



High Risk Customers

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Topics Covered

- Identifying High Risk Customers
- Reevaluating the High Risk Customer Mindset
- Using Data to Enhance the Process
- Monitoring of High Risk Customers

Identifying High Risk Customers

- You need a clear risk rating methodology
- A robust onboarding process is necessary to identify HR customers
- There should be clearly defined levels of risk
- *Are certain types of customers automatically high risk?*
- Who decides to onboard or exit?
- Transactions
- Reputation risk
- Why are we so lucky?

High Risk Customer Mindset

- Propensity/Opportunity to commit financial crime
- Be flexible – *Potentially* High Risk
- All risk categories have a spectrum
- Allow human intervention
- Allow risk to be fluid (Documentation)
- Are there transactions? What type?

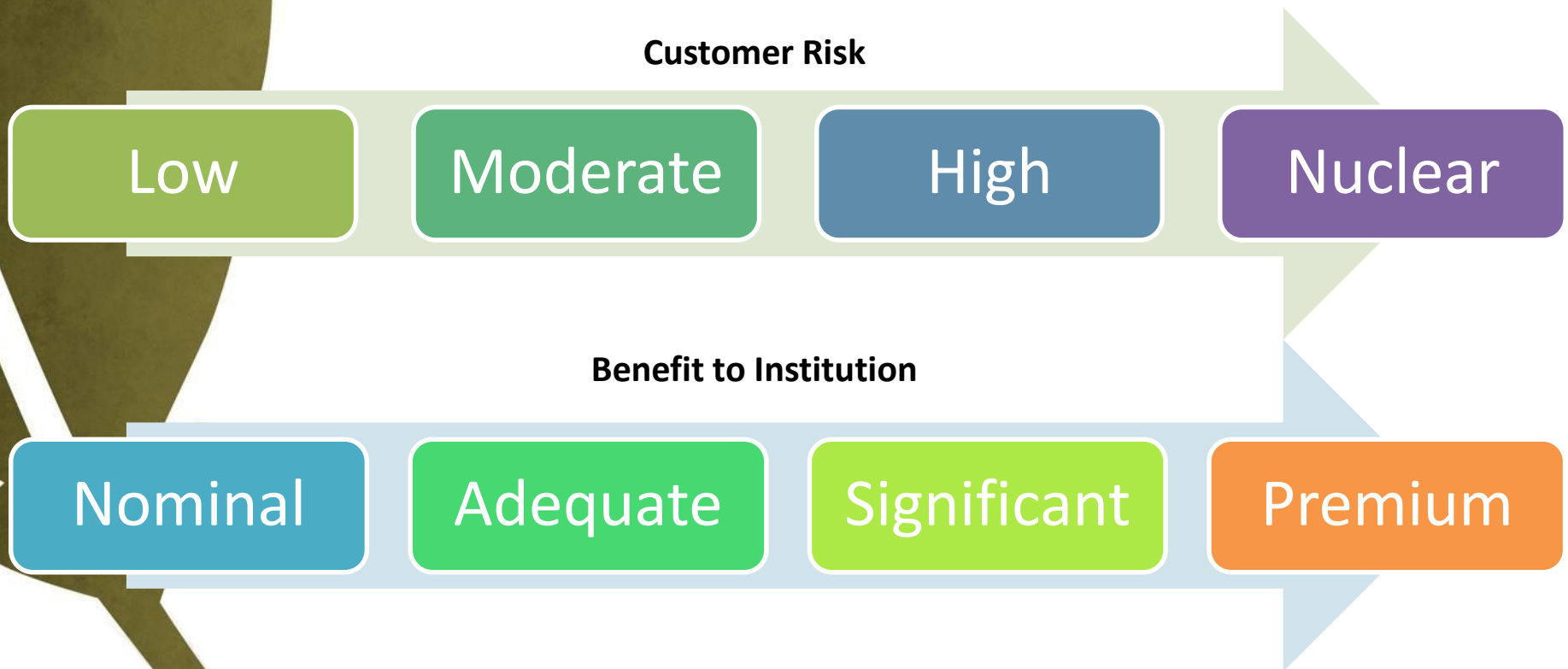
Using Data to Enhance the Process

- Use SAR data to identify risk factors
- Use statistical analysis to set anticipated activity tiers
- Use actual country contact data to enhance country risk rating (domestic as well)
- What Risk rating factors have no bearing on SARs filed?

AML Monitoring and HR Customers

- Peer grouping/segmentation
 - Customer type vs. Activity type
- Separate rules for HR vs other customers?
- Rescoring of customer risk
- Granularity of alert to SAR data

Customer Risk vs Reward



Takeaways

- Not all High Risk customers are the same
- Allow judgement and fluidity in the process
- Use data to focus on propensity to file a SAR
- Make sure the risk vs. reward is balanced

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