VELOCITY

INTRODUCTION

The *Velocity* rule identifies activity that may be indicative of attempts to use bank accounts as "pass-throughs" to facilitate layering of transactions and obscure the trail of funds. This rule will allow AML Compliance to identify situations where funds enter a PWM account and then exit the account within a short timeframe. Since there are various ways (transaction types) that funds may enter and leave PWM accounts, this family of rules will be designed to monitor the most prevalent combinations of transaction types (wires, checks, deposits, free receipts and free deliveries).

Since PWM has many types of transactions, the velocity rule is applicable to various combinations of transaction types (e.g. – an incoming wire followed by an outgoing check for the same amount could be considered "velocity"). There are seven (7) types of alerts within this rule.

ANALYTICAL PROCESS

The analysis included in this document is based on the population of transactions with a "bookdate" between 2/1/2012 and 2/29/2012. Total incoming and outgoing amounts were calculated based on customer each week and then difference of percentage and pattern types was reviewed.

Rule Name	Additional Details/Parameter Settings
VelDepOffCk	Deposits followed by official checks within 2%. Runs weekly.
VelDepPerCk	Deposits followed by Personal Checks within 2%. Runs weekly.
VelDepWire	Deposits followed by Outgoing Wires within a 5%. Runs weekly.
VelFrRecDel	Free Receipts followed Free Deliveries within 0%. Runs weekly.
VelWireChk	Incoming Wires followed by checks within 3%. Runs weekly.
VelWireOfCk	Incoming Wires followed by Official Checks within 3%. Runs weekly.
VelWireWir	Incoming Wires followed by outgoing wires within 1%. Runs weekly.

Week	# customers with inc/out activity	# customers with inc/out activity within 5%	# of customers with monitored pattern of activity	# of customers w/o monitored pattern of activity	# of customers excluded b/c did not meet % criteria
2/6/12-2/10/12	2014	19	15	4	6
2/13/12-2/17/12	1982	22	21	1	11
2/21/12-2/24/12	1704	20	17	3	6
total	5700	61	53	8	23
average	1,900	20.33	17.67	2.67	7.67