

# TOM™ in Export Control

Mitigating the risk of sanctions and non-compliance by deploying digitized human expertise.

When it comes to identifying illicit behaviors and activities, data-driven predictions combined with human expertise and intuition provide organizations with a compelling risk mitigation toolset.



## INNOVATIVE APPROACH – EMBEDDED EXPERTISE

Until now the tacit knowledge or intuition of human experts has been locked within the human subconscious. Merlynn’s Tacit Object Modeler, TOM™, is a unique technology, designed to replicate human expertise. Digitized expertise enables organizations to embed this knowledge within their transaction and customer monitoring systems, enhancing risk detection and providing real-time decisions and actions from leading subject matter experts.



## EXPANDING VOLUMES & EVOLVING RISK

In 2019, E-commerce sales accounted for just over 14% of global retail sales. By 2023, this figure is expected reach 22% - equating to US \$6,5 trillion in e-retail sales. (Source Statista)

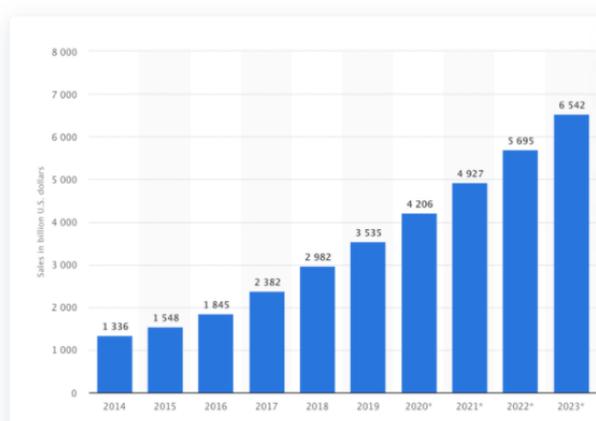
While this trend is encouraging for retailers’ revenue and profit margins, the risks associated with cross boarder shipping customs and excise control regulation compliance violations follow a similar upward trajectory.

Failure to comply with export control regulations carry not only financial and/or criminal fines but may even result in the revocation of export privileges and licenses, see various enforcement actions in 2019, by the U.S. Department of Commerce Bureau of Industry (BIS) and Security with fines and penalties growing at an alarming rate,

OFAC penalties exceeded US \$1,2 billion in 2019 for sanction breaches and penalties from the BIS more than US \$1,4bn (2018-2019).

E-Commerce > B2C E-Commerce

Retail e-commerce sales worldwide from 2014 to 2023 (in billion U.S. dollars)



(Source Statista)



## THE CHALLENGE

The practicalities of managing exponentially increasing number of customers, jurisdictions, products, and shipment volumes, as well as an ever evolving regulatory landscape, present a very real challenge for retailers and exporters alike.

An increasingly sophisticated criminal modus only exacerbates the risks to organizations. Even the largest organizations such as Apple and Amazon with access to sophisticated screening technologies and compliance programs are left vulnerable and in need of a different, innovative approach to compliance and risk management.

A major factor contributing to this vulnerability lies in the capacity constraints around the seasoned subject matter experts, who are able to - based on experience-driven insight and intuition - spot the proverbial 'needle in the haystack.'

Misconduct suggests an intentional rather than a negligent act. When the opportunity presented itself many advisors and institutions, 'turned a blind eye' and chose the option that benefitted them.

Despite onerous regulatory scrutiny, world class organizational controls and potential criminal sanctions, the misconduct continued for more than ten years.



## THE SOLUTION – EMBEDDED EXPERTISE

Our article **TOM™** in Trade Control

<https://indd.adobe.com/view/4f59de00-5da8-4083-a1c6-da06ddb6c4>

unpacks the challenge and provides our bespoke solution developed in partnership with **TradeSecure LLC** which enables organizations to further enhance capabilities to mitigate the risk of sanctions breaches and non-compliance.

**TOM™** technology is currently deployed in **banking environments screening transactions** and customers and making real-time decisions mitigating financial crime risk.

For more information and use cases visit  
[www.merlynn-ai.com](http://www.merlynn-ai.com)

