



### **KiteTAILER feature identifies significant potential threat during initial use of the FraudSWEEP system at Texas Premier Bank**

*“Right out of the box the FraudSWEEP system started building a transaction profile for all of our accounts. Early in this process, the KiteTAILER feature flagged an account for kiting activity that we had long considered one of our good accounts!” ...Harold Johnson, SVP & CFO*

Growth by adding branches in different markets does present a challenge in understanding customer activity. Kiting is often difficult to detect before it is too late and the bank is faced with a sizable loss. Core processor reports have been around for a long time, but they are often difficult to interpret and report previously reviewed and trusted customer every day. The KiteTAILER feature analyzes the incoming payment activity over several banking days looking for specific traits that indicate a potential kite. However, trusted accounts are eliminated from this analysis so only the most likely threats need to be reviewed on a daily basis.

Prior to the installation of the FraudSWEEP system, the bank's operations department relied on a limited core processor report for detecting kites. This report and the manual reviews of deposits by the tellers were the primary way the bank tried to identify this threat. Although kite detection was a secondary concern when compared to other fraudulent transactions, the systems total payment fraud testing capabilities by FraudSWEEP made all these fraud-related check reviews more efficient. The system also includes the incoming ACH transactions for fraud and compliance reviews.

**As soon as the bank began using the system, an account was identified by the KiteTAILER feature as a potential suspect that had over \$40,000.00 at risk.** The branch staff had considered the account to be a “good customer.” But after reviewing the payments, transfers and deposit activity, it became clear that there were reasons to be concerned. The Operations Department notified the Account Officer who took appropriate action to monitor the account more closely.

To compliment the fraud detection reviews, the FraudSWEEP system includes many other exciting features including the FraudSCORE (risk assessment at the payment level), SecuredACCOUNTS (PositivePAY, RestrictivePAY and the PaperPIN security features), Teller Inquiry and ACH compliance testing. Because it is core independent and uses the standardized incoming MICR/Proof or ACH files as the data source, this system can work for most every banking system. With the various imaging interfaces, this system a cost effective tool to handle a multitude of operational challenges for the back-office.

**For more information, contact us at [www.vigilance-systems.com](http://www.vigilance-systems.com).**

#### **Texas Premier Bank, N.A.**

Serving Waller County since 1984 with branches in Brookshire, Katy and Houston, this growing bank has both rural and metropolitan customers. While assets have grown over \$70 million, keeping track of the customer suspicious activity is made much more difficult by the diverse markets the bank serves.

#### **Challenges:**

- Need to have a way to track unusual or potentially threatening activity
- Need to be able to eliminate trusted customers from unnecessary reviews
- Need to detect potential fraudulent activity as it occurs for further research to prevent a loss
- Must be a simple and efficient way to review threats due to limited staffing

#### **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 the financial institutions with a proactive deterrent and detection program against fraudulent transactions.

#### **Benefits Achieved:**

- Every incoming check/draft is checked to determine if it may be part of a kiting scheme
- Builds a “trusted account” list for those which are deemed no risk. Every other account is tested daily for kiting activity based on customized parameter settings
- Low cost and overhead – Staff performs reviews using an interactive browser for any flagged exception item with a description of the issue