Holistic Surveillance
Integrating Trade and eComms Surveillance

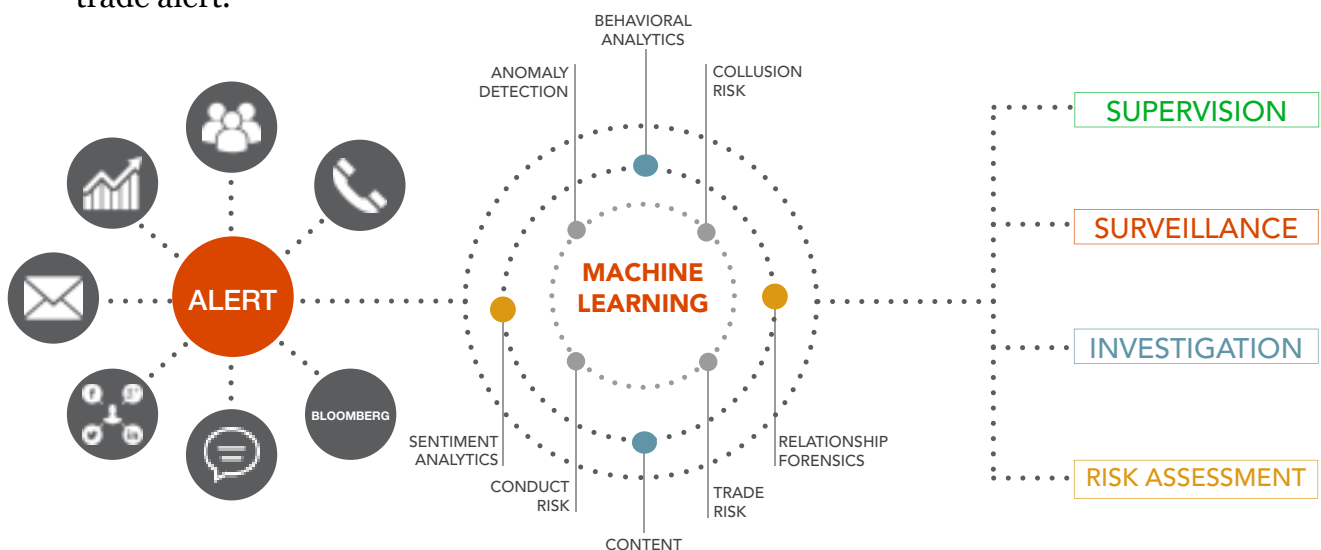# RELATIONSHIP ANALYTICS & BEHAVIORAL SCIENCE
UNCOVER HOW BUSINESS IS DONE

The Catelas eComms Surveillance & Investigations suite helps companies identify compliance issues much more quickly and effectively than ever before – and get ahead of them fast. Without increasing resources, our customers operate a far more comprehensive and defensible compliance program, positioning them well with regulators. Catelas helps Compliance become Smarter, Earlier by allowing the analyst to visualize Information Barriers, Control Rooms, Watch List networks, and Bloomberg Chat rooms, automatically guiding the analysts to where the risks are greatest. While the analyst can still linearly review all messages such as email, IM, social media and Bloomberg, our value across such processes like review, supervision, surveillance and investigation is to cut the time taken by 80% while isolating issues quickly.

INTEGRATING TRADE WITH ECOMMS & NEWS

Associated with many alerts are the people associated with that trade. By clicking the Catelas button within the Trade Surveillance, automatically passes key data about that alert to the Catelas eComms Surveillance platform: trader ID, Securities involved, trade alert type, alert description and the date & time.

This information is used by Catelas to quickly generate a risk scored list of messages associated with the alert and to automatically create two visual maps associated with the alert, which show:

1. All communications (across email, IM, chat, voice) associated with Traders involved, around the alert, graded by Relationship Strength. Quickly isolate the conversations between people who know each other well.

2. All conversations about the securities involved across the group going back 90 days. This allows the analyst to quickly understand the collusion events that may have occurred a significant amount of time ahead of the transaction that triggered the trade alert.

THE RISKS ASSOCIATED WITH THE CURRENT APPROACH

Traditionally, investigations launched as a result of a trade alert involve the collection of messages from the archive which are then loaded into an investigative tool. Such a process can often take up to two weeks and in many cases, the investigation is dropped mid-way due to resource constraints or the arrival of other issues that urgently need to be attended to. Such incomplete investigations expose the firm to significant regulatory penalty as it can be viewed as a broken compliance process or a failure to supervise.

HOW CATELAS ADDRESSES THE PROBLEM

By automatically linking the trade alert with the eComms, Catelas saves a significant amount of time and allows the analyst to conduct the investigation in minutes rather than days. Trades and their associated prices can quickly be compared with trade conversations taking place in chat rooms where often price and margin are agreed. Issues, such as misstated mark ups, or inventory based sales masked as a brokered trade can be quickly uncovered, demonstrating to the regulators that the process is both efficient yet comprehensive. Making the process highly defensible is a major outcome of this integration. Our clients benefit from a much more robust compliance program, that is well documented and risk-based yet does not require more resource.

"This integration not only links trades with messaging, it uncovers the relevant parties, relationships, and possible collusive networks associated with each trade cluster. Each trader's risk is based on a complete picture – the people, the messages, the trades, and the news. This solution alleviates the risks and burdens associated with putting together results from disparate systems. We have replaced keyword searches with behavior science and 'if-then' rules with intent-based risk scores."

David Widerhorn, co-founder and CEO of Neurensic

PATENTED ALGORITHMS AUTOMATICALLY
UNCOVER COLLUSIVE NETWORKS

Insider dealing, market manipulation, and the movement and sharing of Material Non-Public Information (MNPI) are activities conducted between individuals with strong trusted relationships. Catelas uncovers who matters and how they connect within these large collaborative networks. Our patented algorithms combine relationship analytics & behavioral science to present the compliance analyst with an unprecedented view into how business is conducted.