



# American and Canadian financial institutions are spending \$42B annually to comply with AML regulations

Yet \$2T of laundered money goes undetected every year.

## It's a problem

Money laundering is always connected to crimes, and all too frequently, terrorist activity. When money is laundered, criminals gain financial power, governments lose the tax revenues that support public programs, vulnerable groups are exploited – and organized groups of evildoers are enabled to do business in public marketplaces.

Compliance with FinCEN enforcement is time-consuming and costly. Traditional data sources and credit files are widely compromised and help perpetuate the problem. Legitimate looking credit files are being produced en masse by criminal actors who are seeding and cultivating synthetic identities at ever-increasing levels. Legal compliance is a necessary first step, but just the beginning of a real solution.

## The Gap

Financial institutions need to enhance their ability to detect identity fraud during the application process, and they need to identify and eliminate persisted fake credit files. There is certainly incentive: Despite \$42B that financial institutions spend to comply with regulations and prevent financial crimes, 90% of money laundering goes undetected.

2021 is shaping up to be a record year for scrutiny from the federal government, along with the accompanying penalties for noncompliance. Financial institutions are struggling to detect and prevent activities that are allowing their organizations to be used for harm and putting them in legal jeopardy. A more reliable picture of the individuals who are soon-to-be customers is needed.

## The Impact

1. 90% of money laundering is going undetected today.  
*How many money laundering investigations is your organization currently conducting?*
2. Anti-Money Laundering (AML) efforts cost the US and Canada \$42B annually.  
*How much are you spending on anti-money laundering efforts?*
3. According to the World Bank, the first step in an AML investigation is to build a subject profile. The most critical components of that profile are mobile, email, and social data.  
*How does your investigative team build a profile with this PII (personal identifiable information)?*
4. For the average FI, watchlist activities such as KYC processes, periodic screening and sanctions operations account for 33% of AML compliance costs.  
*How much of your organization's AML budget is spent on KYC processes?*

## Good News

Pipl gives AML investigators easy-to-use tools that provide actionable information about customers and potential customers – including global email, mobile, and social information. Financial institutions can, and need, to know the real people behind the accounts that are being created every day. A quick check with Pipl SEARCH can reveal important details about the person and the origins of the funds that are passing through your organization. For high-volume applications, Pipl API can help automate processes and ease the burden of compliance while doing more to prevent the direct and indirect crimes associated with money laundering.



Confirm Trustworthy Identities.

