Case Study

Landmark Bank

Headquarters........Columbia, MO
Assets.........$2.5B
Core Banking System........Fidelity Bankway

Seeing the Full Picture

After choosing Verafin, Landmark Bank gains a clearer insight into customers’ behavior and can react quicker to lower the risk of fraud.

Started as a small community bank located in Mountain View, Missouri over 100 years ago, Landmark Bank now offers local banking to 27 communities across three states.

With 39 branches, Jan Simpson, VP/BSA & OFAC officer at Landmark Bank, and her team needed to move beyond their manual BSA compliance and suspicious activity detection processes to an automated system.

Manual processes and core banking system or rules-based transaction monitoring system transaction reports make meeting BSA compliance reporting requirements and uncovering suspicious activity difficult. For compliance and fraud detection professionals it can be maddening and an incredible time drain. The length of these reports can make encyclopedias blush and offer little to no guidance to help professionals like Jan quickly isolate patterns of suspicious activity.

Searching through endless pages of transactions gets you no closer to the goal of knowing your customer, understanding their patterns of activity or understanding what is normal behavior for that person or business. Are they a danger to your institution? What level of risk do they pose?

Key Areas of Concern

Reviewing high-risk customers. As required by the Bank Secrecy Act, Landmark Bank has identified customers presenting various levels of elevated risk to the institution. The previous process required staff to pull reports and create spreadsheets on specific customers’ activity. This data was reviewed quarterly for activity that would indicate changes in behavior and then filed for comparison for the next quarterly review.

Detecting suspicious activity. Uncovering suspicious activity was troublesome and confusing due to core system transaction reports that offered little guidance. “The report we received from our core was not usable due to the large amount of information provided.” This led to a reliance on human reporting of activity, which is all-too-often prone to oversight and error.
Case Study
Landmark Bank

Currency transaction reporting. Currency transaction reporting was particularly difficult. The bank relied on front line staff, from 39 different locations, to generate and complete the reports and issue them to the head office for final sign-off and submission to FinCEN. Given the high volume of reports that the bank generated per month, regularly 125 to 150, this process was time-consuming at best. Incorrect data or form errors made it even more burdensome. Even if every report was submitted without any problems or errors, the process would consume nearly 40 hours per month. Errors could increase the amount of time immeasurably.

Choosing a Solution

Jan and her team evaluated four automated solutions. Verafin was their preference from the very beginning. “The others were rules-based. They also looked like they would take a long time to implement.” After a quick and trouble-free integration, the team was ready to dig in.

Verafin is a complete fraud detection and BSA/AML solution. Rather than offer numerous disjointed, add-on modules that lack cohesion, Verafin’s FRAML (FRaud detection + AML) approach brings all of the required tools together into one user-intuitive software suite. From BSA reporting and watch list scanning, fraud and money laundering alerts to investigative case management, everything is at a user’s fingertips.

Verafin’s advanced transaction monitoring software also separates itself from most other solutions currently available by analyzing customer activity based on a combination of behavior patterns and suspicious activity scenarios. Rather than generating multitudes of alerts based on static rules, which are little more than unending, rudimentary lists of ‘yes/no’ statements, Verafin applies the latest advances in artificial intelligence and belief networks to identify what appears out of the ordinary for a customer. This means you avoid the frustrations of programming new rule after new rule, leading to floods of alerts that leave you with no idea even where to begin. With Verafin’s advanced approach you uncover truly suspicious activity without getting lost in a sea of false alerts, letting you focus on stopping the bad guys, with all the tools you need to do it.

Seeing More

After almost a year using Verafin, the impact is extremely positive. “Verafin is such a time saver and is so automated, it is great to work with. And it is not just the time savings. The accuracy of the data is fantastic.”

We are able to identify more suspicious activity through Verafin. We have identified check kiting that our bankers had not caught.

Verafin is such a time saver and is so automated, it is great to work with. And it is not just the time savings. The accuracy of the data is fantastic.

Jan Simpson, VP/BSA & OFAC Officer

Jan and her team evaluated four automated solutions. Verafin was their preference from the very beginning. “The others were rules-based. They also looked like they would take a long time to implement.” After a quick and trouble-free integration, the team was ready to dig in.

Verafin is a complete fraud detection and BSA/AML solution. Rather than offer numerous disjointed, add-on modules that lack cohesion, Verafin’s FRAML (FRaud detection + AML) approach brings all of the required tools together into one user-intuitive software suite. From BSA reporting and watch list scanning, fraud and money laundering alerts to investigative case management, everything is at a user’s fingertips.

Verafin’s advanced transaction monitoring software also separates itself from most other solutions currently available by analyzing customer activity based on a combination of behavior patterns and suspicious activity scenarios. Rather than generating multitudes of alerts based on static rules, which are little more than unending, rudimentary lists of ‘yes/no’ statements, Verafin applies the latest advances in artificial intelligence and belief networks to identify what appears out of the ordinary for a customer. This means you avoid the frustrations of programming new rule after new rule, leading to floods of alerts that leave you with no idea even where to begin. With Verafin’s advanced approach you uncover truly suspicious activity without getting lost in a sea of false alerts, letting you focus on stopping the bad guys, with all the tools you need to do it.

Seeing More

After almost a year using Verafin, the impact is extremely positive. “Verafin is such a time saver and is so automated, it is great to work with. And it is not just the time savings. The accuracy of the data is fantastic.”

We are able to identify more suspicious activity through Verafin. We have identified check kiting that our bankers had not caught.

Verafin is such a time saver and is so automated, it is great to work with. And it is not just the time savings. The accuracy of the data is fantastic.

Jan Simpson, VP/BSA & OFAC Officer
In one afternoon, I reviewed 45 customers in 40 minutes. The previous process could have taken two days.

Jan Simpson, VP/BSA & OFAC Officer

this business intelligence makes the regular evaluation of high-risk customers both more complete and requires far less time. Whereas before three people were involved in simply gathering information on customers for Jan to review, she now can utilize the statistics portion of a customer’s profile in Verafin.

“Once Verafin was implemented, those three bankers are now performing other tasks. In one afternoon, I reviewed 45 customers in 40 minutes. The previous process could have taken two days.”

Jan explains the advantages of having access to a complete picture of the customer. “Not only can I look at all of their activity at the push of a button, it aggregates all of their accounts. Before, I would not have known their aggregate cash totals for example. You get a clearer picture of what they are actually doing and how they are utilizing their accounts.”

This has resulted in the capture of suspicious activity that was not seen previously. The newfound ability to capture check kiting is a particular success. “We are able to identify more suspicious activity through Verafin. We have identified check kiting that our bankers had not caught. It pares it down for us; we get the information quicker now.”

What about the lengthy manual CTR process? “I love filing CTRs through Verafin,” exclaims Jan. “One day, I filed over 60 CTRs within three hours. The old process would have taken three days to complete the filing, notifications and acknowledgements.” Now she logs into Verafin, opens a system generated CTR containing auto-completed fields and, with the click of a button, submits the report electronically to FinCEN. That’s it. Plus, with Verafin prepared for FinCEN’s new CTR and SAR submission guidelines, Landmark Bank can seamlessly continue with its automated reporting process.

Summing up her experience with Verafin, Jan is very impressed. “Through Verafin, we have a tool that provides the right information at our fingertips, which allows us to react quicker to lower our risk of fraud.”

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 cloud-based, cross-institutional Fraud Detection and Anti-Money Laundering (FRAMLx) collaboration software with a customer base of 1,400 financial institutions across North America. Verafin is the exclusive provider for the CBA, FBA, IBA, MBA, CUNA Strategic Services, a preferred service provider of the ICBA, and has industry endorsements in 44 states across the U.S.

For more information: www.verafin.com | info@verafin.com | 1.866.781.8433