
CIP – ID Verification

The BSA Tracker provides a seamless and easy to use solution

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CIP – ID Verification

Functionality

- CIP Workshop Integrates CIP verification
- Integrate secondary data sources through Agency Verification Process
- CIP exception reporting
- EDD variance reporting Monitor EDD account utilization versus anticipated transaction utilization

Introduction

Bankers are faced with the challenge of complying with all the BSA/AML regulations as well as a host of other regulations including the FACT Act Identity Theft regulation, which needs to be in place by November 2008.

It's not an option...the consequences of not complying are clear - regulatory scrutiny, fines and loss of reputation. The challenge facing bankers is balancing the demands of the regulator's with the real business needs of the institution. In short, finding a cost-effective and smart way to comply without investing more time and expenses.

Helping you optimize your time makes good business sense and Bouton & Associates has partnered with TransUnion to offer a "FULLY" integrated, enterprise wide, id verification (IDV) function for our BSA Tracking clients which will allow for complete compliance and more effective utilization of your time.

The value of utilizing the Bouton & Associates BSA Tracking System is that enables banks to create a customer centric view and to effectively administer the identity management process and allows for a dynamic and structured framework across all delivery channels and business lines, consisting of:

1. An enterprise wide flexible approach,
2. Quality data,
3. Verification, authentication and certification,
4. Exception Reporting,
5. Cost Savings.

This allows our clients to combat account-usage based identity theft and unauthorized changes to the account, which may provide the best indicator of fraud. Account takeover was the most common fraud method reported in a recent survey. While many financial institutions have, risk-based account monitoring tools to identify anomalous account behavior, Red Flag Regulations outline a more **structured and comprehensive approach** to preventing and managing fraud.

The following describes some of the key fields of information which will be provided through the TransUnion data:

Fraud Scores – calculate the level of risk associated with the identity information supplied for the transaction

File Information – shows the data as it appears in each of our data sources

True Name and Credit Fraud Statement – indicates if the consumer believes he is about to be or has been a victim of identity fraud

Multi Source Matching Summary – indicates how well the input data matched key identity elements in our data sources

Application Analysis – provides alert messages relating to possible fraudulent information based on six different verification and validity checks against input data

High Risk Fraud Alert Messages – highlights potentially fraudulent information

ALL of the information is seamlessly integrated into the Tracking system within the Customer Workshop – CIP tab and will allow the bank to generate automated ALERTS and exception reports.

Creating an Integrated Process

There are four reasons to think about FACT compliance from a broader overall risk management perspective and why client should think first about the BSA Tracker as the delivery tool.

1. Cost savings,
2. Productivity improvement,
3. Streamlined documentation and improved customer experience,
4. Enhanced compliance effectiveness.

To create an integrated Risk Management / compliance program bank's need the ability in manage, evaluate all accounts and required documentation, across all business lines, within a customer centric view. The BSA Tracker creates the customer centric view and allows of unlimited attachments and documentation related to the customer. The Tracker also provides for the consistent collection of data and documentation as required for compliance with various regulations.

Collection of data, from all sources, becomes a central focus of the integrated risk management process.

Data and information needs to be facilitated through a combination of on-line or real time and batch processes from the beginning of the new account to the monitoring for transaction variances and potential fraud alerts.

Collecting Data during the New Account opening

The Branch Workshop of the BSA Tracker allows user to collect IDV verification at the time the new account is opened. The data is stored in the Branch Workshop tables and is moved into the Tracker when the customer and account data is updated from the core system. The BSA Tracker makes this process as simple as 1 2 3. Simple click on the Order IDV and the system automatically logs into TransUnion to download the IDV information - the data are automatically stored in the Tracker for future reference and exception reporting. *It is all in one easy to use integrated system.*

BSA Tracker
BRANCH MODULE
Bouton and Associates
www.gisbanker.com
619.579.9099
Version: 2.08.09.B

Bank# 911/Bouton Bank | LTD: 1/3/2002 | User: administrator | Branch: 4

New Accounts Setup
Personal Account

Print Account Information | Save Account Information

General Info | **ETP** | KYC | Assets/Money Flows | Risk Assessment

Primary Identification | View Image

ID Type: No ID Type Selected | If Other: []
 ID Issued By: UNITED STATES | --
 ID Number: []
 ID Issued Date: []
 ID Expire Date: []
 Date of Birth: []
 Address: 437 deer creek rd | In PSA | In HIDTA | In HIFCA
 City/State/Zip: crystal lake | il | 60041 | Show Additional Addresses

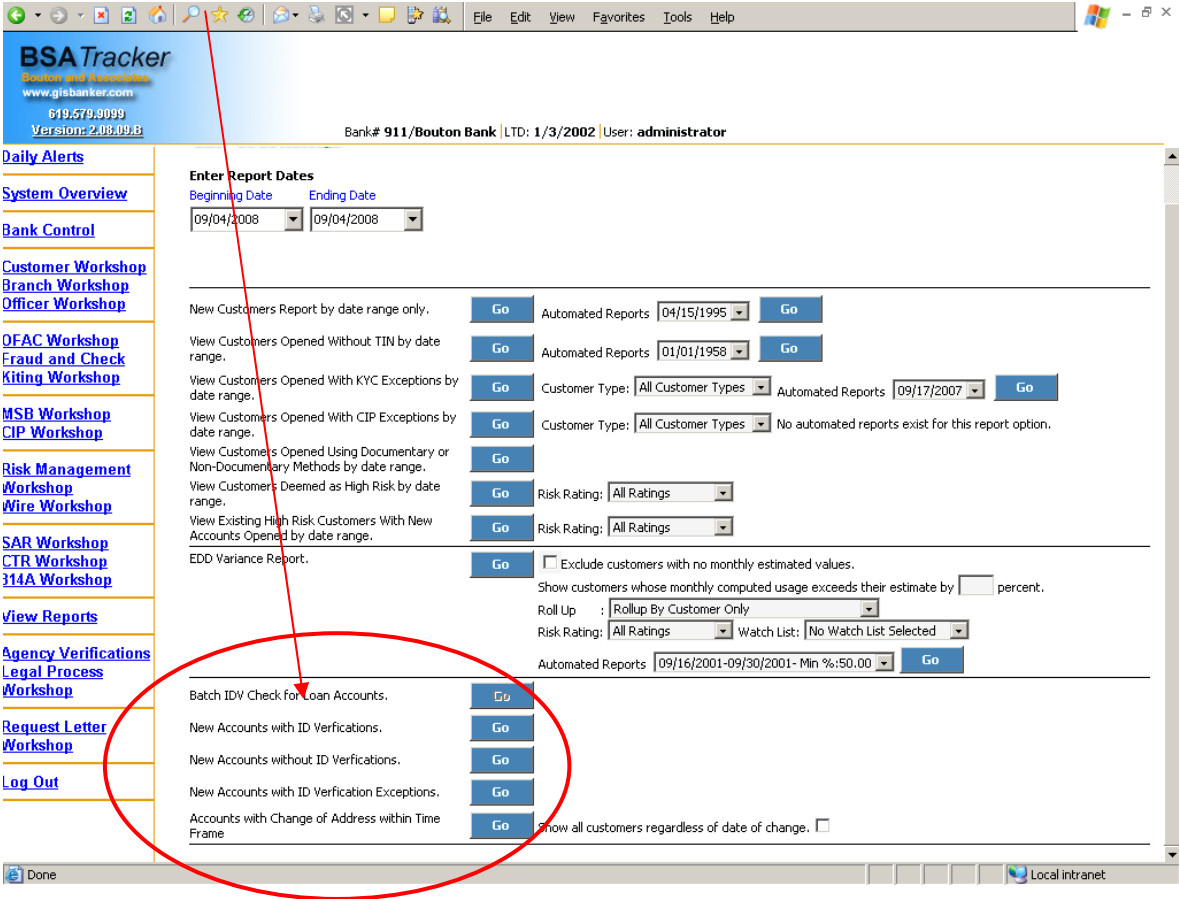
ID Verification

TRANSUNION As of 7/15/2008 5:01:19 PM | View Report | Override | Order IDV

- File Information 4 records found.
 - NAME GREEN,MARY
 - NAME GREEN,MARIE
 - NAME GREEN,MARIE
 - ADDRESS (04/15/2005) 5634 GEORGE AV CRYSTAL LAKE,IL 60014
- Fraud Score 0 records found.
- Verification Analysis 5 records found.
 - Alert!** (9101) INPUT PHONE NUMBER AND ADDRESS DO NOT MATCH
 - Alert!** (8101) INPUT PHONE NUMBER DOES NOT MATCH FILE PHONE NUMBER
 - Alert!** (9106) INPUT ADDRESS AND OTHER INFORMATION DO NOT MATCH FILE PHONE NUMBER
 - Alert!** (2101) INPUT ADDRESS DOES NOT MATCH FILE ADDRESS
 - Alert!** (9105) INPUT NAME AND ADDRESS DO NOT MATCH
- Social Security Analysis 0 records found.
- Home Phone Number Messages 1 records found.
 - Alert!** (6002) INPUT TELEPHONE NUMBER IS A CELLULAR TELEPHONE

Auditing the Data collection

The BSA Tracker has a number of CIP/IDV reports that are designed to facilitate compliance with CIP and FACT Act regulations. The following shows several IDV exception reports available through the Tracker.



The following report shows customers that opened accounts without IDV verifications - better for you to catch the exception now rather than when you regulator visits you. Knowing the exception allows you to click on the customer — go to the CIP tab in the Customer Workshop—and order the IDV - (refer to page 7)

If there is a legitimate reason for the exception, you can certify the exception and document the reasons — creating a logical audit trail for your due diligence.

The screenshot shows the BSA Tracker interface in a Microsoft Internet Explorer browser window. The browser address bar shows 'http://localhost/bsa/ba_main.asp'. The page header includes 'BSA Tracker' logo, 'Bouton and Associates', 'www.gisbanker.com', '619.579.9099', and 'Version: 2.08.09.B'. The user is logged in as 'administrator' for 'Bank# 911/Bouton Bank' with 'LTD: 1/3/2002'. A left-hand navigation menu lists various workshop and report options. The main content area displays a report titled 'New Customer Opened Without ID Verifications Between 1/4/2008 and 9/4/2008' with '3 records found'. The report is presented as a table with columns for Customer#, Customer Name, Address, TIN, and Open Date. The table contains three rows of data.

Customer#	Customer Name	Address	TIN	Open Date
00000329268	Sheila Brown	549002 Washington Ave Manhattan NY 10040	428634814	2/1/2008
00000329079	Thomas Slater	2745 N High Rd. Oklahoma City OK 73102	428634815	6/5/2008
00000328993	Vincent Taylor	101 E Dream Ln Oak Lawn IL 60453	773589539	7/3/2008

CIP – IDV Seamlessly stored in the Customer Workshop

IDV data can be gathered through the Branch Module or directly through the Customer Workshop by simply clicking on the order IDV button. Ease of use, simplicity and best use of your time is just smart business when using the BSA Tracker for managing IDV.

The screenshot displays the CIP ID Verification interface, which is organized into several sections:

- Primary Identification:** Contains fields for ID Type, ID Issued By, ID Number, ID Issued Date, ID Expire Date, ID Address 1, ID Address 2, ID City, ID State, ID Zip, and ID Date of Birth. It also shows the OFAC List, Date Checked (3/26/2008 9:01:45 AM), and CIP Certified status (YES, Date Certified: 5/14/2008 10:11:09 AM, Certified By: administrator).
- ID Verification:** Shows the TransUnion report as of 5/6/2008 14:22:03 PM. It includes a Fraud Model Score of +123 and a list of alerts:
 - Verification Analysis: No alerts found
 - Social Security Analysis: 2 alerts found
 - Alert: SSN Issued 1950
 - Alert: SSN assigned before date of birth
 - Phone Number Analysis: 1 alert found
 - Alert: Telephone number is a cellular telephone
 - Address Analysis: 1 alert found
 - Alert: Zip code not valid for city.
 - High Risk Fraud Analysis: 1 alert found
 - Alert: SSN reported used in name or credit fraud
- Verifications:** Includes Agency Verifications (Credit Bureau, D&B, Public Databases, Check System, Check Risk, Business Registration) and Document/Non-document verifications (Articles of Incorporation, Govt Issued, LLP Cert, LLC Article, DBA Statement, Statement of Information, Credit Bureau Report, Financial Statement, Bank Reference Check, Letter Mailed to Statement, etc.).
- Attachments:** A table titled "All CIP Attachments" with columns for Attachment, View Point, Date Scanned, Category, and Title. One attachment is visible: "OTHER" with a description of "Microsoft Word Text" and a date of 5/14/2008 10:08:32 AM.

Callouts in the image provide additional context:

- Fraud Score:** Calculates the level of risk associated with the supplied information.
- IDV Manager Report:** Original text report as part of CIP attachments.
- High Risk Fraud Alerts:** Highlights potentially fraudulent information.

Utilizing the BSA Tracker to manage the IDV will further enhance your ability to reply to the regulators request letter automatically through the Request letter Workshop.

For information regarding the FACT Act and IDV compliance, please contact Bouton & Associates at (619) 579-9099.