

RISK MANAGED SERVICES SOLUTIONS

Financial Crimes

BRG's Risk Managed Services Solutions (RMSS) practice supports and meets our clients' compliance and risk management needs. Our experienced financial crime management consultants and professionals are knowledgeable in Anti-Money Laundering (AML) and compliance issues, regulations, and technology. We can assist your institution with establishing or enhancing your comprehensive compliance policies, procedures, and controls using best practices assessed by regulatory institutions, industry analysts, and thousands of clients.

Current State of the Industry

- Cost of compliance continues to increase sharply, with average costs continuing to rise for most banking institutions, which expect the cost of compliance to continue to rise over the next few years.
- Recruitment of qualified personnel is on average the third largest investment in the financial institution's compliance program.
- The regulatory scrutiny on financial institutions to update and maintain Know Your Customer (KYC) procedures on existing customers is overburdening staff and resources.
- Transaction monitoring is the largest AML cost driver through investment in systems and the personnel to manage and decision its output.
- Co-sourcing of activities in the compliance program is trending up, with more financial institutions outsourcing part of their compliance monitoring.
- Operational costs of risk management and regulatory compliance continue to increase for financial institutions.
- Staffing shortages for certain skill sets are more pronounced and become more costly.
- Workflow and workload fluctuate and are difficult to predict and staff for.
- Regulatory time-sensitivity for certain tasks is difficult to manage.

Key benefits of partnering with RMSS include



Reduction of capital expenses relating to office space, computers, and other expenses, resulting in cost optimization.



Flexible staffing model to ramp up or down based on your needs.



All staff recruiting, training, certifications handled by RMSS.



Reduction in staffing costs.



Program can be up and running in as short as two weeks.

With RMSS, financial institutions only pay for the for the time spent on the clients' BSA/AML duties.

Financial Crimes Services Provided

AML monitoring services

- Alert/case backlogs
- "Business as usual" staff augmentation
- Case investigations
- Suspicious Activity Report (SAR) preparation
- Currency Transaction Report (CTR) filing and documentation
- Watch List Management (WLM)
- Look-back and remediation
- Miscellaneous project assistance

KYC services

- New customer onboarding
- Collection and verification of Customer Information Program (CIP) data
- Customer Due Diligence (CDD)
- Enhanced Due Diligence (EDD)
- Risk rating/recommendation (retain, change, terminate)
- Updating of customer information, including refresh and remediation

OFAC screening services

- Perform initial and periodic OFAC searches
- Research and resolution of potential matches to the current OFAC lists



Fraud program support

- Alert research and resolution
 - SAR preparation
 - Case investigation
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Online account opening support

- Review of applications in a pending status
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Other compliance services

- *Cybersecurity risk management:* resolve security tickets and provide periodic internal audits on access rights
- *Information security user provisioning:* administer the organization's user rights by setting up, deleting, changing, and auditing user access rights
- *Third-party risk management:* perform onboarding activities on new vendors and perform periodic maintenance and updates on the vendor's information
- *Customer complaint management:* address customer complaints through email, phone, and branch by responding, cataloging, and providing management reporting
- *CRA and HMDA scrubs:* perform reviews of loan files to assure adherence to CRA or HMDA guidelines to be able to report to authorities
- *Independent loan reviews:* perform mortgage quality-control reviews on a sample of closed loans



Components



Resourcing

- Project managers and team leads with SME experience
- Contract employees: hire, train, assimilate, retain, convert
- Local internship program
- Manage resource planning and capacity
- Experienced compliance professionals (5+ years)
- Internal quality control checks
- Performance, KPI, and SLA project measurables
- Ongoing compliance training
- Customized reporting and data visualization
- Background checks and testing prior to hiring



Location

- Florida market desired location
- Lower cost of living —no income tax
- Lower housing cost
- Top 12 large banks/ lenders' presence
- Location of industry-related banking and mortgage conferences
- Ideal rate differential —lower wages
- Access to qualified resources
- Established financial service footprint
- Central business corridor: Jacksonville, Orlando, and Tampa



Security

- Modern infrastructure
- Camera surveillance
- Security badge access
- Computer encryption
- Workstation lockdown
- Security information and NPI training
- Disaster recovery/ business continuity
- Cell phone lockers



About BRG

Berkeley Research Group, LLC (BRG) is a global consulting firm that helps leading organizations advance in three key areas: disputes and investigations, corporate finance, and performance improvement and advisory. Headquartered in California with offices around the world, we are an integrated group of experts, industry leaders, academics, data scientists, and professionals working beyond borders and disciplines. We harness our collective expertise to deliver the inspired insights and practical strategies our clients need to stay ahead of what's next.

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