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By Nuance Communications

COVID-19 Fraud: How BSA and Fraud Professionals Can Increase Productivity



The rapid pace at which the pandemic has spread is rivaled only by the increase in financial crimes. While some of the trending fraud schemes are not new, they now prey on communities dealing with the coronavirus and its financial wake.

Financial institutions once tasked with reporting suspicious currency transactions are now responsible for surmising a world of money laundering and digital fraud. In this gatekeeper role, banks use suspicious activity reports (SARs) to inform the Financial Crimes Enforcement Network (FinCEN) about transactions of their customers who may pose a risk.

In 2019, FinCEN received over 2.3 million SAR filings, and over 1.1 million of those were from depository institutions, a 14 percent increase from the previous year. In 2020, as federal and state relief loans increased, so did unlawful activity. By September's end, FinCEN had already received 64,000 SARs referencing COVID-19 and related stimulus programs. FinCEN's Director Ken Blanco commented, "The most common trend we see in COVID-19-related SARs involved fraudsters targeting multiple COVID-19-related government stimulus programs, employing money mules and cyber techniques."

Since May 2020, [FinCEN has published multiple advisories](#) related to COVID-19 medical fraud, imposter scams and money mule schemes, cybercrime and cyber-enabled crime, and unemployment insurance fraud. It's important to read and analyze this guidance carefully and be alert to any additional guidance from FinCEN and other government sources. Understanding your detection capabilities and gaps will help you develop risk-focused procedures for heightened criminal activity. In addition, familiarity with these advisories will help in your SAR descriptions.

Tips for Writing COVID-19 Related SARs:

Be Concise and Chronological. Maureen Carollo, director of compliance at Great Plains National Bank advised, "Law enforcement agencies have noted that concise narratives are the most valuable, especially those that tell a story in chronological order. Rambling or run-on narratives containing irrelevant details are challenging. Keep this in mind with your COVID SARs; stay focused on the specific COVID-19 activity causing concern."

Speak their language. Terri Luttrell, CAMS-Audit, compliance and engagement director with Abrigo adds, "Tell your story in plain English and be careful with acronyms and financial institution jargon. If your case is one of especially nefarious activity, pick up the phone and call law enforcement. Build that partnership and let them know what you've found."

Be specific. Ken Blanco tells us, "If your SARs address fraud against any COVID-19 government stimulus program or the CARES Act, be as specific as possible in naming the program, so it can be expedited to the appropriate investigative team." Blanco also advises including the type of fraud in field 2 of the SAR (Filing Institution note to FinCEN), such as "COVID19 UNEMPLOYMENT INSURANCE FRAUD."

Be strategic. Bill Crosby, principal of Bank Organization & Structure and former national bank examiner with the Office of the Comptroller of the Currency adds, "Anyone can fill in the blanks in a SAR, but it takes a lot of instinct, intuition, and clarity to write a narrative that supports suspicion. Well organized thought is imperative on extremely complicated transactions. Speculation has to be minimized since the scheme can't be seen beyond your own bank's door."

How can banks manage the increasing workload of SARs and other reports?

One tool that offers needed support to Fraud and Bank Secrecy Act (BSA) professionals is Dragon Professional Anywhere. Recently released in North America by Nuance Communications, this enterprise-wide speech recognition solution is designed with financial services professionals in mind. With this solution, bankers can create documents three times faster than typing, ensuring greater productivity in writing SARs, reports, or any documents with fields, such as Currency Transaction Reports (CTRs) or any other templates for fraud and BSA scenarios.

Josh Fretto, director of financial intelligence for Loan Star National Bank weighs in. “BSA officers and their staff will find Dragon Professional Anywhere valuable for many things they do. For example, Dragon can be used to save time writing SARs. Often, 90 percent of the SAR narratives an institution writes are prepared using a consistent approach and are similarly formatted. Dragon can be a big time saver because any amount of text—an entire paragraph or a whole page—can be entered with a one-word command. In addition to SARs, most institutions have developed standardized templates for red flag alert review, case investigations and high-risk or EDD [Enhanced Due Diligence] reviews. Dragon can also be used to produce narratives in word-processing applications or configured to assist BSA teams by populating standardized review templates. Dragon can make critical BSA documentation processes much more efficient and save lots of time.”

Consider the leading speech recognition solution to increase productivity for your organization. Dragon Professional Anywhere:

- **Helps you be more productive.** Accuracy and speed are critical since documentation and deadlines are essential for meeting regulatory requirements. Unlike many software applications built into Macs, PCs, and smartphones, Dragon Professional Anywhere is speaker-dependent, meaning it quickly adapts to your speech patterns in the first minutes of transcription. Its learning process continues over time, delivering speech-recognition that is increasingly precise. The next-generation speech engine is even optimized for speakers with accents and regional dialects, so up to 160 words per minute can be transcribed with up to 99 percent accuracy.

[Robust features and commands](#) also improve productivity. With the Anchor-Focus command, for example, you can dictate into a target document while referencing other files on your desk-top or browser. And, the Nuance PowerMic III is especially helpful for dictation in call centers or locations with ambient noise. Voice-recognized commands do virtually **anything a touch command will do, and more.**

- **Keeps your information secure.** You can feel comfortable knowing the Dragon Professional Anywhere client connects to the Microsoft Azure cloud. 256-Bit encryption

is utilized, both in transit and at rest, ensuring sensitive data is protected.

- **Is built for enterprise-wide customization.** This means your organization can add industry-specific terms for their employees, and forms can be updated for the entire organization at once. Auto-Text voice commands can be created as short cuts to add boilerplate language, regulatory guidance, or any other forms, templates, or pre-defined text to documents.

For example, your system administrator can create an Auto-Text voice command that instantly inserts the most up-to-date CTR—or any similar form—into a document to be completed. If you often type the same information into SARs, for example, you can create a voice command to enter a paragraph of text, so there is no need to re-type similar content. And if you tire of saying “Office of the Comptroller of the Currency,” you can create a voice command to insert the entire phrase by only dictating the acronym, “OCC.”

- **Provides a seamless working experience.** Customizations like Auto-Texts and unique commands are synchronized in the cloud, so projects accessible via cloud-hosted applications (such as Office 365) can be started at one location and finished more fluidly at another. And with the included addition of the Dragon Professional Anywhere Mobile app for iOS and Android devices, documents created in cloud-hosted applications can be accessed from smartphones and tablets, including any user-created customizations.

- **Is centrally managed.** Through the Nuance Management Center, system administrators can set and store user settings such as custom words, commands, or PowerMic III settings. Updates are also installed centrally, so all users automatically have access to the latest security and performance improvements. Administrators can also easily add or remove users at a moment’s notice.

- **Is fast to install and can be up and running in minutes.** The client application can be installed on a Windows PC quickly, so employees working at home can be up and running without the need for IT support. Since the client application is lightweight and the speech processing occurs in the cloud, minimal computing horsepower is required on the Windows device, simplifying installation requirements while saving time and IT resources.

- **Is easily integrated with your network.** Dragon Professional Anywhere can be deployed across the organization’s existing infrastructure of Windows-based devices—including virtualized and remote-access PCs, as well as iOS and Android devices.

For more information about Dragon Professional Anywhere, visit [Nuance.com/DPA/Banking](https://www.nuance.com/DPA/Banking) to watch the 2 minute demonstration, learn about flexible licensing plans, and more.