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Alert

Vol. 3, No. 6 Pages 41 - 48

August 2006

Emerging Technology Spotlight...

New Surveillance Technology Nabs Known Fraudsters and Money Launderers In The Act

➤ *Trade in endless video review for a Google investigation model*

It's the scenario that every bank dreads, but so many have been victim to. A fraudster hits up multiple branches of an institution, racking up thousands of dollars in losses. The bank remains unaware of the problem until a confused customer brings it to their attention. By this time, security officers have to dredge through hours upon hours of video to begin an investigation.

This isolated incident repeated ad nauseum adds up to banks writing off an estimated 12 billion dollars a year in fraud loss. Up to this point, financial institutions have just not had the ability to catch up with individuals who can slip in and out of branches and identities in moments. But now a San Francisco-based surveillance technology company, 3VR Security, wants to give you a running start with its Intelligent Video Management Systems (IVMS).

Re-Imagine Video Capability With IVMS

When you think of video recording today, you likely conceive a one-to-one relationship between the information that's taken in and put out. In other words, the camera captures each event in real time, and to see these events again, you manually review them aided

only by a fast forward or rewind function. What 3VR created is an appliance that plugs into your existing security system and categorizes data as it's recorded. This way, you can more easily access the information that you really need for investigations.

"IVMS watches an index of the video for people and other types of activities. This indexed information then goes into a database that you can instantly search," explains Tim Ross, executive vice president and co-founder of 3VR. In other words, as each of your customers enters the bank, IVMS not only records that information, but also takes a "mug shot" of each face. It then indexes these mugshots, which could number in the millions.

Example: You recognize that a suspicious event occurred at 4:54 p.m., under transaction number 1234. IVMS allows you to search the system using that information to return a mug shot of your criminal. In this way, conducting a fraud or money laundering investigation evolves from reviewing hours of video to a Google model where you can return needed results in a matter of seconds.

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The massive reduction in time and increase in productivity is one of IVMS's greatest advantages to the banking industry, notes Karthik Nagarajan, senior research analyst for San Antonio-based Frost & Sullivan, which awarded 3VR with its 2006 Security Product of the Year. "This product can essentially automate a lot of those security processes that have been extremely tedious in traditional models," adds Nagarajan.

Extend Your Investigation Across Branches

When most traditional investigations of bank fraud end, IVMS just begins to show its utility. After the system identifies the mug shot of a suspected fraud, you can instantly publish this information to all regional branches and offices.

Traditional way: "In a traditional model all you can really do is fax around a set of photographs, with the hope that some of the tellers might remember the picture of the individual," says Ross. This process is not only time consuming, it's often ineffective.

New way: With IVMS, you can isolate the mug shot of a suspected criminal, click on one button, and automatically share that information with all of your regional branches. This instant data sharing can keep fraudsters from making a run on one branch after another. You can also investigate previous events using that same mug shot by searching the system for any appearance of that individual in your bank — or other branches — in the past.

With traditional technology, this type of comprehensive backward search capability would be nearly impossible. And the technology also makes sure that criminals have nowhere to hide. Search parameters

allow you to broaden identity matches to near hits, so that disguises or other means of concealing identity can be discovered and foiled.

Proactively Protect Your Assets

Not only does IVMS allow you to quickly and thoroughly investigate suspicious activities, it can actually help you prevent them from occurring at all.

"I think that proactive monitoring is the direction that financial institutions want to see going forward," says Jason Halverson, industry analyst for Frost & Sullivan.

The IVMS system hosts a watch list, which you can populate with mug shots of known fraudsters that your institution has personally encountered in the past or with photos provided by other government or commercial services. Every new face that IVMS indexes is then immediately compared to your watch list. If a match is found, the system can sound an alert to your regional office and the individual branch.

Bottom line: The watch list capability means you could prevent a fraud or money laundering activity before an individual ever reaches the teller.