



Crypto Intelligence for AML Compliance

Financial institutions have the obligation to identify and report suspicious activity concerning how criminals and other bad actors exploit virtual assets or cryptocurrencies for money laundering, sanctions evasion, and other illicit financing purposes. However, most institutions are unable to effectively detect and monitor virtual asset-related transactions.

To help solve this problem, Alessa integrates cryptocurrency intelligence data from CipherTrace to allow financial institutions to implement effective controls to identify, monitor, and report suspicious activity involving virtual asset-related transactions.

Compared to adhoc systems that rely on common name matching to identify transactions with cryptocurrency exchanges, the use of CipherTrace data allows financial institutions to identify payments to peer-to-peer cryptocurrency exchangers and payments to or from virtual asset service providers (VASPs), and report on suspicious transactions flowing through their institution to higher risk counterparties.

Effective identification, monitoring and reporting of VASPs—including crypto exchanges, Bitcoin ATMs, and virtual asset custody providers—and their associated transactions has the following benefits:

- Increasing compliance to AML/CTF regulations by recognizing undisclosed digital asset customers and payments with higher-risk VASPs
- Superior VASP matching with legal name, alias, and bank account information
- Decreasing time spent by compliance teams to identify crypto-related activities
- Reducing the number of and time spent on investigating false positives

“CipherTrace Labs in 2019 uncovered individuals operating illicit crypto MSBs at eight of ten US retail banks. These illegal MSBs use their bank accounts as a conduit for accepting cash payments in exchange for cryptocurrency to support the illegal trade of fiat for crypto. They often do this by a simple ACH transfer, wire transfer, or walkup cash deposit at a depository institution.”

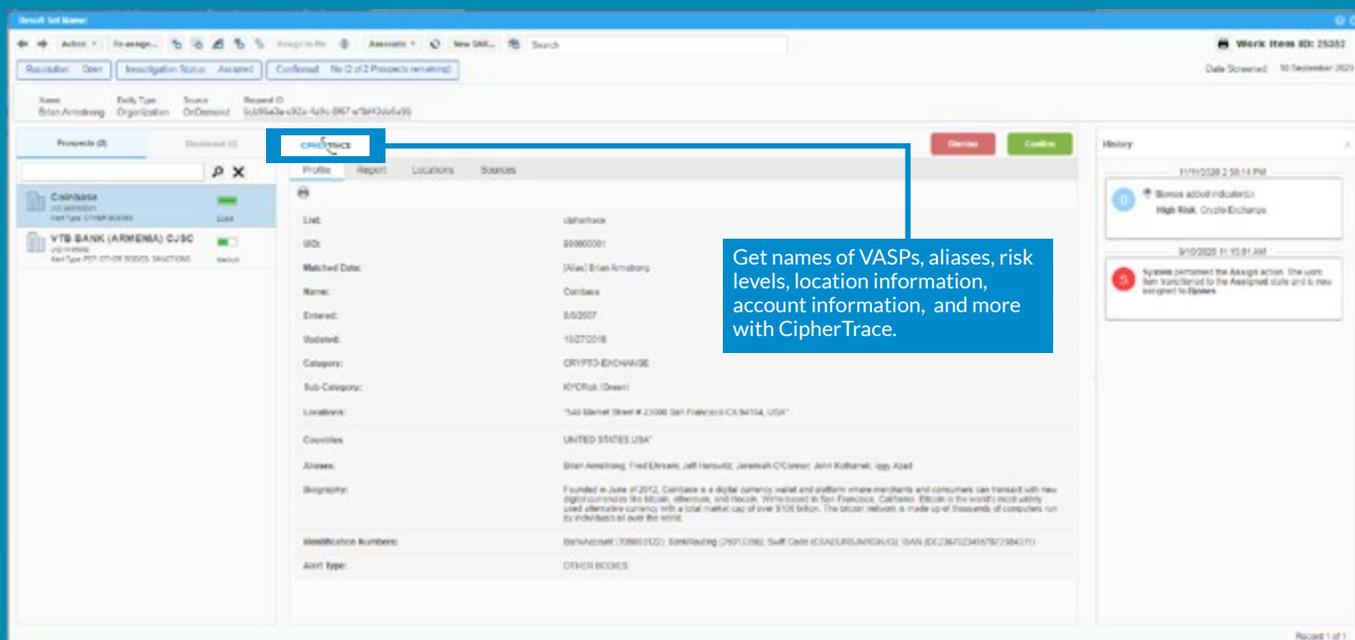
Benefits of using Alessa and CipherTrace

A better solution for compliance:

- Use one solution for sanctions, PEPs, watch list and crypto screening. Choose from on-demand, periodic or real-time screening.
- Incorporate results from screening into onboarding, transaction screening, risk scoring and regulatory reporting processes
- Use automated workflows and case management for investigations. Track all activities for auditors and regulators.
- Reduce workload and have a holistic view of risks across the organization

Reliably manage risks associated with virtual assets:

- Rely on a proven source to identify peer-to-peer crypto exchanges and VASPs
- Identify people associated with VASPs and their specific roles
- Identify all transactions associated with VASPs
- Screen high-risk transactions
- Update risk scores with entity and transaction information for a risk-based approach to compliance



To learn how you can optimize your due diligence activities with Alessa and CipherTrace, visit us at www.alessa.com or email us at alessa@tier1fn.com.

About Alessa

Alessa, by Tier1 Financial Solutions, is a compliance, controls monitoring and fraud prevention solution for banking, insurance, fintech, gaming, manufacturing, retail and more. With deployments around the world, Alessa allows organizations to quickly detect suspicious transactions, identify high-risk customers and vendors and decrease fraud risks that reduces profitability and increases costs. To learn more about how Alessa can help your organization ensure compliance to regulations, detect complex fraud schemes, and prevent waste, abuse and misuse, visit us at <https://www.alessa.com/>.