



Citizens State Bank – Sealy, Texas Gets Results with FraudSWEEP

“It is the comprehensive fraud tool that we’ve been looking for!”...Marvin Svec, Executive VP

Transaction fraud had become a concern to this bank on the outskirts of Houston, and management was determined to find a way to improve its effort to detect potential problems before they resulted in a loss.

Before FraudSWEEP was introduced to the bank in 2005, the bank was only reviewing large dollar checks, deposits and kite suspects manually. Unfortunately, the bank’s luck ran out in 2004 and they took a large fraud hit – management now knew they had to take a new approach to fraud detection. Initially, the manual systems were expanded to look at more items, but this approach just added more work for the staff. Additionally, the clerks had no idea of knowing which items posed a greater risk except by the dollar amount. It became apparent that the cure was to find some automated system that could make the whole process more efficient.

The bank saw the FraudSWEEP system and realized it would solve the problem! It would automatically review every incoming check and compare the item against account history and bank parameters to identify only those that really needed to be reviewed. The system could determine account check numbers ranges, the size check used and account specific large-item limits. It also provided a way to log recurring items so they would not be reviewed in future months. As an additional benefit, the FraudSWEEP system also included fraud and compliance tests for the ACH transactions where many checks and frauds are now arriving.

Marvin Svec, the EVP, has spent time using and reviewing the system parameters to set them for the risks and levels that the bank deems acceptable. Due to these parameters, the bank can determine the types of threats and number of items need to be reviewed. The system also allows the staff to sort transactions by the FraudSCORE, so they look at those that represent the greatest amount of risk first.

Since the initial installation, there have been several enhancements, including an interface to the check imaging system. *“That has made the reviews so much easier and effective.”* By simply using the check number series, check size, and lack of serial number tests, the bank was able to catch a number of forgeries. On ACH side, the tests differ based on the account’s ownership (commercial vs. consumer) and it can also “blacklist” crooked originators on the fly!

Overall, the FraudSWEEP system has provided a great tool that protects the bank against both paper-based and ACH fraudulent transactions. **Like Marvin says, “It really takes care of business for us!”**

For more information, contact us at www.vigilance-systems.com.

Citizens State Bank

With over \$130 million in assets, the bank is an independently owned community bank headquartered in Sealy, Texas since 1907. With close proximity to the greater Houston metropolitan area, fraud threats have been increasing as the city suburbs move ever closer.

Operational Challenges:

- Implement procedures to evaluate fraud risks on incoming payments
- Employ methods to minimize employee efforts to review items
- Evaluate customer payment patterns to develop trends and unusual activity
- Detect fraud attempts in time to prevent losses

Vigilance Financial Systems Solution:

The FraudSWEEP system was designed by bankers with in-depth operational experience that understand payment processing and fraud threats. The FraudSWEEP system is the flagship product that arms financial institutions with a proactive deterrent and detection program against fraudulent transactions.

Benefits Achieved:

- Improved evaluation and review of EVERY incoming payment for fraudulent activity.
- Loss avoidance – The system allowed the staff to catch forgeries, unauthorized transactions and other scams before they became a loss.
- Low cost and overhead – Staff performs reviews on a targeted and informed basis of the nature of the risks - no new employees have been added.