include:

1. Deposit to overdraft ratio
2. Average session time
3. Deposits of the same denominations
4. Average money-in transactions
5. Frequency of high-risk counterparties

These features were selected from NICE Actimize's extensive feature library and tailored to the bank's specific risk profile, allowing for real-time intervention before illicit funds could be dispersed

## Summary

By implementing NICE Actimize's AI-powered mule detection solution, a tier one North American bank tripled its mule account detection rate, uncovering nearly \$3 million in monthly illicit activity. The shift from rules-based to AI and behavior-based monitoring enabled faster, more accurate intervention, strengthening the bank's defenses and setting a new standard for industry best practices.

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