## **Data Mining**

Clustering II – Agglomerative Hierarchical Algorithm (Part B)

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## Outlier Discovery

- What are outliers?
  - Objects that are considerably dissimilar from the remainder of the data
- Applications:
  - Credit card fraud detection
  - Telecom fraud detection
  - A newly formed cancer protein

## Outlier Discovery Techniques

- Distance-based outlier: A DB(p, D)-outlier is an object O in a dataset T such that at least a fraction p of the objects in T lie at a distance greater than D from O.
- Algorithms for mining distance-based outliers
  - Index-based algorithm
  - Nested-loop algorithm

## End of Agglomerative Hierarchical Clustering Algorithm Module (Part B)