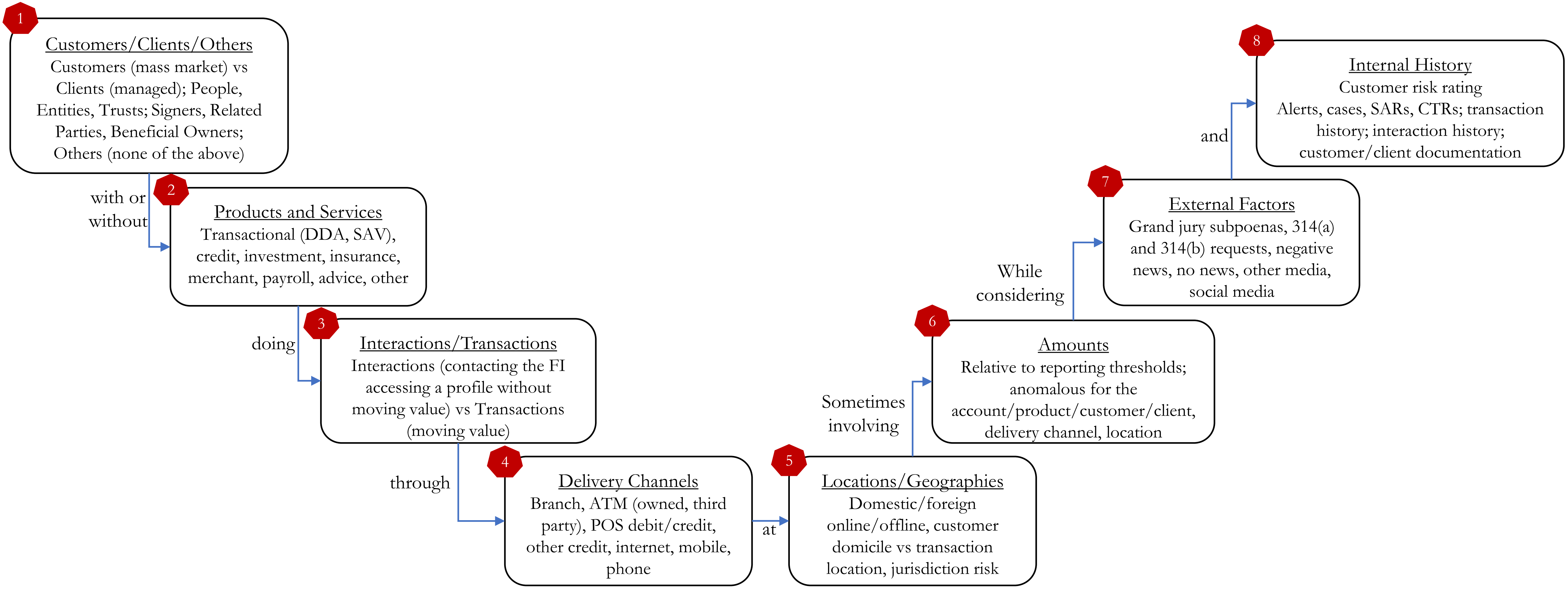
AML Scenario Builder ©

James Richards, B.Comm., JD, CAMS

RegTech Consulting LLC

Developing the next generation of financial crimes professionals and technologies

All financial institutions have the same eight fundamental elements that can be used for anti-money laundering purposes. Combining some or all of these elements allows an AML team to build scenarios for transaction or interaction monitoring and customer surveillance. I first developed this AML Scenario Builder© in 1999: it has withstood the test of time and remains as relevant today as it was almost 20 years ago:



Below is a simple example of a scenario that can be built using these eight factors. In this case, we want to look at small, inherently higher risk (moderate to high risk rating) retail business customers that have two or more signers but no beneficial ownership information; that have transactional accounts but no credit or investment products; have cash deposits under $10,000 made at branches outside their expected business footprint and outgoing wires to high risk countries. We're also filtering so that we're only looking at those with prior alerts but no prior SARs. And we always look at whatever External Factors (7) that are available. You get …