Terrorists, criminals, money launderers, or certain politicians: Names of "higher risk parties" can be screened during the bank account opening process with the help of computer systems.

«Big Brother» in Payment Transactions

LINGUISTIC SEARCH SOLUTIONS If customers want to open a new account, their name is verified with help of the computer. The Swiss software company is a market leader in this area and has generated demand all over the world. (translated by Linguistic Search Solutions AG)

MATTHIAS NIKLOWITZ

Matthias Meier, a potential new customer who wants to open a bank account, will have his data precisely verified. The banks' checklists currently hold about a million names of so-called higher risk parties – terrorists of course, wanted criminals, money launderers and even politicians. "Politically-exposed people, PEPs for short, are also on the list because money is often laundered with their help and because it is not rare for them to be entangled in corruption affairs," says Bertrand Lisbach, CEO of Linguistic Search Solutions, a Swiss specialist for linguistic search technology.

Money launderers who fail to open an account in Zurich or Geneva might try their luck at a branch on a Caribbean island, where the wanted lists might be compiled differently or the computer-supported name matching takes place according to less strict rules.

Although the computer is the solution, this is also where all the problems begin. "Even if conventional technology can compare the names from a passport with the data on sanction and PEP lists the information from both sources has to match exactly. And this is often not the case.

A Matthias might have one T or H missing or a nickname such as Matt might be used and then the system will say there is no match even though the person's name is on the list, but just with a different spelling," explains Lisbach. Therefore, special software has to be able to tolerate certain spelling variations.

Complexity of spelling

The challenge is that there are countless ways of spelling names. The first president of Russia appears in the German-language press as Jelzin, in the English media as Yeltsin and in French newspapers as Eltsine. An extreme example is the Arab name Abdul Rahman for which there are thousands of variations in the Western world: from Abdel Rahman through Abd Ar-Rehman to Abdoulrahmane.

There are other pitfalls: What happens if somebody is called Fritz Peter and it is unclear which his first and last name is? What about names that can be written together or separately such as Hans Peter and Hanspeter, or Vanderbilt and Van der Bilt? How about when the order

of names is very different from in Europe like in cultural spheres such as China? "We have developed language-specific rule modules, over 50 in total, to ensure that all the names in the world can be found reliably and precisely," says Lisbach. One rule module, he continues, has a language-specific tolerance that covers all the appropriate name spellings whether they are of a structural or linguistic nature. "If instead of using one simple mathematical algorithm, thousands of linguistic algorithms are used, the people one is looking for can be found reliably and precisely."

Users who have been spoilt by Google expect search results within a fraction of a second and not within minutes as used to be the case. This also holds true for users who search in massive databases, in the customer databases of big companies for example. The search for names according to linguistic rules seems so simple and logical one would think there would be a whole series of competitors. But Lisbach is unperturbed: "Big software producers are wary of the efforts needed for name and linguistic research – this is not their specialist area. Instead they prefer to use non-linguistic algorithms." Of the big providers, only the two global software companies IBM and Informatica provide similar solutions.

The world's biggest suppliers of name lists for banking compliance, the companies Dow Jones, World-Check and Accuity, are already Linguistic Search Solutions clients. And on top of Swiss financial establishments such as UBS, Asian companies are also now placing their bets on Swiss-made linguistic know-how; for example the Bank of Beijing or the Hong Kong branch of the global State Street Bank. Customer data written in Chinese characters can be matched with Latin-script sanction lists completely automatically. National authorities also number among LSS' clients. "The lists of sanctions in the form of PDF documents will soon be history," predicts Lisbach.

The young Swiss firm has already been awarded two prizes this year for its business model and innovation. And it has already generated huge demand although it has not launched a marketing campaign. But Lisbach is not only positive in this respect. "It is very important for us that our developers, computer linguists and linguistic experts can work without stress and in a focussed manner. If we have a finger in every pie, quality and work satisfaction may be jeopardised."

Regulation brings new customers

The international nature of Lisbach's company means that the over 30 employees are scattered all over the world. The management and technical development teams are based in Baar ZG and Zurich. Lisbach and his partners want to remain independent. "We want to establish ourselves as global specialists for linguistic identity matching technologies and sell our modules to software providers and end clients so they can integrate them into their products." The growing regulation of banking compliance is playing into Lisbach's hand. Other banks and institutions are sure to follow.

Article translated by
Linguistic Search Solutions AG
Source article in
Handelszeitung 29/09/2010