



COVID-19

How should organizations handle the increase in alerts that are likely to be generated by COVID-19-prompted large cash withdrawals?

From a fraud perspective, make sure staff understand the potential issues at the point the cash is being handed out. Do correct authentication, ask what it's for, be aware of the current scams and be able to recommend alternative payment methods. Look to amend the rules to generate fewer alerts if there is a concern of very high false positives.

Do we have some relaxation in AML standards because of the COVID issue and lack of support staff?

We have not seen any communications on relaxing the standards due to COVID. Regulators would anticipate that business continuity plans were in place prior to the crisis and enacted when the crisis occurred; however, if certain issues resulted that were not able to be controlled, there may be some leniency. I think this would be on a case-by-case basis and the situation that may have occurred.

Do you think due to COVID-19, fraudsters can take advantage of the situation and how [are they doing this]?

Yes, and they are already. Scams are the key one, with numerous examples already available, such as purchase scams selling fake medication to social engineering asking for bank details to provide government funding. There will also be changes in genuine customer behavior impacting model and rule performance as customers do more digital-based transactions.

With the change in product demand due to the COVID-19 or lack of demand and a change in transactions with businesses, should FIs be preparing to reassess risks for business across their line?

This often happens in adverse times. If you go back several years, the interest rates were at a minimum (okay, they are pretty much today too), but financial institutions had to think outside-the-box on how to book additional revenue. Many of them considered or increased their risk appetite to increase revenue. In that case, you just need to make sure you have plans in place to address the additional risk, and how you are going to monitor it. Look at where the risk is really coming from and put additional controls in place targeted specifically at them.

Considering the unprecedented state of affairs we are currently experiencing and considering most employees are working from home, how important is “Knowing your Employees” vis a vis “Know your Customers” (KYC)? How important is Knowing your Employee from a “fraud point of view”?

It's always important to have undertaken relevant due diligence on employees both at onboarding and on an ongoing basis. With a less visual review of what people are doing, there are larger risks, but these should be built into the employee fraud monitoring and controls. A good employee fraud monitoring system can look for the outliers and anomalies on staff activity.



Meet the Experts



Ted Sausen

AML Subject Matter Expert
NICE Actimize

Ted Sausen is a Subject Matter Expert within the NICE Actimize AML Line of Business. His role focuses on ensuring the Actimize AML technology solutions align with regulator expectations and the needs of the customer. Sausen has over 25 years of experience implementing global enterprise solutions across multiple industries including high tech, financial, transportation and manufacturing. He supported engineering, finance, supply chain, product safety and regulatory compliance. Prior to joining NICE Actimize, Mr. Sausen was a Senior Vice President at a large financial institution, leading the Global Compliance Analytics and Technology group. His role focused on implementing strategic solutions to fight financial crime, and supporting Global Economic Sanctions, AML Framework and Advisory, and the Financial Intelligence Unit. Sausen received his Certified Anti-Money Laundering Specialist (CAMS) Certification.



Rob Tharle

Fraud Subject Matter Expert
NICE Actimize

Rob Tharle, Fraud & Authentication Subject Matter Expert, NICE Actimize EMEA, is responsible for providing thought leadership on industry trends, challenges and opportunities. Prior to joining NICE Actimize in 2019, he worked for 17 years in a number of Risk Management and Fraud Prevention roles at both Natwest/RBS and TSB. During that time, Tharle gained extensive experience with the technologies and design of fraud prevention and detection systems including application fraud, Apple and Google Pay, online and mobile banking.