

Team Adhoc Helps Local Bank Enhance BSA Program & Eliminate Backlog



Background

A \$500 million asset community bank in the Western US hired a new Senior Vice President, Bank Secrecy Act Officer in 2019. Upon joining the Bank, the officer was charged with “doing a complete overhaul from floor to ceiling of the BSA/AML [Bank Secrecy Act/Anti-money Laundering] compliance program.” The BSA Officer chose to partner with Team Adhoc to help enhance and support the Bank’s BSA compliance program.



Sometimes a bank may grow a little too rapidly, to where the infrastructure, processes, policy, procedures, and even the knowledge of the staff don’t progress with the direction of the bank. That was the situation at the organization,” the BSA Officer says. “Our opportunity was to strengthen and enhance each pillar of our BSA program, align it with our Board’s strategic plan and build it to scale.”



Challenges

New BSA policies and procedures needed

First and foremost, the BSA Officer recognized that the Bank needed to update its policies and procedures, specifically those desktop procedures in the high-risk areas of enhanced due diligence (EDD) and suspicious activity report (SAR) filing.

EDD reporting backlog

In addition, the Bank faced an ongoing backlog of EDD reporting of 1-2 months, on average. This situation presented the Bank with significant compliance risk.

Lack of experience and expertise

The Bank's previous supplier provided contract personnel with limited experience, little specialized expertise and a lack of familiarity with the Bank's core processing system. This made it challenging to manage the ongoing compliance workload and ensure sufficient quality of output.

In addition to these challenges, the Bank was experiencing a misalignment between the BSA compliance program's capabilities and the overall strategic direction of the Bank.



The Solution

To address these challenges, the Bank partnered with Team Adhoc. For the first project, Team Adhoc provided an experienced BSA compliance expert to enhance and rewrite the BSA compliance policies and procedures from the ground up. She spent three months with the BSA Officer's team — interviewing, researching and understanding the Bank's current processes — before developing a full set of policies and procedures that fit the organization's unique needs like a glove.

"This individual had many years of experience and the right educational background for the job," the BSA Officer says. "She really dove into the project and focused on understanding our bank as a whole, including our processes and how we do things here."

The success of the BSA policies and procedures project led the Bank to expand its relationship with Team Adhoc — engaging the firm to help address its EDD filings backlog. The Bank now regularly uses two consultants from Team Adhoc to support this ongoing project.

"I definitely saw the commitment that Team Adhoc had with helping me grow and enhance the BSA program here at the Bank," The BSA Officer says. "Team Adhoc took it to the next level and really did a great job with those EDD reviews — setting a pretty high bar compared to what was done here before."



Team Adhoc was able to really fulfill the Bank's specific needs and wants for BSA compliance. They were able to provide me with exactly what I was looking for, and that definitely showed in the work product afterwards."

BSA Officer
Senior Vice President,
Bank Secrecy Act
Officer, a Western US
Community Bank



The Results

Improved efficiency and time savings

Team Adhoc introduced new efficiencies into the Bank's BSA compliance processes, freeing up staff and management to focus on other areas and **think strategically for the long term.**

Eliminated EDD backlog

With the help of two Team Adhoc EDD compliance experts, the Bank successfully **reduced its enhanced due diligence filing backlog from a high of 1-2 months down to zero.**

Maintained operations during pandemic

With Team Adhoc's expert support and continuous availability, the Bank was able to **keep its BSA compliance operations on track** despite the challenges of staff shortages and working remotely.

Raised the bar for BSA compliance Bank-wide

Through its partnership with Team Adhoc, the Bank's BSA compliance team improved communication with critical first line of defense staff, including branch bankers and relationship managers.



The efficiencies gained from both the build-out of the policy and procedures along with the EDD contractors allowed me and my Deputy Bank Secrecy Officer to have time to enhance other areas of the BSA program," the BSA Officer says.



Through the thick of the pandemic, especially being remote, it didn't matter if we were down the street or located in different cities across the United States," the BSA Officer says. "Team Adhoc was always available to address any issues, concerns or questions we may have."



This project has set new expectations and helped establish a good foundation of BSA across the Bank as a whole," the BSA Officer says. "As part of the EDD process, bankers need to ask a lot of questions around who the client is, their background, and the types of transactional activity. Now they understand why, and are better equipped to ask these questions of their clients."

Interested in learning more about Team Adhoc?

By engaging Team Adhoc's banking risk and compliance experts, this community bank has enhanced its BSA compliance program. Are you ready to write your own success story? Contact us today to learn how we can help you take your risk and compliance operations to the next level.

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