

With AML Flex from Team Adhoc –

Large Community Bank Achieves Cost Certainty and Improves Efficiency in Monthly Alert Clearing, Case Investigation and SAR Filing



Challenges

In 2020 –

A community bank based in the Western U.S. engaged an external auditing firm to assess its Bank Secrecy Act (BSA) transaction monitoring software and processes. The auditors made several recommendations, including assigning elevated risk scoring to higher risk customers and transactions, and enhancing the cash-based rules that assist in detecting potential structuring activities.

The Bank implemented the auditors' recommendations in May 2021, resulting in an immediate, substantial increase in the institution's monthly Suspicious Activity Monitoring alerts. This placed significant pressure on the Bank's BSA compliance team, whose average caseload rose from 450-500 per month to 700. By policy, all cases had to be cleared within 30 days. The analysts were also charged with working the more demanding enhanced due diligence (EDD) and ongoing SAR filing. According to the Bank's BSA Officer, this led to an increase in stress among the team, which impacted productivity and staff morale.



It was a real increase in workload for our seven analysts and the senior analyst that actively work these cases," the BSA Officer says. "In May and June, they were working extremely hard — six, seven days a week, double digit hours every single day — just to try to meet the deadlines."



The Solution

To address these challenges, the Bank sought help from an outsourced BSA compliance partner. In fact, in July 2021, the organization decided to engage two separate firms: Team Adhoc, with whom the Bank had successfully partnered with a couple of years prior, along with a local consulting firm. Each vendor provided two financial investigators to work a share of the Suspicious Activity Monitoring cases.

By the end of July, the Bank had selected Team Adhoc as its sole outsourcing partner, and parted ways with the local firm. For the BSA Officer, the decision came down to the comparative speed and efficiency of the teams, along with intangibles like superior communication and experience levels.

“[Team Adhoc’s investigators] worked a lot more efficiently and quickly than the other team,” the BSA Officer says. “Their communication is great. They always give us updates on where they are with their cases. And when they do have questions – as any investigator will— they’ll forward those questions directly to me or to our Deputy BSA Officer for any additional follow-up or action that’s needed.”

The BSA Officer was also impressed by the benefits of Team Adhoc’s innovative AML Flex program, which assesses a fixed price per case, an improvement over typical programs that charge by the hour.

“It may take an investigator up to four hours to complete one case,” the BSA Officer says. “And at an hourly rate, that adds up very quickly. At a fixed price per case, it works out much better for the Bank for budgeting and planning purposes.”



AML Flex is a service that a lot of community banks, no matter how big or how small will look forward to. I think every BSA team across the country could use some temporary help.”

Bank Secrecy Act Officer
Large Community Bank



The Results

Improved Operational Efficiency

Team Adhoc introduced new efficiencies into the Bank's monthly Suspicious Activity Monitoring alert clearing process, freeing up staff and management to focus on other areas of need.



By lessening the workload on their monthly SAR investigations, our internal team is able to complete their other duties in a timelier manner, specifically the continuing SARs, enhanced due diligence, and high risk customer reviews," the BSA Officer says. "By lightening the workload on the monthly SAR and KYC findings, we're able to meet our deadlines in the other two areas."

Completed All Monthly Suspicious Activity Monitoring Cases Ahead of Schedule

In July and August 2021, with the help of two seasoned financial investigators from Team Adhoc, the Bank successfully **worked all monthly cases within 30 days**. In fact, Team Adhoc's investigators completed their assigned files ahead of schedule.



In the month of July, they **went the extra mile** by completing the original 50 cases assigned, and they let us know as soon as they were done," the BSA Officer says. "We were able to assign them **10 to 12 additional cases** toward the end of the month, which really helped the Bank stay on schedule and meet all our timeframes."

Enhanced Budget Certainty

With **AML Flex's** fixed price per case feature, the Bank achieves superior cost certainty, and can plan their Suspicious Activity Monitoring budget ahead of time on a rolling month-to-month basis, minimizing frustrating surprises.



Using a fixed price per case, this model works well for budgeting purposes," the BSA Officer says. "**We know exactly how much the engagement is going to cost per month.** We provide Team Adhoc with a fixed number of cases and because the pricing is per case, we know exactly how much the additional expense is going to be."



The Results

Greater Flexibility

With **AML Flex**, the Bank can assign as many, or as few cases as they need to get through the monthly workload. And they can adjust the resources used at any time to meet current needs.



That is one of the most appealing features,” the BSA Officer says. “We can’t predict how many cases we’re going to get every month until we get the actual alert drop. And so, if for whatever reason, the case count spikes up to 800 or 900, **we have the assurance we can give Team Adhoc double the cases we anticipated, and they would be able to handle that additional workload.**”

Better Regulatory Compliance

With help from Team Adhoc, the Bank has successfully addressed the BSA program enhancements recommended by its external audit consultants. And this, in turn, has pleased the Bank’s regulatory examiners and reduced the risk of costly examination and audit findings.



BSA is, of course, a risk area,” the BSA Officer says. “So, as long as you’re doing your job well, nothing bad should happen in terms of audit findings or exam findings. By retaining Team Adhoc, we’re able to satisfactorily meet all our established timeframes, and **our regulators were very glad to hear that we took the initiative to onboard some temporary resources and to retain them as long as we need them.**”

Interested in learning more about Team Adhoc?

By employing Team Adhoc’s innovative **AML Flex** program, the Bank has enhanced its BSA compliance program, improved efficiency and gained additional budgeting certainty. 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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