Statement By

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"**Utilizing Technology to Improve TARP and Financial Oversight**"

Subcommittee on Oversight & Investigations

Committee on Financial Services

U.S. House of Representatives

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Good Morning, my name is Greg Hahn, of Crowe Horwath LLP. Let me first thank the Committee for the opportunity to testify today. Crowe Horwath has developed and implemented targeted technology solutions to assist financial institutions in compliance and oversight activities related to Federal regulations. We'd also like to share how some of those solutions may assist the federal government in its oversight practices of the financial services industry.

Let me first tell you a little about my company: Crowe Horwath LLP is a professional services firm with a core skill of bringing process, industry and regulatory expertise, blended with technology skills, which allows us to develop targeted tools that "fill the gaps" where large technology vendors have not been focused. As a worldwide professional services firm – the 8th largest in the US and 9th in the world - we are not focused on the development of public policy, but rather to assist our

clients in developing solutions that are compliant and operationally-

effective. We have significant experience working with most state

governments, have conducted special federal projects like working for

the Resolution Trust Commission (RTC) during the Savings & Loan

Bailout, and have one of the most established track records of work with

commercial banks. We also have significant experience assisting

clients on issues related to The Bank Secrecy Act and supporting Anti-

Money Laundering (or AML) regulations.

Crowe Horwath has worked with over 100 financial services

companies to develop, implement, optimize and test Anti-Money

Laundering compliance programs. Our technical solutions have

provided automation and repeatability to historically-manual or non-

existent oversight processes.

When the PATRIOT Act was passed in 2001, provisions related to

Financial Institution compliance and the strengthening of the Bank

Secrecy Act raised the bar for compliance significantly. As institutions

implemented more robust AML programs, three common themes

emerged where these institutions invested significant effort: 1) the

identification of highest concentrations of risk for money laundering within the organization (products, geographies, and customers), 2) the ability to identify and monitor customers that appear to pose higher risk for money laundering, and 3) the identification and reporting of suspicious activity.

For example, in working with our clients, we found that it was difficult to develop a process for identifying higher risk customers, because additional information was needed when an account was opened in order to make that evaluation. We developed a technology platform that would walk the employee opening the account through a logical flow that asked the appropriate questions of customers to maintain a competitive customer experience. In essence, each customer interaction was customized, or dynamic, based upon the information that was provided. As more guidance was made available, we added the ability to conduct an annual review of the customer relationship to determine if the risks presented were still in line with the institutions risk profile.

A second example of a client need was to standardize the review and documentation process for investigating potential suspicious

activity. We focused on two specific challenges: 1) How to drive more efficiency into a process that was repetitive, while continuing to leverage the individual's expertise and judgment as it related to identifying suspicious activity, and 2) How to create a robust case file that increased the quality of the final work product.

My firm developed a patent pending solution that models each institution's investigative process and focused an analyst on collecting information that is specific to the type of customer and the types of transaction activity in question. We have collected all the information in reportable fields which allowed us to generate the case file summary automatically. This functionality alone saved analysts hours in writing up case files. In recent months, we have found this application flexible enough to address additional areas of risk management such as fraud and the identification and monitoring of changes in credit portfolio quality.

As we continue to work on emerging and changing regulatory compliance issues, we will leverage the platforms we have created to give our clients the ability to comply with today's requirements, and give them the capability to adapt as the regulatory environment evolves.

We believe these cutting edge technologies in the world of financial services have merit and application for the federal environment, especially today. I want to thank the Committee for asking Crowe Horwath to appear this morning. I would be pleased to answer any of your questions.