



CENTRIX SOLUTIONS, INC.
CentrixCDD™

BSA Customer Due Diligence

----- Automate and Simplify BSA Compliance-----

OVERVIEW

BSA enforcement is getting increased attention; a reality that can burden a financial institution with limited resources. For many, current compliance efforts involve a myriad of reports and spreadsheets combined with much manual effort. Technology can dramatically simplify this process, yet most do not have the need or budget for a comprehensive anti-money laundering (AML) solution. There is, however, a need for a centralized and simple means of monitoring customer transaction activity with the ability to get a concise historical view so that transaction patterns can be examined to detect trends. The Centrix BSA Customer Due Diligence System (CentrixCDD™) provides such a solution.

CentrixCDD™ is a centralized tool that gives operations personnel and compliance officers a single system from which they can monitor transactions and easily research suspicious activity. The system is integrated with multiple transaction sources to include transaction detail that is normally not found in the core processing system such as counter-party and country information for wire and ACH transactions. Recent SAR information, specialized reporting, and contact notes for relevant facts or conversations enable the institution to eliminate disparate spreadsheets or databases from the BSA record keeping process. In the end, CentrixCDD™ becomes a single repository of valuable BSA related information.

FEATURES & BENEFITS

Customer Screening – CentrixCDD™ incorporates a due diligence screening process that identifies customers that had activity “out of the norm” based on an account’s transaction history. Such a tool adds great value and efficiency to the transaction monitoring process. ***See exhibit-1.*

Historical Transaction Snapshot (Trend Analysis) - CentrixCDD™ streamlines BSA compliance by consolidating transaction data from multiple transaction points (cash, check, wire, ACH, ATM, etc.) to provide a concise view of customer activity. In and Out totals for each category are stored for a revolving 12 month period and can be viewed as either a dollar amount or a percentage of the total. The system can accommodate over 5 years of history, making it simple to perform extensive historical research should an investigation warrant. Trend analysis is simplified because the transaction snapshot provides immediate insight into transaction patterns, something that regulators consider a vital component of BSA/AML compliance. ***See exhibit-2.*

Automated Data Gathering - Daily transaction activity is extracted from the core processing system and other applicable sources such as the teller system, wire system, ATM system or reports, thus eliminating the need to search through reports and manually enter information into spreadsheets. Each transaction is automatically classified into one of six categories (cash, check, wire, ACH, ATM and Other).

BSA Record Keeping – A key component of BSA compliance is proper record keeping, which includes maintaining a historical record of all transaction data related to a SAR filing as well as any other relevant information. CentrixCDD™ accommodates this in several ways. First, transaction activity related to a SAR is available on-line. Second, SAR reporting notes are maintained within the system and can be input directly via the user interface or imported from another database. And lastly, the system includes contact management functionality for tracking all law enforcement contacts, regulator inquiries or other pertinent notes as to why a SAR was or was not filed. The record keeping functionality of CentrixCDD™ is designed to provide a single repository of valuable BSA information and eliminate the need for disparate spreadsheets or databases often used for this purpose. ***See exhibit-3.*

Reporting - Accurate reporting is critical to BSA compliance efforts, and CentrixCDD™ includes numerous reporting options that simplify this effort. Below are some of the various reporting options available.

Due Diligence Reports track accounts that had recent Cash, Wire, and ACH transaction activity outside of their normal expected activity. The system calculates an average for the prior 6 month period and then applies a tolerance percentage based upon a user entered parameter. The result is a concise snapshot of those accounts that should be reviewed.

Risk Level Report displays accounts and their associated risk levels (i.e. low, medium, high, special case). A report filter allows the user to focus on a specific risk level. New accounts can be automatically assigned a particular risk level which can be changed after periodic review. The risk level report displays the account name, occupation, risk level, date opened and date closed.

Risk Level by Period Report displays accounts based upon risk level and transaction volumes within six categories (cash, check, wire, ACH, ATM and Other). It further displays comparisons by quarterly, semi-annual, or annual periods to identify accounts that have exceeded an acceptable tolerance between periods.

NBFI, MSB, and Cash Intensive Reports track those accounts that fall into one or more of these categories. The information displayed on these reports is the same as the risk level report.

Occupation Report allows users to monitor customers by specific occupation. The application can use NAICS codes or read directly from your core database. The report is beneficial for regulatory agency requests to a financial institution having to analyze transaction activity for specific occupations.

Daily Watch Report lists accounts that have been designated as needing transaction monitoring performed on a daily basis. This report lists the transactions from the previous day or any time period entered.

New Accounts Report lists accounts opened within a specific date range and includes name, occupation, risk level, date opened/closed and total in and out amounts for the month. The report can be used to identify customers opening and then closing accounts over a short period of time. It can also be used for reviewing risk levels after an account has been opened for a period of time say 90 days.

Cross Border Report lists accounts with ACH transactions having the Standard Entry Classes of CBR (Cross Border Payment), PBR (Consumer Cross-Border Payment) or the new 2009 code of IAF.

Small Cash Report displays accounts that are depositing small amounts of cash on a daily basis. This is sometimes done to avoid detection commonly called micro-structuring.

Law Enforcement / Contact Report displays all of the law enforcement, customer contact and SAR entries over a period of time. Fields include date of contact, law enforcement contact information and comments made by law enforcement regarding particular accounts.

Multiple Transaction Reports allow users to search by amounts, transaction types (cash, check, ACH, wire, ATM and other) and date ranges to find the types of transactions being posted to an account or to the entire database over time.

Complementing an AML System – For institutions that have a need for a comprehensive AML system, CentrixCDD™ can be a complementary component to such a system. Some AML systems are very good at detecting suspicious activity but do not provide a good tool for identifying trends. CentrixCDD™ can be integrated with an AML system to act as a trend analysis research tool for exceptions identified by the AML system.

Exhibit-1: Account Screening

From Date: [Select Date](#)

Thru Date: [Select Date](#)

Threshold:

Tolerance %:

30 Day Tolerance Amt:

New Report(Cash/Wires):

The account screening function identifies any account that had cash or wire transaction activity beyond a certain threshold, then further identifies accounts in which the activity was not normal (using a calculated tolerance from the account's norm).

EXAMPLE

For the month of December 2006, list any account that had \$10,000 or more in one of the following categories (wire-in, wire-out, cash-in or cash-out) and in which the sum of the transactions (for the category) was at least 150% of the account's 6-month average.

The 30 Day Tolerance Amount is a threshold for accounts open less than 30 days.

Page 1 lists accounts that exceeded the cash/wire threshold for the period (i.e. \$10,000). **Cash and wire activity are on separate pages.**

Accounts that exceeded their tolerance (i.e. 150%) require enhanced due diligence and are represented with a check under the DD Now column and listed on the following page.

Threshold: 10,000
Number of Accounts: 13

Large Cash Report (Prelim.)
From 12/1/2006 to 12/31/2006

Br.	A/C Name	A/C Type & Number	Occupation	Opened	Closed	IN			OUT			DD Before	DD Now
						Now	*Norm	#Tolerance	Now	*Norm	#Tolerance		
1	ABC TRADING	DDA - 650046110	MEAT MARKET	09/23/2002		101,100	111,721	167,581.50	0	2,000	3,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	BIG LOTTO STORE	DDA - 650046471	LOTTERY AGENT	12/22/2002		92,420	94,797	142,196.00	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	CHICKEN WORLD	DDA - 650040368	POULTRY MARKET	01/07/1997		287,220	281,149	421,723.01	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	CLARK KENT	DDA - 651044669	DELI STORE OWNER	01/10/2005		18,010	31,585	47,377.50	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	DRINKS ARE US	DDA - 650028791	BEVERAGES	01/11/1988		366,878	442,549	663,823.50	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	DRINKS ARE US	DDA - 650041119	BEVERAGES	10/30/1997		17,135	2,516	3,773.25	0	0	0.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1	PAY ME NOW, INC	DDA - 650046838	NBFI & UTILITIES	12/14/2002		58,623	59,515	89,273.19	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1	SUPER CHARGE	DDA - 650047222	PAYMENT CENTER	08/19/2003		449,000	455,333	683,000.00	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	FAST STOP N GO	DDA - 20058772	NBFI & CONVENIENCE	07/06/1984		138,838	118,406	177,608.33	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	HARTLAND HOMES	DDA - 20059221	CONSTRUCTION	12/28/2004		0	0	0.00	47,500	32,817	49,224.99	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	METAL TRADERS, INC	DDA - 20059477	SCRAP METAL DEALER	11/14/2005		11,500	2,500	3,750.00	0	0	0.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	STONE WORKS	DDA - 20057520	STONE WHOLESALE	03/18/2003		59,570	38,315	57,472.50	0	0	0.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	YOUR PHARMACY	DDA - 20057318	NBFI & PHARMACY	12/18/2002		93,090	72,865	109,296.89	0	0	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Total Cash In for the period 12/01-12/31

Cash In tolerance threshold calculated using the tolerance % defined by the user creating the report

Cash In average for the past 6 months

Page 2 lists accounts in which the activity for the period exceeded the tolerance and require enhanced due diligence. **Cash and wire activity are on separate pages.**

Threshold: 10,000
Number of Accounts: 3

Large Cash Report
From 12/1/2006 to 12/31/2006

Branch ___ Loan Dept.

Br.	A/C Name	A/C Type & Number	Occupation	Opened	Closed	IN			OUT		
						Now	*Norm	Now/Norm	Now	*Norm	Now/Norm
1	DRINKS ARE US	DDA - 650041119	BEVERAGES	10/30/1997		17,135	2,516	681%	0	0	0%
2	METAL TRADERS, INC	DDA - 20059477	SCRAP METAL DEALER	11/14/2005		11,500	2,500	460%	0	0	0%
2	STONE WORKS	DDA - 20057520	STONE WHOLESALE	03/18/2003		59,570	38,315	155%	0	0	0%

Total Cash In for the period 12/01-12/31

Percent of the 6-month avg.

Cash In average for the past 6 months

Exhibit-2: Account Transaction Snapshot

For each account, CentrixCDD™ categorizes transaction history by Cash, Wire, Check, ATM, ACH, and Other transaction types. Both Ins and Outs are displayed. Six or 12 months of history is displayed. The information can be displayed as an amount or a percentage.

(C) Current & Past 6 Months Transactions History (*)**

By \$ IN / OUTs

Month	Cash In	Wire In	Checks In	ATM In	ACH In	Other In	Cash Out	Wire Out	Checks Out	ATM Out	ACH Out	Other Out
Dec 06	10,326	0	0	0	0	630	0	49,515	9,141	0	0	500
Nov 06	15,887	0	0	0	0	381	516	0	23,305	0	0	1,450
Oct 06	18,793	0	0	0	0	493	99	0	21,916	0	0	408
Sep 06	23,405	0	0	0	0	2,672	0	0	23,065	0	0	977
Aug 06	28,476	0	32,600	0	0	627	2,600	0	26,974	0	0	909
Jul 06	22,568	0	0	0	0	2,033	25	0	21,734	0	0	887
Jun 06	30,433	0	0	0	0	411	0	0	28,243	0	0	887
6 Mo. Totals	139,561	0	32,600	0	0	6,617	3,240	0	145,238	0	0	5,518
Past 6 Mo. Ave.	23,260	0	5,433	0	0	1,103	540	0	24,206	0	0	920
Latest 3 Mo. Totals	45,005	0	0	0	0	1,504	615	49,515	54,362	0	0	2,358
Latest 3 Mo. Ave.	15,002	0	0	0	0	501	205	16,505	18,121	0	0	786

Month	Total In	Total Out	In/Out %	Month End Bal	Daily Average Bal
Dec 06	\$10,956	\$59,156	19%	\$0	\$0
Nov 06	\$16,268	\$25,272	64%	\$13,373	\$18,016
Oct 06	\$19,285	\$22,423	86%	\$22,376	\$24,433
Sep 06	\$26,076	\$24,042	108%	\$26,489	\$27,589
Aug 06	\$61,704	\$30,483	202%	\$24,455	\$29,282
Jul 06	\$24,600	\$22,646	109%	\$25,834	\$29,075
Jun 06	\$30,844	\$29,130	106%	\$23,880	\$27,886
6 Mo. Totals	\$178,778	\$153,996	116%	\$136,408	\$156,281
Past 6 Mo. Ave.	\$29,796	\$25,666	116%	\$22,735	\$26,047
Latest 3 Mo. Totals	\$46,509	\$106,850	44%	\$35,749	\$42,449
Latest 3 Mo. Ave.	\$15,503	\$35,617	44%	\$11,916	\$14,150

(*) Financial Data first available from 11/05**

Drill down to see transaction detail by clicking on a month (Dec 06). Either All Transactions or Cash Only transactions can be displayed. Counter Party and Country can be displayed for wire and ACH transactions. By clicking on the Edit link, a user can enter comments for specific transactions researched.

Month Transactions

Month Covered: December 2006

Account: DDA - 20000049 [Back to Account](#)
 Name: GEORGE WASHINGTON

All Transactions

Tran Date	Amt In	Amt Out	Description	Counter Party	Country	Notes	Edit
12/11/06	\$0.00	\$210.00	Check Drawn				Edit
12/11/06	\$200.00	\$0.00	CASHIER'S CHECKS Issued				Edit
12/11/06	\$0.00	\$11,735.00	Outgoing Wire Transfer - DDA	TRAVEL AGENTS, LLC	TAIWAN	ENTERTAINMENT PAYMENT	Edit
12/11/06	\$120.00	\$0.00	DDA CASH-IN				Edit
12/12/06	\$411.12	\$0.00	DDA CASH-IN				Edit
12/12/06	\$0.00	\$310.26	Check Drawn				Edit
12/12/06	\$0.00	\$600.00	Check Drawn				Edit
12/12/06	\$0.00	\$50.00	Check Drawn				Edit
12/12/06	\$200.00	\$0.00	DDA CASH-IN				Edit
12/13/06	\$150.00	\$0.00	DDA CASH-IN				Edit
12/13/06	\$0.00	\$6,000.00	Outgoing Wire Transfer - DDA	JOHN SMITH	CHINA	LOAN PAYMENT	Edit
12/13/06	\$0.00	\$31,780.00	Outgoing Wire Transfer - DDA	CENTRIX BANK N.A.	USA	ICA-9999	Edit
12/13/06	\$0.00	\$23.09	Check Drawn				Edit
12/13/06	\$0.00	\$219.00	Check Drawn				Edit
12/13/06	\$0.00	\$400.00	Check Drawn				Edit

Total IN: \$10,955.70
Total OUT: \$59,155.60
Number of Transactions: 65

Exhibit-3: Record Keeping (Account Information)

Contact Management: Section (A) contains contact history for law enforcement contacts, regulatory inquiries or other pertinent notes entered.

Customer Due Diligence

Month Covered: Decer

High Risk

Account: DDA - 20000049
Name 1: GEORGE WASHINGTON

NBFI

Report Creation Date: 1/5/2007

(A) Last Law Enforcement / Regulatory Contact

Date	Re SAR Prepared On	Agency	Contact	Phone	Description	
10/15/06	10/15/06	IRS	Joe Smith	555-555-1212	Info requested: a/c opening records, a/c statements, deposit tickets. Info sent to IRS on 10/18/06	Edit
		NONE				Add New

(B) Profile

Address: Current Address Here NEW YORK, NY 10013			
DOB: 01/02/1967	Last CDD From(**): 12/15/2006	Last SAR Date: 10/1/2006	
TIN(*): 123-45-6789	Last CDD To(**): 12/16/2006	Period Covered: 3Q, 2006	
Telephone: (402)555-1212	Ever on AML watch list after 1/1/06?: No	Reason For SAR: 3,5	
Occupation: Grocery	Last EDD From: 12/1/2006	<ul style="list-style-type: none"> 1. Potential M/I Purchase or Remittance Structuring 2. Potential Cash Structuring 3. Unusual Account Behavior 4. Incomplete or Fraudulent Information 5. Doubtful Wire Activities 6. Doubtful Large Cash Activities 7. Other 	
Opened: 11/1/1983	Last EDD To: 12/31/2006		
Closed:			

(*) If 999-XX-XXXX, then TIN is artificial; the a/c
(**) *CDD* refers to Large Cash DD or Wire DD.

SAR History: Section (B) contains customer information as well as SAR and due diligence dates.