



PreComm ToolKit™—Simplifying Merchant Risk Evaluation and Due Diligence

Deep and thorough knowledge about merchants is crucial before on-boarding. The hard part is gathering the information your business needs and is required by law to obtain to determine reputable merchants from the ones who are not.

Merchant acquiring and payment processing organizations are being inundated by Anti-Money Laundering (AML) rules and Know Your Customer (KYC) regulations. The USA Patriot Act and other governmental and card brand regulations require your organization to implement KYC policies that encompass customer due diligence and risk evaluations.

While regulation is not new, compliance is difficult, if not impossible, especially when your business must rely on multiple systems to collect and analyze merchant data. Even worse, implementing quick fixes that rely on manual data collection and paper-based workflow processes frequently introduce inconsistencies in merchant due diligence procedures and risk evaluation. And once an evaluation is completed, it is NEVER performed again, leaving the ISO vulnerable.

PreComm ToolKit—Due Diligence and Risk Assessment Made Easy

PreComm ToolKit from Conformance Technologies is a unique, patent pending, cloud-based intelligence gathering and collating service that simplifies the merchant due diligence and risk evaluation process, protecting your business while saving time and money, and potentially driving increased revenues.

PreComm ToolKit (Pre-Commerce) automatically and accurately gathers and assembles many merchant risk data factors (up to 45!) from deep, thorough and accurate multi-level investigations, and presents consolidated findings for further risk manager evaluation.

And then the PreComm ToolKit performs it again on a monthly basis—alerting underwriters to merchants that have deviated from the standards they were originally approved upon. This “follow-on” underwriting capability is unique.

PreComm™ ToolKit

The data analysis of PreComm ToolKit is comprised of three main areas:

Know Your Client (KYC)—Ascertains & Documents that Merchants Really Are Who They Say They Are

With PreComm ToolKit, the manual process becomes automated and results are available within minutes.

- o Credit bureau search and results
- o Website ownership
- o Correct physical address and multiple use validations
- o Google Earth image checking and recording
- o Corporate ownership documentation verification
- o Taxpayer Identification Number (TIN) search
- o Employer Identification Number (EIN) matching
- o Business and owner(s) reverse phone number lookup corroboration
- o Business and owner(s) Office of Foreign Assets Control (OFAC) sanctions list search
- o Terminated Merchant File (TMF) review
- o MATCH list review
- o Litigation search
- o Lien Search
- o Social media account evaluation and matching
- o Specially Designated Nationals (OFAC)
- o Foreign Sanctions Evaders List
- o Death Master File
- o Denied Persons List
- o Excluded Parties List System
- o Excluded Individuals and Entities
- o Designated Foreign Terrorist Organizations
- o Politically Exposed People
- o FBI Wanted Lists
- o Casino Banned Patron Lists
- o Address Validation
- o Global Intermediary Identification Number
- o EU Sanctions List
- o Arms Export Control Act
- o Anti-Terrorism Financing & Entities
- o INTERPOL Wanted
- o Iran-Syria Nonproliferation Act
- o United Nations Consolidated
- o Consolidated Sanctions List
- o IRS Exempt Organizations
- o Iranian Sanctions Act
- o Sectoral Sanctions Identifications
- o Unverified List
- o Entity List
- o Palestinian Legislative Council
- o Ukraine-Russia Related Sanctions
- o Foreign Financial Institutions Subj. 561
- o CJL Consolidated Regulations
- o CJL Special Economic Measures Act
- o CJL Freezing Assets of Corrupt Foreign Officials Act
- o US Commodity Administrative & Reparations Sanctions

Accessing the Safety and Integrity of Merchants Systems BEFORE Connecting

PreComm ToolKit utilizes the Conformance Breach Defense Reviewer™ to probe merchant networks and websites for known vulnerabilities and potential hacking exploits PRIOR to boarding. This includes testing for:

- o Vulnerable access points identification
- o Outdated software
- o Outdate security patches
- o Open ports

Protecting Your Reputation and Good Name

Unique to PreComm ToolKit is the gathering of merchant reputational data for use in the underwriting process. While a merchant may pass all KYC tests, they may still be viewed as a bad actor in the consumer community. PreComm ToolKit reaches out to various social media channels and consumer reporting agencies to access the reputation of the prospective merchant. We check and report on:

- o Yelp
- o Social Media - Twitter, Tumblr, Instagram, LinkedIn, Facebook
- o YouTube
- o Rip Off Report
- o Better Business Bureau
- o Merchant's own website

What sets Conformance PreComm ToolKit apart from others?

- o More Information to Evaluate - Consistent, speedy accurate, effortless and cost-effective data pulls across dozens of key risk endpoints, expanding underwriting ability to gather MUCH more data and risk points for consideration, and highlighting key issues.
- o Follow-Up Underwriting - A number of PreComm ToolKit processes are re-run every month to evaluate if any changes have occurred to the merchant situation after boarding, and reporting can trigger follow-on review, and potentially repricing.
- o Ability to Accurately Price to Enhance Revenue and Reduce Risk - If a merchant scores poorly in a couple of areas but high in dozens more, an underwriter can decide to approve the application (because of the additional information!) but do so at a higher price.
- o Ability to Automatically Re-Price Driving Income- If the automated system finds a merchant's profile has changed, PreComm ToolKit can notify the acquirer to re-price the merchant.



To learn more about PreComm ToolKit and other sensitive data solutions built on the Conformance Compliance Operating System®, please call 775.336.5533 or visit conformancetech.com