

WOLTERS KLUWER FINANCIAL SERVICES

AML Virtuoso | aml training tool

Why the Technology is

Hot: Anti-money laundering and other forms of fraud are constant sources of worry.

How It Outpaces Rivals:

Its new gaming format could transform bank training

Key Statistic:

Simulation increases the efficiency of online training by 75 percent, a TowerGroup report found.

COLONEL MUSTARD. IN THE LIBRARY. WITH THE CANDLESTICK.

As Raffi Festekjian, chief executive officer of the compliance analytics business at Wolters Kluwer Financial Services, watched his children play the game of Clue one day, he had an idea. Why not use the same principle behind the board game and apply it to training, specifically training bank employees to sleuth money laundering and other illegal activities within their institutions? The result, which was launched in June after a successful beta test with six large financial institutions, is Wiz Sentri: AML Virtuoso.

Festekjian reasoned that experience is the best teacher, but that banks can ill afford to have something as potentially debilitating to the organization as money laundering serve as a training exercise for employees. The electronic gaming format immerses AML investigators into a virtual world of money laundering schemes and forensic investigations, requiring them to investigate simulated money laundering cases they are likely to encounter. By playing and winning the game, investigators learn how to meet regulatory requirements. Trainees conduct an investigation, write a report, populate a case file with evidence and, when necessary, prepare reports for regulators. The investigator's supervisor or a peer can then review the results to ensure progress is being made.

Since 9/11, Congress and banking regulators have continued to introduce new legislation and tighten enforcement surrounding existing regulation tied to banking laws that address national security issues, such as the Bank Secrecy Act—a trend that is unlikely to abate. AML Virtuoso allows financial institutions to demon-

strate to regulators that they're meeting training obligations and enhancing their staffs' ability to detect suspicious activity.

Wolters Kluwer appears to be onto something with its Web-based solution. A TowerGroup report says that simulation increases the efficiency of online teaching by up to 75 percent. Plus, Festekjian says, the simulator is more affordable for smaller institutions than in-person, on-site training; also, it's updated on a quarterly basis with new money laundering scenarios so institutions can stay current with the latest scams, and the solution can also be tailored to money laundering cases specific to a certain institution.

So far, the company has signed up one bank: First Interstate Bank of Billings, MT, a \$6 billion financial institution that is now using Virtuoso as part of its BSA training and development program. Wolters Kluwer Financial Services, whose annual revenue for 2007 was \$242 million, is in discussions with several other banks; to ramp up interest it's introducing a 30-day free license in the fourth quarter.

Besides the benefits to AML training, Festekjian says what makes Virtuoso particularly exciting is as a platform for other forms of training. The company intends to introduce the simulation-based training format behind AML Virtuoso into other areas of bank regulatory compliance in the near future. "I'm convinced that a lot of other training will move to simulation," he says. "The overall training industry will change." As for his specific product, Festekjian is confident, though acknowledges the need for patience. "The market has to accept it, and there can be a lot of lag time. But when the time comes, there's huge adoption. Innovation requires patience." **Michael Sisk**

BANK TECHNOLOGY NEWS

btn

NOVEMBER 2008