

Strengthening Your BSA Program with Advisory Services

Case Study

THE CHALLENGE: THE NEED TO OPERATIONALIZE EXPANDED ALERT VOLUME

It is a common problem in BSA departments across the country: As companies grow, the volume of alerts also increases, and it is difficult to increase internal resources to properly work them. Institutions are required by the Bank Secrecy Act (BSA) to maintain effective, risk-based policies in their Anti-Money Laundering (AML) programs. A lack of adequate staffing to properly sift through alerts can result in missing potentially suspicious activity, which is a violation of the BSA that comes with serious repercussions. Moreover, institutions cannot cap the amount of alerts their AML software produces to fit their staffing resources. FinCEN issued a \$185 million civil money penalty against U.S. Bank in 2018 for doing just that.

At Capital Bank, N.A., Senior BSA Analyst, Davreen Dixon, JD, CAMS performs the day-to-day tasks in the BSA department to help the bank detect reportable suspicious activities, validate imports into the Abrigo BAM system, and other activities. Capital Bank operates five branches in the greater Washington, D.C., Northern Virginia, and Maryland markets, as well as two nation-wide consumer lending divisions. As the bank and its divisions continue to grow, Davreen found herself spending more time reviewing alerts and less time on other, equally important compliance areas such as staff training and working with the BSA Officer to constantly strengthen BSA internal controls. Most institutions think the only resolution to this problem is to hire additional staff, which can be cost-prohibitive. Reaching out to Abrigo, a Case Manager introduced other time-saving options to Kathy Curtis, the Bank's BSA Officer, to enable Capital Bank to implement process efficiencies while maintaining costs and saving time.

"Working with Abrigo's Advisory Services team gives me time to focus on other BSA projects that strengthen our program. We have confidence in knowing the alerts are being worked through in a timely and thorough manner."

Davreen Dixon, JD, CAMS
SENIOR BSA ANALYST

ABOUT CAPITAL BANK



Capital Bank N.A., headquartered in Rockville, Maryland, is a Maryland chartered commercial bank that offers commercial and consumer banking services to clients in the Washington D.C. metropolitan area, alongside two nation-wide lending brands. Capital Bank opened its doors in 1999 amidst the beginning of industry-wide consolidation. As other banks were contracting during the changing economy, they continued to grow their client and asset base. Today they are more than \$1 billion in assets and have experienced consistent double-digit year-over-year growth.

- **Asset Size:** \$1.1 billion
- **Time Saved with SAMS:** 20 hours/month
- **Saved money and resources not having to hire an additional full-time employee**

THE SOLUTION: ABRIGO'S ADVISORY SERVICES AND SAMS

Capital Bank knew that more assistance was needed in order to meet all of its BSA obligations. Kathy and Davreen reached out to Abrigo's Advisory Services team after learning about Abrigo's Suspicious Activity Monitoring Service (SAMS) which could help out. Abrigo's SAMS trained investigators serve as an extension of an institution's BSA department for short or long-term projects. The bank contracted Abrigo to specifically review a designated number of alerts each month, freeing Davreen up to work on other BSA projects and initiatives, and giving Kathy the assurance that BAM alerts were being worked through in a timely manner.

For the past few years, Abrigo's Advisory Services team has worked with Davreen and Capital Bank to review alerts and escalating potentially suspicious activity to case.

"We are very pleased with the results we're getting working with the Abrigo SAMS team," Davreen said. "They've done a great job in providing quality, thoughtful comments on the alerts, and we appreciate it." Davreen noted that the comments the SAMS team leaves help her to see certain customers and their activity in a different light. There is always something new to learn in working through alerts. The SAMS team's fresh perspective on customers' activities demonstrates this fact.

THE RESULT: A STRONGER BSA PROGRAM AND ADDITIONAL TIME

A strong BSA program utilizes technology to its advantage. However, integration with a powerful transaction monitoring software also requires BSA

professionals who can provide an additional "human," manual review. Whether they need someone to step in and cover for vacation or are looking for a long-term solution, BSA professionals must ensure suspicious activity does not fall through the cracks and to have a plan for when they need extra coverage.

Abrigo's financial investigators work an average of 75 alerts a month for Capital Bank, saving the BSA department a total of almost 20 hours a month (or 2.5 days). Additionally, the bank has avoided the added costs of hiring a full-time employee. And, Davreen's time has been freed up to focus on other important BSA-related projects that support and strengthen Capital Bank's BSA program.

The Abrigo team writes detailed, thoughtful comments about each Alert which helps Davreen work the cases that have been escalated. These comments contribute significantly to the existing electronic records of customer due diligence information that she can refer to during periodic account reviews or when drafting SARs as needed. On a personal level, Davreen appreciates the Abrigo team's comments about customers and alerts, as they have enhanced the quality of her own comments when conducting periodic account reviews. The quality of the output has also aided in building confidence in the Abrigo team's performance when reviewing alerts.

With the help of Abrigo's Suspicious Activity Monitoring Services, the bank has saved its own staff time and strengthened its BSA program by having the coverage needed to sift through the growing volume of alerts in a competent, thorough, and timely manner.

If you need help getting your BSA program back on track and don't know where to start, contact our Advisory Services team. They can help you reach your short- and long-term goals.

ABOUT ABRIGO

Abrigo is a leading technology provider of compliance, credit risk, lending, and asset/liability management solutions that community financial institutions use to manage risk and drive growth. Our software automates key processes – from anti-money laundering to asset liability management to fraud detection to lending solutions – empowering our customers by addressing their Enterprise Risk Management needs.

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