SEMESTER-IV

GANPAT UNIVERSITY			
FACULTY OF MANAGEMENT STUDIES			
Program	MBA	Branch/Spec.	MBA (Business Analytics) Elective Subject
Semester	IV	Version	1.0.0.0
Effective from Academic Year	2025-26	Effective for the batch Admitted in	June 2025
Subject code	**IVA02AIF**	Subject Name	**Anti Money Laundering, Insurance and Fraud Analytics**

Teaching scheme						Examination scheme (Marks)			
(Per week)	Lecture(DT)		Practical(Lab.)		Total		CE	SEE	Total
	L	TU	P	TW					
Credit	2	0	0		2	Theory	100		100
Hours	2	0	0		30	Practical			

Objective:
To equip MBA students with a strategic framework to manage the risks of financial crime, leveraging analytics to build robust compliance programs and protect firm value in the financial and insurance sectors.

Course Outcome:
CO 1: The students will be able to explain the foundational concepts of financial crime risk management, differentiate between fraud and money laundering, and interpret the role of global and national regulatory bodies in governing financial crime prevention.
CO 2: The students will be able to design and evaluate the components of an effective AML program, including KYC, CDD, EDD, transaction monitoring, suspicious activity reporting, and the application of AI for compliance efficiency.
CO 3: The students will be able to analyse major types of insurance fraud, apply analytical methods for fraud detection in underwriting and claims, and assess the role of investigative units and link analysis in identifying organised fraud schemes.
CO 4: The students will be able to formulate integrated enterprise financial crime compliance strategies, evaluate cost-benefit aspects of compliance, ensure data governance and ethical AI practices, and anticipate emerging trends such as Crypto AML, RegTech, and behavioural analytics.

Theory syllabus

Unit	Content	Hrs
1	Foundations of Financial Crime Risk Management, Business of Financial Crime: Scope and Impact, Differentiating Fraud vs. Money Laundering, Three Stages of Money Laundering (Conceptual), Fraud Triangle: Pressure, Opportunity, Rationalization, Introduction to Fraud Analytics: A Managerial View, Regulatory Ecosystem: Key Global and National Bodies	6
2	AML Strategy and Operations, Pillars of an Effective AML Program, Know Your Customer (KYC) and Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) for High-Risk Clients, Transaction Monitoring: Identifying Red Flags and Patterns, Suspicious Activity Reporting (SARs) and Investigations, Role of Global Sanctions and Watchlist Screening, Role of AI in AML Efficiency (Conceptual), Case Study: Responding to an AML Regulatory Inquiry	8
3	Insurance Fraud and Risk Analytics, Major Types of Insurance Fraud (Auto, Health, Property), Hard vs. Soft Fraud: Strategic Implications, Application and Underwriting Fraud Analytics, Claims Fraud	8

	Detection Analytics, Role of the Special Investigation Unit (SIU), Link Analysis for Detecting Fraud Rings (Conceptual), Managing Balance between Customer Experience and Fraud Controls, Case Study: Analytics in a Large-Scale Insurance Fraud Investigation	
4	Building an Enterprise Financial Crime Compliance (FCC) Program, Role of the Chief Compliance Officer (CCO), Cost of Compliance vs. Cost of Non-Compliance, Aligning Fraud and AML Teams for Synergy, Data Governance for Analytics: Quality and Privacy, Ethical AI: Bias in Fraud and AML Models, Future Trends: Crypto AML, RegTech, Behavioral Analytics, Capstone: Developing a Financial Crime Risk Mitigation Strategy	8
Practical content		
Reference Books		

1.	Wells, Joseph T. Principles of Fraud Examination. 4th Edition, Wiley, 2014.
2.	Pompian, Michael M. Behavioral Finance and Wealth Management. 2nd Edition, Wiley, 2012. (For understanding behavioral aspects of fraud).
3.	Rejda, George E., and McNamara, Michael. Principles of Risk Management and Insurance. 14th Edition, Pearson, 2021.
4.	Madinger, John. Money Laundering: A Guide for Criminal Investigators. 3rd Edition, CRC Press, 2011.
5.	Davenport, Thomas H., and Harris, Jeanne G. Competing on Analytics: The New Science of Winning. Harvard Business Review Press, 2017.
6.	Siegel, Eric. Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie, or Die. 2nd Edition, Wiley, 2016.
7.	Lilley, Peter. Dirty Dealing: The Untold Truth about Global Money Laundering, International Crime and Terrorism. 3rd Edition, Kogan Page, 2006.
8.	ACAMS Today (Magazine/Publication by the Association of Certified Anti-Money Laundering Specialists) - for current trends.
9.	Bolton, Richard J., and Hand, David J. Statistical Fraud Detection: A Review. Statistical Science, 2002.
10.	Financial Action Task Force (FATF). The FATF Recommendations: International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation. FATF, 2012 (and ongoing updates).
11.	O'Neil, Cathy. Weapons of Math Destruction: How Big Data Increases Inequality and Threatens Democracy. Crown, 2016.
12.	King, Brett. Bank 4.0: Banking Everywhere, Never at a Bank. Wiley, 2018. (For context on digital finance risk).