# task2

December 10, 2024

- 1 Credit Card Fraud Detection
- 2 Task 2: Predictive Modelling
- 2.1 Required libraries

```
[97]: import matplotlib.pyplot as plt
      import pandas as pd
      import seaborn as sns
      import numpy as np
      import cartopy.crs as ccrs
      import cartopy.feature as cfeature
      from adjustText import adjust text
      from geopy.distance import geodesic
      from sklearn.preprocessing import StandardScaler
      from imblearn.under_sampling import RandomUnderSampler
      from imblearn.pipeline import Pipeline
      from collections import Counter
      from imblearn.over sampling import SMOTE
      from sklearn.model_selection import train_test_split
      from sklearn.cluster import DBSCAN
      from sklearn.preprocessing import StandardScaler
      from sklearn.cluster import KMeans
      from sklearn.ensemble import RandomForestClassifier
      from sklearn.model_selection import GridSearchCV
      from sklearn.model_selection import RandomizedSearchCV
      from sklearn.metrics import roc_auc_score, roc_curve
      from sklearn.metrics import f1 score
      from sklearn.metrics import confusion_matrix, classification_report
      from xgboost import XGBClassifier
      import pickle
      import os
      from sklearn.impute import KNNImputer
      from sklearn.preprocessing import LabelEncoder
      from sklearn.neighbors import KNeighborsClassifier
      from sklearn.svm import SVC
      from sklearn.neural_network import MLPClassifier
      from sklearn.tree import DecisionTreeClassifier
```

#### 2.2

#### 2.3 Load training and test dataset

```
[]: with open("variables/X_train.pkl", "rb") as f:
    X_train = pickle.load(f)

with open("variables/y_train.pkl", "rb") as f:
    y_train = pickle.load(f)

with open("variables/X_test.pkl", "rb") as f:
    X_test = pickle.load(f)

with open("variables/y_test.pkl", "rb") as f:
```

```
y_test = pickle.load(f)
with open("variables/kaggle_data.pkl", "rb") as f:
    kaggle_data = pickle.load(f)
with open("variables/index_mapping.pkl", "rb") as f:
    index_mapping = pickle.load(f)
```

## 2.4 Class Imbalance - SMOTE and model pipeline

To address the significant class imbalance in the dataset, several methods were considered, including basic SMOTE, SMOTE-Tomek, and SMOTE combined with RandomUnderSampling. After evaluating the characteristics of the data, the combination of SMOTE + RandomUnder-Sampling was chosen as the most appropriate technique.

The decision to use **SMOTE** + **RandomUnderSampling** instead of **SMOTE-Tomek** or **basic SMOTE** was based on the analysis of the dataset's characteristics and the goals of the project.

Class Imbalance The dataset exhibits a significant class imbalance, with very few samples belonging to the minority class (is\_fraud = 1). Addressing this imbalance is critical to ensure that the model does not become biased towards the majority class (is\_fraud = 0). SMOTE is effective in resolving this issue by generating synthetic samples for the minority class, thereby improving class representation and model fairness.

Efficiency SMOTE + RandomUnderSampling is computationally simpler and faster compared to SMOTE-Tomek, as it does not involve the additional step of identifying and removing Tomek links. This makes it a practical choice for the dataset, given the observed lack of significant class overlap.

```
best_model = None
  best auc = 0
  best_config = None
  for oversampling_rate in oversampling_rates:
      for undersampling_rate in undersampling_rates:
          print(f"\nTesting Oversampling={oversampling_rate},__

¬Undersampling={undersampling_rate}")

          # Define SMOTE and undersampler
          smote = SMOTE(sampling_strategy=oversampling_rate, random_state=42)
          undersampler =
-RandomUnderSampler(sampling_strategy=undersampling_rate, random_state=42)
          # Create pipeline
          pipeline = Pipeline(steps=[
               ('smote', smote),
               ('undersampler', undersampler),
               ('model', model)
          ])
          if use_random_search:
              search = RandomizedSearchCV(
                  estimator=pipeline,
                  param_distributions=param_grid, # Prefix for model params
                  n_iter=n_iter,
                  scoring='roc auc',
                  cv=5,
                  n_{jobs=-1},
                  random_state=42
              )
              # Train with hyperparameter tuning
              search.fit(X_train, y_train)
              best_pipeline = search.best_estimator_
              best_params = search.best_params_
              print(f"Best Parameters for this iteration: {best_params}")
          else:
              # Train pipeline without hyperparameter search
              pipeline.fit(X_train, y_train)
              best_pipeline = pipeline
              best_params = "Default parameters"
          # Predict on the test set
          y_pred = best_pipeline.predict(X_test)
```

```
y_pred_proba = best_pipeline.predict_proba(X_test)[:, 1] # Get_
⇔probabilities for AUC
           # Evaluate model
           print("Classification Report:")
           report = classification_report(y_test, y_pred, output_dict=True,__
⇔zero_division=0)
           # Confusion matrix
           print("Confusion Matrix:")
          print(confusion_matrix(y_test, y_pred))
           # Calculate AUC
           auc_score = roc_auc_score(y_test, y_pred_proba)
           # Store results
           results.append({
               'oversampling_rate': oversampling_rate,
               'undersampling_rate': undersampling_rate,
               'precision': report['1']['precision'],
               'recall': report['1']['recall'],
               'f1_score': report['1']['f1-score'],
               'auc': auc_score
          })
           # Check if current model is the best
           if auc_score > best_auc:
               best_auc = auc_score
               best_model = best_pipeline
               best_config = {
                   'oversampling_rate': oversampling_rate,
                   'undersampling_rate': undersampling_rate
               }
  # Print best configuration
  print("\nBest Configuration:")
  print(f"Oversampling Rate: {best_config['oversampling_rate']}")
  print(f"Undersampling Rate: {best_config['undersampling_rate']}")
  print(f"Best AUC: {best_auc:.4f}")
  # Predict probabilities for Kaggle submission
  test_probs = best_model.predict_proba(kaggle_data)[:, 1] # Probabilities_u
⇔for class 1 (fraud)
```

```
# Create submission DataFrame
submission = pd.DataFrame({
    'index': index_mapping,
    'is_fraud': test_probs
})

# Save to CSV
submission_file_name = f"{submission_file}.csv"
submission.to_csv(f"submission/{submission_file_name}", index=False)
print(f"Submission file created: '{submission_file_name}'")

return results
```

#### 2.5 Random Forest Classifier

```
[100]: # Train a Random Forest Classifier
       rf = RandomForestClassifier(random_state=42)
       model_pipeline(rf,"submission_random_forest")
      Testing Oversampling=0.5, Undersampling=0.8
      Classification Report:
      Confusion Matrix:
      ΓΓ5882
                41
       Γ 114
                011
      Testing Oversampling=0.5, Undersampling=1.0
      Classification Report:
      Confusion Matrix:
      [[5880]]
                6]
       [ 114
                0]]
      Testing Oversampling=0.7, Undersampling=0.8
      Classification Report:
      Confusion Matrix:
      [[5885]]
                1]
                011
       Γ 114
      Testing Oversampling=0.7, Undersampling=1.0
      Classification Report:
      Confusion Matrix:
      ΓΓ5882
                41
       [ 114
                0]]
      Best Configuration:
      Oversampling Rate: 0.5
      Undersampling Rate: 1.0
```

```
Best AUC: 0.4655
      Submission file created: 'submission_random_forest.csv'
[100]: [{'oversampling_rate': 0.5,
         'undersampling rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.43127462727494914)},
        {'oversampling_rate': 0.5,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.4655434244803309)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1 score': 0.0,
         'auc': np.float64(0.43850781813521233)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.43363005287598877)}]
```

#### 2.6 Random Search - Random Forest Classifier

```
[105]: rf = RandomForestClassifier(random_state=42)

param_distributions = {
        'model__n_estimators': [100, 200, 500,1000],
        'model__max_depth': [None, 10, 20, 30],
        'model__min_samples_split': [2, 5, 10],
        'model__min_samples_leaf': [1, 2, 4, 5],
    }

model_pipeline(rf, "submission_random_search_random_forest", True, param_distributions)

Testing Oversampling=0.5, Undersampling=0.8
Best Parameters for this iteration: {'model__n_estimators': 100,
    'model__min_samples_split': 5, 'model__min_samples_leaf': 4, 'model__max_depth': 10}
Classification Report:
Confusion Matrix:
```

```
[[5886]
                0]
       [ 114
                0]]
      Testing Oversampling=0.5, Undersampling=1.0
      Best Parameters for this iteration: {'model n estimators': 100,
      'model__min_samples_split': 5, 'model__min_samples_leaf': 4, 'model__max_depth':
      Classification Report:
      Confusion Matrix:
      ΓΓ5886
                OΠ
                0]]
       [ 114
      Testing Oversampling=0.7, Undersampling=0.8
      Best Parameters for this iteration: {'model_n_estimators': 100,
      'model__min_samples_split': 5, 'model__min_samples_leaf': 4, 'model__max_depth':
      10}
      Classification Report:
      Confusion Matrix:
      [[5886]
                07
       Γ 114
                011
      Testing Oversampling=0.7, Undersampling=1.0
      Best Parameters for this iteration: {'model_n_estimators': 100,
      'model__min_samples_split': 5, 'model__min_samples_leaf': 4, 'model__max_depth':
      10}
      Classification Report:
      Confusion Matrix:
      [[5886]
                0]
                0]]
       [ 114
      Best Configuration:
      Oversampling Rate: 0.5
      Undersampling Rate: 1.0
      Best AUC: 0.4935
      Submission file created: 'submission_random_search_random_forest.csv'
[105]: [{'oversampling_rate': 0.5,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.47421624908346294)},
        {'oversampling_rate': 0.5,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
```

```
'auc': np.float64(0.4935238836132124)},
{'oversampling_rate': 0.7,
  'undersampling_rate': 0.8,
  'precision': 0.0,
  'recall': 0.0,
  'auc': np.float64(0.47737271312838675)},
{'oversampling_rate': 0.7,
  'undersampling_rate': 1.0,
  'precision': 0.0,
  'recall': 0.0,
  'recall': 0.0,
  'auc': np.float64(0.4841342227468093)}]
```

Score on Kaggle: 0.52296

#### 2.7 XGBOOST

```
[106]: xgb = XGBClassifier(n_estimators=500, max_depth=5, learning_rate=0.1,__
        →random_state=42)
       model_pipeline(xgb,"submission_xgboost")
      Testing Oversampling=0.5, Undersampling=0.8
      Classification Report:
      Confusion Matrix:
      ΓΓ5841
               451
       Γ 114
                011
      Testing Oversampling=0.5, Undersampling=1.0
      Classification Report:
      Confusion Matrix:
      [[5840
               461
       [ 114
                0]]
      Testing Oversampling=0.7, Undersampling=0.8
      Classification Report:
      Confusion Matrix:
      [[5864
               22]
       [ 114
                0]]
      Testing Oversampling=0.7, Undersampling=1.0
      Classification Report:
      Confusion Matrix:
      ΓΓ5851
              351
       Γ 114
                011
```

```
Best Configuration:
      Oversampling Rate: 0.5
      Undersampling Rate: 0.8
      Best AUC: 0.4529
      Submission file created: 'submission_xgboost.csv'
[106]: [{'oversampling_rate': 0.5,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.452863172201656)},
        {'oversampling_rate': 0.5,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1 score': 0.0,
         'auc': np.float64(0.43907264338215557)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.4474265429118157)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.4478035898444719)}]
```

#### Score on Kaggle:

#### 2.8 Random Search - XGBOOST

```
}
model_pipeline(xgb, "submission_random_search_xgboost", True, param_distributions)
Testing Oversampling=0.5, Undersampling=0.8
Best Parameters for this iteration: {'model_subsample': 1.0,
'model__reg_lambda': 1, 'model__reg_alpha': 0, 'model__n_estimators': 100,
'model__min_child_weight': 5, 'model__max_depth': 7, 'model__learning_rate':
0.1, 'model__colsample_bytree': 0.8}
Classification Report:
Confusion Matrix:
[[5886]
          0]
 [ 114
          011
Testing Oversampling=0.5, Undersampling=1.0
Best Parameters for this iteration: {'model_subsample': 1.0,
'model__reg_lambda': 1, 'model__reg_alpha': 0, 'model__n_estimators': 100,
'model__min_child_weight': 5, 'model__max_depth': 7, 'model__learning_rate':
0.1, 'model__colsample_bytree': 0.8}
Classification Report:
Confusion Matrix:
[[5886]
          07
          0]]
Γ 114
Testing Oversampling=0.7, Undersampling=0.8
Best Parameters for this iteration: {'model_subsample': 1.0,
'model_reg_lambda': 1, 'model_reg_alpha': 0, 'model_n estimators': 100,
'model__min_child_weight': 5, 'model__max_depth': 7, 'model__learning_rate':
0.1, 'model_colsample_bytree': 0.8}
Classification Report:
Confusion Matrix:
ΓΓ5886
          07
 Γ 114
          011
Testing Oversampling=0.7, Undersampling=1.0
Best Parameters for this iteration: {'model_subsample': 1.0,
'model__reg_lambda': 1, 'model__reg_alpha': 0, 'model__n_estimators': 100,
'model min child weight': 5, 'model max depth': 7, 'model learning rate':
0.1, 'model_colsample_bytree': 0.8}
Classification Report:
Confusion Matrix:
[[5886]
          01
 [ 114
          0]]
Best Configuration:
Oversampling Rate: 0.7
```

```
Undersampling Rate: 0.8
      Best AUC: 0.4484
      Submission file created: 'submission_random_search_xgboost.csv'
[107]: [{'oversampling rate': 0.5,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1 score': 0.0,
         'auc': np.float64(0.44771715220773656)},
        {'oversampling_rate': 0.5,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.4407209196964549)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1 score': 0.0,
         'auc': np.float64(0.44839896632508897)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.4454444384832281)}]
```

Score on Kaggle: 0.52380

# 2.9 Decision Tree

```
[115]: dt = DecisionTreeClassifier(random_state = 42)

parameter_grid = {
    'model__max_depth': [5, 10, 20, 30, 40, 50],
    'model__min_samples_split': [2, 5, 10, 20],
    'model__min_samples_leaf': [1, 2, 4, 5],
    'model__max_leaf_nodes': [None, 10, 20, 50, 100],
    'model__max_features': [1, 2, 3, 4, 5, 6, 7, 8,]
}

model_pipeline(dt,"submission_decision_tree",True, parameter_grid)
```

```
Testing Oversampling=0.5, Undersampling=0.8
Best Parameters for this iteration: {'model__min_samples_split': 20, 'model__min_samples_leaf': 1, 'model__max_leaf_nodes': 100,
```

```
Classification Report:
      Confusion Matrix:
      [[5118 768]
       Γ 102
               12]]
      Testing Oversampling=0.5, Undersampling=1.0
      Best Parameters for this iteration: {'model_min_samples_split': 20,
      'model__min_samples_leaf': 1, 'model__max_leaf_nodes': 100,
      'model__max_features': 4, 'model__max_depth': 50}
      Classification Report:
      Confusion Matrix:
      [[4791 1095]
       [ 100
               14]]
      Testing Oversampling=0.7, Undersampling=0.8
      Best Parameters for this iteration: {'model_min_samples_split': 10,
      'model__min_samples_leaf': 4, 'model__max_leaf_nodes': None,
      'model__max_features': 7, 'model__max_depth': 10}
      Classification Report:
      Confusion Matrix:
      [[5850
               361
       Γ 112
                211
      Testing Oversampling=0.7, Undersampling=1.0
      Best Parameters for this iteration: {'model_min_samples_split': 10,
      'model__min_samples_leaf': 5, 'model__max_leaf_nodes': None,
      'model_max_features': 1, 'model_max_depth': 20}
      Classification Report:
      Confusion Matrix:
      [[5213 673]
       [ 99
               15]]
      Best Configuration:
      Oversampling Rate: 0.7
      Undersampling Rate: 1.0
      Best AUC: 0.5068
      Submission file created: 'submission_decision_tree.csv'
[115]: [{'oversampling_rate': 0.5,
         'undersampling_rate': 0.8,
         'precision': 0.015384615384615385,
         'recall': 0.10526315789473684,
         'f1_score': 0.026845637583892617,
         'auc': np.float64(0.4946654565397524)},
        {'oversampling_rate': 0.5,
         'undersampling_rate': 1.0,
```

'model\_\_max\_features': 4, 'model\_\_max\_depth': 50}

```
'precision': 0.012623985572587917,
         'recall': 0.12280701754385964,
         'f1_score': 0.022894521668029435,
         'auc': np.float64(0.4907832144070677)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 0.8,
         'precision': 0.05263157894736842,
         'recall': 0.017543859649122806,
         'f1 score': 0.02631578947368421,
         'auc': np.float64(0.4855552276886576)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 1.0,
         'precision': 0.02180232558139535,
         'recall': 0.13157894736842105,
         'f1_score': 0.03740648379052369,
         'auc': np.float64(0.5068322990623008)}]
      2.10 Neural Networks - Multi-Layer Perceptron (MLP)
[109]: |mlp = MLPClassifier(hidden_layer_sizes=(100,), max_iter=300, random_state=42)
      model_pipeline(mlp, "submission_mlp")
      Testing Oversampling=0.5, Undersampling=0.8
      Classification Report:
      Confusion Matrix:
      ГΓ
           0 58861
           0 114]]
      Testing Oversampling=0.5, Undersampling=1.0
      Classification Report:
      Confusion Matrix:
      ГΓ
           0 58861
       0 114]]
      Testing Oversampling=0.7, Undersampling=0.8
      Classification Report:
      Confusion Matrix:
      [[5886]
                0]
       [ 114
                0]]
      Testing Oversampling=0.7, Undersampling=1.0
      Classification Report:
      Confusion Matrix:
      ΓΓ5886
                07
```

```
[ 114
                0]]
      Best Configuration:
      Oversampling Rate: 0.5
      Undersampling Rate: 0.8
      Best AUC: 0.5000
      Submission file created: 'submission_mlp.csv'
[109]: [{'oversampling_rate': 0.5,
         'undersampling_rate': 0.8,
         'precision': 0.019,
         'recall': 1.0,
         'f1_score': 0.03729146221786065,
         'auc': np.float64(0.5)},
        {'oversampling_rate': 0.5,
         'undersampling_rate': 1.0,
         'precision': 0.019,
         'recall': 1.0,
         'f1_score': 0.03729146221786065,
         'auc': np.float64(0.5)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.5)},
        {'oversampling_rate': 0.7,
         'undersampling_rate': 1.0,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.5)}]
```

# 2.11 Random Search - Neural Networks (MLP)

```
[110]: parameter_grid = {
          'model__hidden_layer_sizes': [(50,), (100,), (100, 50), (150, 100)],
          'model__activation': ['relu', 'tanh'],
          'model__solver': ['adam', 'sgd'],
          'model__alpha': [0.0001, 0.001, 0.01],
          'model__learning_rate': ['constant', 'adaptive']
}
model_pipeline(mlp, "submission_random_search_mlp", True, parameter_grid)
```

Testing Oversampling=0.5, Undersampling=0.8
Best Parameters for this iteration: {'model\_solver': 'adam',

```
'model__alpha': 0.0001, 'model__activation': 'relu'}
      Classification Report:
      Confusion Matrix:
      ΓΓ5886
                07
       Γ 114
                011
      Testing Oversampling=0.5, Undersampling=1.0
      Best Parameters for this iteration: {'model_solver': 'adam',
      'model__learning_rate': 'adaptive', 'model__hidden_layer_sizes': (100, 50),
      'model__alpha': 0.0001, 'model__activation': 'relu'}
      Classification Report:
      Confusion Matrix:
           0 58861
      Γ
           0 114]]
      Testing Oversampling=0.7, Undersampling=0.8
      Best Parameters for this iteration: {'model_solver': 'adam',
      'model_learning_rate': 'constant', 'model_hidden_layer_sizes': (50,),
      'model__alpha': 0.0001, 'model__activation': 'relu'}
      Classification Report:
      Confusion Matrix:
      [[ 365 5521]
       [ 7 107]]
      Testing Oversampling=0.7, Undersampling=1.0
      Best Parameters for this iteration: {'model_solver': 'adam',
      'model_learning rate': 'constant', 'model_hidden_layer_sizes': (50,),
      'model_alpha': 0.0001, 'model_activation': 'relu'}
      Classification Report:
      Confusion Matrix:
      ΓΓ5886
                07
                0]]
       [ 114
      Best Configuration:
      Oversampling Rate: 0.7
      Undersampling Rate: 0.8
      Best AUC: 0.5003
      Submission file created: 'submission_random_search_mlp.csv'
[110]: [{'oversampling_rate': 0.5,
         'undersampling_rate': 0.8,
         'precision': 0.0,
         'recall': 0.0,
         'f1_score': 0.0,
         'auc': np.float64(0.5)},
        {'oversampling_rate': 0.5,
```

'model\_\_learning\_rate': 'adaptive', 'model\_\_hidden\_layer\_sizes': (100, 50),

```
'undersampling_rate': 1.0,
 'precision': 0.019,
 'recall': 1.0,
 'f1_score': 0.03729146221786065,
 'auc': np.float64(0.5)},
{'oversampling_rate': 0.7,
 'undersampling_rate': 0.8,
 'precision': 0.019012082444918265,
 'recall': 0.9385964912280702,
 'f1_score': 0.03726924416579589,
 'auc': np.float64(0.5003040220326556)},
{'oversampling_rate': 0.7,
 'undersampling_rate': 1.0,
 'precision': 0.0,
 'recall': 0.0,
 'f1_score': 0.0,
 'auc': np.float64(0.5)}]
```

## 2.12 Support Vector Machine (SVM)

```
[111]: svm = SVC(kernel='rbf', probability=True, random_state=42)

model_pipeline(svm,"submission_svm")
```

```
NameError Traceback (most recent call last)

Cell In[111], line 1

----> 1 aa

2 svm = SVC(kernel='rbf', probability=True, random_state=42)
3 #svm.fit(X_train, y_train)

NameError: name 'aa' is not defined
```