



## Alacra Compliance

A comprehensive new solution helping financial institutions  
*comply with AML and BSA regulations.*

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## Introduction

During the past five years there has been an increased focus within the financial services industry on the prevention of money laundering and terrorist financing.

Title III of the PATRIOT Act has expanded certain provisions of the Bank Secrecy Act (BSA) in the United States. Similarly, the FSA has changed the guidelines for money laundering provisions in the United Kingdom.

For financial institutions operating globally, these shifts in policy have required a rethinking of their approach to compliance. Enforcement actions resulting in fines, penalties and untold damage to corporate reputation, have brought compliance to the forefront operationally and in the boardroom.

If there were any doubts about the scope of this effort, the June, 2005 joint examination guidelines issued by the Federal Financial Institutions Examination Council made clear that the responsibility for maintaining an effective BSA/AML control structure lies with the board of directors, through senior management.

While fines from violations may be forgotten when the next quarter's earnings are announced, damage to your corporate reputation takes years to reverse. Financial institutions with weak controls in these areas may find themselves on the front page of the paper or the subject of future business school case studies, as has occurred with Riggs, AmSouth and others.

Successful BSA/AML controls require a comprehensive risk-based program, encompassing all aspects of your customer relationships. While many technology solutions are focused on transaction monitoring, this is only one part of the process. Today, financial institutions need a thorough and consistent process for KYC, CIP and due diligence.

## The Challenge of Effective KYC

"Know your customer" regulations impact all aspects of customer relationships. From the initial onboarding process through remediation of existing customers, financial institutions are now required to thoroughly investigate, analyze and monitor their customers to meet statutory requirements.

While simple CIP processes may suffice for small, individual domestic accounts, institutional accounts require in depth analysis. Unlike CIP, where simple facts can be verified within a single database, due diligence and enhanced due diligence require comprehensive research from dozens of databases and hundreds of websites. Further, investment banks and large financial institutions must perform due diligence on counterparties and partners, not just their customers.

For most financial institutions, this research process is riddled with errors, inconsistencies and risk. With dozens of researchers, each accessing different sources of information and results stored in hard-copy, how can you be sure that they have looked at all the critical information? Is the process the same at 4:30pm as it was at 9:30am? With high turnover among researchers, how can you be sure they are all applying the same rigorous process? And, how can you demonstrate consistency to Examiners, without a structured process and a documented paper trail?

## Introducing Alacra Compliance

Alacra Compliance is a workflow-based application that provides a framework for consistent application of your existing AML procedures and processes. Alacra Compliance helps you streamline the on-boarding process by bringing together all of your research sources within a single application.

Alacra Compliance ensures that your customer research process is:

- thorough and comprehensive
- matched to your policies and procedures
- consistent across researchers, departments and offices
- documented to support examinations

### Thorough and Comprehensive

Alacra Compliance is the only product in this field that brings together all of your content sources in a single research application. Premium databases and information from the free web are combined in a single page of results, ensuring that your researchers have all the information they need in one place.

### Policies and Procedures

Alacra Compliance can be customized to match your business processes and to support your AML policies. You can determine which sources are searched based upon entity type, risk profile, department or location.

### Consistency

Since the administrative rules are set centrally, you can be sure that all your researchers are using the same content sources and processes for their searches. Whether it's first thing in the morning or the end of a long day, you can be confident that they will be applying the same consistent process.

### Documented

Alacra Compliance includes an Audit Report which captures the results of your researchers searches, along with the full contents of supporting documents, databases and web pages. The Annotator allows researchers to quickly capture their thoughts while they are still in the research process. All of this information is compiled into a locked, date-stamped PDF file, which you can use for internal oversight and external Examinations.

### Federated Search

Alacra Compliance streamlines your search process through the use of Federated Search. Rather than searching numerous databases individually, then trying to reconcile the results of each, Alacra's Federated Search makes it easy.

With Alacra Federated Search, you enter your search terms into a single search screen. The application takes those terms and passes them to each content source, both premium and web, returning a single set of easy-to-navigate results. To ensure the best results possible, the Federated Search engine optimizes the query for each database, passing only the criteria which that database can accept. For example, a full address may be passed to a credit reporting database, but would not be included in the search criteria for a news archive.

## Refining Search Results

While Alacra Federated Search makes searching much faster, its benefits go beyond simple productivity. Federated Searching enables you search many databases simultaneously. An added benefit of this technology includes native search refinement for each content source. This provides researchers with the “best of both worlds”. A quick and simple way to search hundreds of premium and web content sources, plus the ability to refine search terms for each individual database, allowing users to drill-down to the specific information they need.

For example, a general search might be needed to capture all the web results you are looking for, but might yield too many matches from the news source. You can refine your results just for the news panel without impacting the rest of the search results.

The screenshot displays the Alacra Compliance search interface. At the top, the logo for 'alacra COMPLIANCE' is visible, along with the tagline 'Aggregate. Integrate. Package. Deliver.' and navigation links for 'new investigation', 'search', 'help', 'audit report', and 'audit report library'. The 'factiva' logo is also present.

The search parameters are as follows:

- Syntax:** Boolean (selected), Web
- Keywords:** Hartsfield Capital near25 (defendant\* or judg\*)
- Search only:** Full Article (selected), Headlines, Lead Paragraph
- Company:** Any Company
- Dated:** (min/dd/yyyy) from to OR: Go Back: 6 Months
- Word count:** greater than (selected), Less than
- Specific Sources:** DJ Corporate Filings Alert, Dow Jones Sources, Financial Times, FT.com, PR Newswire
- Language:** English (selected), Danish, Dutch, Finnish
- Industry Publication:** All Industry Publications, Accounting and Consulting, Advertising and Public Relations, Aerospace and Defense
- Region Publication:** All Region Publications, Africa, Asia/Pacific, Australia/New Zealand
- Subject:** Any
- Industry:** Any
- Country:** Any Country, Afghanistan, Albania, Algeria
- Region:** Any Region, African Countries, Antarctica, Asian Countries
- Exclude:** Republished news, Articles indexed as shares, funds and commodity prices, Articles indexed as obituaries, calendar of events, letters, diaries, weather, food and cooking, sports and recreation, and personal announcements
- Display Options:** 20 (selected), show snippets
- Report Options:** Headline List Only (selected), Headline List with Full Text, Full Text Only, Drop break after each article

A 'Search' button is located at the bottom left of the form area. At the very bottom, a copyright notice reads: 'Copyright © 2006 Alacra, Inc., 100 Broadway, Suite 1100, New York, NY 10005. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission is prohibited.'

## Navigating Results: The Reading Pane

To streamline the task of reading through the results and identifying the content that's important, Alacra Compliance includes a special Reading Pane. The Reading Pane lets the user dynamically browse through multiple documents or pages, without the need to navigate to additional pages.

The screenshot displays the Alacra Compliance interface. At the top, it says "alacra COMPLIANCE" and "Document Viewer". Below this is a table of "Factiva Adverse News (1 to 10 of 45)".

Date	Headline	Source	Word Count
May 19, 2006	<a href="#">Investors Chronicle: Hedge hunters</a>	Investors Chronicle	1001
May 10, 2006	<a href="#">Man defends US arm against fraud claims</a>	The Times	228
May 10, 2006	<a href="#">Viewpoint: Inquiry spells trouble for big four</a>	The Guardian	786
May 10, 2006	<a href="#">US receiver accuses Man Group under racketeering law: Leading hedge fund vows to fight fraud claim: Lawsuit alleges \$179m of losses were concealed</a>	The Guardian	653
May 10, 2006	<a href="#">CADBURY GETS INTO ITS \$50M STRIDE AS TALK OF A BUFFETT BID FADES; SARAH MARKS</a>	The Evening Standard	669
May 10, 2006	<a href="#">Coming court case raises temperature for Man Financial - GENERAL FINANCIAL</a>	Financial Times	374
May 10, 2006	<a href="#">Sharp pick-up in housing market bolsters Kingfisher and Savills LONDON</a>	Financial Times	822
May 10, 2006	<a href="#">Retailers lifted by April data on high street spending:Large Caps,Stock Markets</a>	The Times	616
May 10, 2006	<a href="#">Business News IN BRIEF: Man's US arm will defend fraud case</a>	The Independent	63
May 10, 2006	<a href="#">MAN VOWS TO FIGHT US HEDGE FUND ACCUSATIONS</a>	Daily Mail	361

Below the table are navigation links: "1 2 3 4 5 Next" and "Refine Search".

The right-hand side of the interface is the "Reading Pane". It features a "hide" button, a "factiva" logo, and the title "Man defends US arm against fraud claims" by Liz Chong. The article text is as follows:

Date : 2006-05-10  
Source : The Times  
Word Count : 228  
Edition :

MAN GROUP has hit back at a lawsuit alleging fraud and racketeering by its brokerage arm as "outrageous". Man Financial was the brokerage to Philadelphia Alternative Asset Management (PAAM), which collapsed last year after US regulators accused the hedge fund of hiding \$140 million in losses.

The company could be liable for treble damages after a court-appointed receiver sued Man and seven of its employees in a Philadelphia district court under the Rico Act. The Rico Act was introduced 35 years ago to combat organised crime, although it is now a popular tool in corporate lawsuits. Man said: "In bringing a claim under Rico the receiver is courting publicity." Clark Hodgson, the receiver, claims that a team of staff at Man, led by Thomas Gilmartin, allowed Paul Eustace, PAAM's former manager, to conceal his trading losses in the "50" account, which was hidden from investors. The complaint contains dozens of e-mails that allegedly passed between Mr Eustace and Mr Gilmartin, his main broker at Man. In one e-mail Mr Gilmartin apparently instructed colleagues to transfer an unprofitable trade to the "50" account, which was used to conceal losses. When told that his instructions were a "serious violation", Mr Gilmartin allegedly responded: "I think an exception is in order here." (c) Times Newspapers Ltd, 2006

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From the Reading Pane, the researcher can view individual documents, add specific documents to the Audit Report plus add annotated comments to any document.

## Annotation

With Alacra Compliance, researchers can throw away their sticky notes. The Annotator enables Researchers to add notes and comments while they are doing their research, rather than scribbling down notes to be compiled later. When reading any piece of content, simply click on the *Annotate* button and you can enter your comments. These notes will automatically be cataloged with bibliographical metadata, all included in your final Audit Report.

The screenshot displays the Alacra Compliance Document Viewer interface. On the left, a 'Researcher Notes' section contains a note: 'Friday, May 26, 2006 3:48:51 PM - Factiva - Man Financial says claim it was complicit in PAAM case 'outrageous and spurious''. Below this note are 'Save' and 'Close' buttons. The main content area on the right shows a news article from Factiva, dated 2006-05-09, titled 'Man Financial says claim it was complicit in PAAM case 'outrageous and spurious''. The article text discusses Man Financial's response to allegations of involvement in the PAAM fraud case, mentioning that the company 'categorically denies' the claims and that the receiver, Clark Hodgson, remains unchanged. The interface includes a top navigation bar with 'alacra COMPLIANCE' and 'Document Viewer', and a right-hand sidebar with 'hide' and 'factiva' branding.

## Documenting Your Work with the Audit Report

Effective documentation is a vital part of any strong AML program. While documented policies and procedures are a critical component of your program, it's necessary to demonstrate that the work being done matches those policies. Alacra Compliance makes creating documentation easy. Central to Alacra Compliance is the Audit Report, a time-stamped PDF that is automatically created through the research process.

As the researcher reads through documents, database reports and websites, they can add any relevant content to this Audit Report with just a single click.

The Audit Report compiles all of the supporting documents, including premium database reports, web pages, your Annotations and even documents you select from your desktop or shared drive, into a single PDF file.

alacra COMPLIANCE Aggregate. Integrate. Package. Deliver.

[new investigation](#) ■ [search](#) ■ [help](#) ■ [audit report](#) ■ [audit report library](#)

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**Audit Report: BSG\_32490**

DOCUMENTS SELECTED

**Accurint**

- Accurint Report
- Accurint Report

**Factiva News**

- Factiva: May 09, 2006; PAAM Receiver Files New Lawsuit Versus Man
- Factiva: May 10, 2006; Coming court case raises temperature for Man Financial - GENERAL FINANCIAL.

**Annotated Notes**

- Notes

**Files to Upload:**

Add File:

File Name:

Add File:

File Name:

Add File:

File Name:

**Audit Report Status: Editing.**  
Enter recipient's email address and click Build to create your Audit Report. An email containing a link to retrieve the completed report will be sent to this address.  
Email:

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Once you build the Audit Report, the complete PDF file is available to be downloaded in just a few minutes.

## Capturing Web Results

In addition to capturing pages from premium database reports, Alacra Compliance also lets you include pages from web sites.

Alacra Compliance leverages SnagIt™, the industry leading screen grabber, to capture the image of any website, by simply clicking the “Add to Audit Report” button.



Alacra Compliance is the only compliance solution that allows you to bring together premium content, web sites and your own information, all compiled into a single report.

## Premium Databases

Your research is only as good as the sources you use.

Alacra Compliance can be configured to include any combination of the more than 30 relevant premium content databases offered by Alacra. Alacra supports your existing database subscriptions so that you maximize the benefit of your content relationships.

A typical configuration may include the following premium databases:

### World-Check

The World-Check database covers more than 230 countries and territories, and includes high risk individuals and businesses such as known terrorists, fraudsters, money launderers, Politically Exposed Persons (PEPs), perpetrators of organized crime, narcotics traffickers, arms dealers, shell financial institutions and their beneficial owners, sanctioned entities and individuals and many other categories, including influential and well connected individuals.

The World-Check database includes more than 100 sanction and embargo lists, including OFAC, UN, Bank of England, DFAT, Interpol, FATF, OSFI, SEC and more.

### Accurint

Accurint®, a service of LexisNexis®, provides detailed public records information on individuals and more than 150 million business locations throughout the United States.



**Factiva News**

Factiva, a Dow Jones and Reuters Company, provides essential business news and information together with the content delivery tools and services that enable professionals to make better decisions faster. Factiva's unrivalled collection of more than 10,000 authoritative sources includes the exclusive combination of The Wall Street Journal, the Financial Times®, Dow Jones and Reuters' newswires and the Associated Press, as well as Reuters Fundamentals and D&B® company profiles.

**Factiva Public Figures and Associates**

Factiva Public Figures & Associates provides the most detailed and accurate global coverage of senior Politically Exposed Persons available today. Trusted by many of the world's leading financial institutions, the service also provides global Sanction and Law Enforcement data updated on a daily basis by a dedicated global research team working to the editorial standards of Dow Jones and Reuters.

**LexisNexis**

Providing access to thousands of worldwide newspapers, magazines, trade journals, industry newsletters, tax and accounting information, financial data, public records, legislative records, data on companies and their executives makes the LexisNexis® service an indispensable tool for gathering information and providing accurate answers.

**D&B**

D&B enables you to enhance customer information to help build a thorough profile of each customer with information such as: Legal Names, Addresses, Industries, Revenue and Corporate Hierarchy.

**Bigdough**

Bigdough, a Hemscott company, provides detailed information on buy and sell-side financial institutions and hedge funds.

# Alacra Compliance Web

The Alacra Compliance Web is a vertical search engine focused on compliance. The Alacra Compliance Web applies the powerful search technology of Google™ to a hand-selected taxonomy of 600 websites; each carefully selected to meet the needs of the compliance market.

For easy navigation, website results are organized into a taxonomy, as follows:

- Stock Exchanges – Listed Companies
- Government Regulatory Sites
- Self-Regulated Organizations
- Compiled Company Lists
- Insurance-related sites
- Other compliance-related sites

**alacra** COMPLIANCE Aggregate. Integrate. Package. Deliver.

[new investigation](#) ■ [search](#) ■ [help](#) ■ [audit report](#) ■ [audit report library](#)

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### Search Results

**Search Criteria**

**Entity:** *Company*  
**Name:** *Man Financial*

**Publishers:**

- Stock Exchanges - Listed Companies
- Government Regulatory Sites
- Self-Regulated Organizations
- Insurance Regulatory Sites
- Compiled Company Lists
- Other Compliance Sites

**Custom Links:**

- [AttaVista Babel Fish](#)
- [BANKERSalmanac](#)
- [CIA World Factbook](#)
- [EURO DB](#)
- [FSA - Financial Services Authority](#)
- [Google](#)
- [LexisNexis Anti-Money Laundering Solutions](#)
- [Office of Foreign Assets Control](#)

**Investigation Name:** AC\_73490

**Stock Exchanges - Listed Companies**

[Expand this category](#)

**Government Regulatory Sites** (1 to 200 of 13827)

[Expand this category](#)

**Self-Regulated Organizations** (1 to 200 of 1670)

[Expand this category](#)

**Insurance Regulatory Sites** (1 to 200 of 1501)

[Expand this category](#)

**Compiled Company Lists** (1 to 26 of 26)

[Expand this category](#)

**Other Compliance Sites** (1 to 200 of 3359)

[Expand this category](#)

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## **Interrogated sites**

To ensure that you can explore all the critical content sources that you need, Alacra Compliance also includes access to “interrogated” websites. These sites search specific databases within websites.

Alacra Compliance includes more than 100 of these interrogated websites, ranging from Secretary of State sites, State Insurance Sites and databases within various financial regulators to self-regulated organizations such as the FSA, SEC, NASD, FDIC, NYSE, London Stock Exchange and more.

When Alacra Compliance interrogates these sites, it submits the user’s search terms to all the interrogated sites simultaneously, validates the search results then provides links to only those sites with one or more matching records. With Alacra Compliance, you can search all fifty U.S. Secretary of State sites in less than a minute with a single search.

## **About Alacra Compliance**

Alacra Compliance helps financial institutions ensure a comprehensive and consistent approach to KYC.

Alacra Compliance brings together all of your research sources including premium databases, adverse news, regulatory sites and the web, to provide a streamlined research process, while enforcing your controls. Alacra Compliance maximizes your existing subscription investments, to help you manage your budget. Only Alacra Compliance delivers a documented Audit Report, to simplify record keeping.

## **About Alacra**

Alacra creates sophisticated online technology and services to help clients find, package and present business information. Financial institutions, professional service firms and other corporations have long used the same content sets to support clients, research deals and investigate market opportunities. The Alacra mission is to package this content and deliver it in a format that best meets each organization’s precise needs.

In addition to a customizable suite of robust applications, Alacra provides a single point of access to more than 100 commercial business databases and the Alacra Business Web, our archive of 45,000 content-rich, business-information-only websites indexed by type of publisher, topics of coverage, industries and countries.

Worldwide, more than 700 financial institutions, management consulting firms, law firms and other corporations use Alacra to effectively find and deploy business information in their daily workflow.