Prime Trust Federal Credit Union’s (Prime Trust) BSA and fraud monitoring was time-consuming, cumbersome and inefficient. With manual processes that consisted of monthly file imports from OFAC into Episys, review of excessive cash transactions, reporting and review of excessive check transactions, and biweekly 314(a) searches, there was a lot to organize and process. They were looking for a more efficient process. They found it in Verafin.

“I had heard about Verafin from the Indiana Credit Union League,” says Dana Baker, Senior VP of Operations, pointing out the need for a solution that easily interfaced with Symitar. “Verafin and Symitar integrate seamlessly. The data transmission happens during our ‘goodnight’ process so everything is ready to go when we come in each day. Since our server resides at MDT, we have to do nothing; just wait for the magic to happen.”

Right now there are three Verafin users at Prime Trust: a Compliance Officer who oversees BSA, AML, SARs and Vendor Management; an Accounting Manager for CTRs; and an IT Manager for Vendor Management. Each user was trained with the help of Verafin’s trainers, videos, and help desk. “The training we received was amazing. The support is always timely. Verafin is very powerful and very user friendly.”

Once everyone was up to speed, the amount of fraud Prime Trust caught was significant and included elder abuse, check kiting, structuring, and money laundering.

Elder Abuse

“The first day we had our Debit Card Fraud piece turned on, we had a success story,” says Dana. “Meet Mr. Earls: long-time member, 86 years old. Mr. Earls’ ATM card was being used to withdraw in two-hundred dollar increments (our daily maximum) every two to three days at one of our branch ATMs. Due to his age, frequency of withdrawals, and dollar amount of withdrawals, he fired an alert for possible Debit Card Fraud. Once I started investigating the activity on Mr. Earls’ account, I discovered internal notes that Mr. Earls is blind, deaf, and confined to a wheel chair. At 9:30 in the morning, I blocked his account. At 10:03 a.m., his daughter came to the branch drive-up and said, ‘My dad wants to know why he can’t use his card anymore.’ Guess who was using Daddy’s card? A different daughter brought Mr. Earls into the branch and we determined that he did not realize that his card was missing. Daughter #1 had been ‘helping’ him with his finances so she was intercepting the statements before any other family members saw them. Bingo! This situation would not have been caught under our old manual system.”

Prime Trust Federal Credit Union (IN)

Headquarters........... Muncie, Indiana
Assets........... $144M +
Core System.........Symitar Episys
Check Kiting

Verafin’s fraud alerts assisted Prime Trust in catching numerous check kiting schemes. One was very elaborate and involved the use of shared branching: “The velocity of transactions led to investigation, which turned up the kiting scheme. Two years ago, we had a Bad News member. When Mr. News came in, he appeared to be under the influence. Every time he came in, he would ask inappropriate questions about our security, or cameras, or vault doors, or Brink’s delivery. Quite often Mr. News was accompanied by non-member, Mr. Deadbeat. One day Mr. Deadbeat cashed a check drawn on Mr. News’ account, so we obtained a copy of his driver’s license. Within a few days, we invited Mr. News to take his account elsewhere, because he was asking inappropriate questions of our staff. He obliged. Because of the unusual circumstances, I entered Mr. News and Mr. Deadbeat into our internal watch list. On Tuesday, Mr. Deadbeat opened an account and on Wednesday morning, I had an alert fire on my internal watch list. I promptly called Mr. Deadbeat and invited him to take his account elsewhere, based on his credit report. He squawked a little, but finally agreed.”

Dana has also noticed a repetitive fraud scheme that she calls the ‘boomerang effect.’ “When we charge off a loan, Visa, ODP, or bad check, I put the member in our internal watch list. They always come back. Maybe not for a month or maybe not for a few years, but they always come back. The internal watch list has caught so many Boomerang members. We give them the option of paying their charge off and staying a member or we let them know they can’t be a member until the charge off is paid. Either way, we win.”

Prime Trust has “won” many fraud battles since joining forces with Verafin. They managed to streamline their paper-heavy BSA/AML Compliance processes and catch a multitude of fraud schemes before any damage was done to their credit union or its members.

Read More

To access Verafin’s growing archive of webinars, white papers, and case studies focused on hot industry topics related to BSA/AML compliance and fraud detection, check out our Resource Center at www.verafin.com/resource-center.

About Verafin

Verafin is a leader in enterprise Fraud Detection and Anti-Money Laundering (FRAML) technology with a customer base of over 1100 financial institutions across North America. Verafin is the exclusive provider of fraud detection and BSA/AML software for the California Bankers Association, Florida Bankers Association, Massachusetts Bankers Association, Illinois Bankers Association, CUNA Strategic Services, and has industry endorsements in 44 states across the U.S. For more information, visit www.verafin.com.