



## Safe Banking Systems

Safe Banking Systems relies on HPE Partner Rackspace in fight against financial crime

### Objective

Deploy secure, reliable, scalable infrastructure supporting anti-money laundering and compliance software and services

### Approach

Engage HPE Partner Rackspace to deliver Managed Hosting with Fanatical Support

### IT Matters

- Meet client requirements for SOC2 security
- Virtualize to scale quickly and ensure uptime
- Screen ≈200 million customer records daily
- Deliver sub-second turnaround on web service calls
- <1% false positive hit rate

### Business Matters

- Expose bad actors on world stage
- Enable clients to protect financial assets, reputations and satisfy regulations such as the USA PATRIOT Act and Bank Secrecy Act
- Remain on track for second year of 40% revenue growth
- Enable international expansion of [managed services](#)



Money launderers, terrorists, drug kingpins, fraudsters: All around the world, cunning criminals are stealing, moving, and hiding money. Dragging many of them into the light of day is a technology-enabled company based in Mineola, N.Y. [Safe Banking Systems](#) (SBS) helps clients, including some of the world's top banks and other institutions, protect their financial assets and reputations while complying with government anti-money laundering (AML) regulations and Know Your Customer requirements. SBS experts in software, global banking, military intelligence, and compliance bring extensive domain expertise and unique data mining techniques to isolate anomalies in very large databases, and arm institutions with actionable intelligence. A privately owned business, SBS competes with much larger firms and delivers superior results. Behind the scenes, SBS relies on secure managed hosting from HPE Partner Rackspace.

What do an illegal-arms trafficker, a Ponzi perpetrator, and a seller of stolen body parts have in common? All appear on the SBS "Rogues Gallery" of caught and convicted criminals. Since 1999, SBS AML and compliance solutions have been outwitting bad actors from garden-variety embezzlers to global terrorists. Sometimes it's a matter of scrubbing publicly available data. Years after a bomb brought down a Boeing 747 over Lockerbie, Scotland, SBS discovered that the Libyan operative responsible still held a U.S. pilot's license; his name was spelled differently in Federal Aviation Administration records than it was on the FBI's 10 Most Wanted list. The license was revoked.

“There is a repeating theme in all drivers of the SBS relationship with Rackspace: reliability, security, and scalability.”

– David Schiffer, Founder, President and CEO, Safe Banking Systems, LLC

### **SBS needs security, reliability, scalability to find the bad guys**

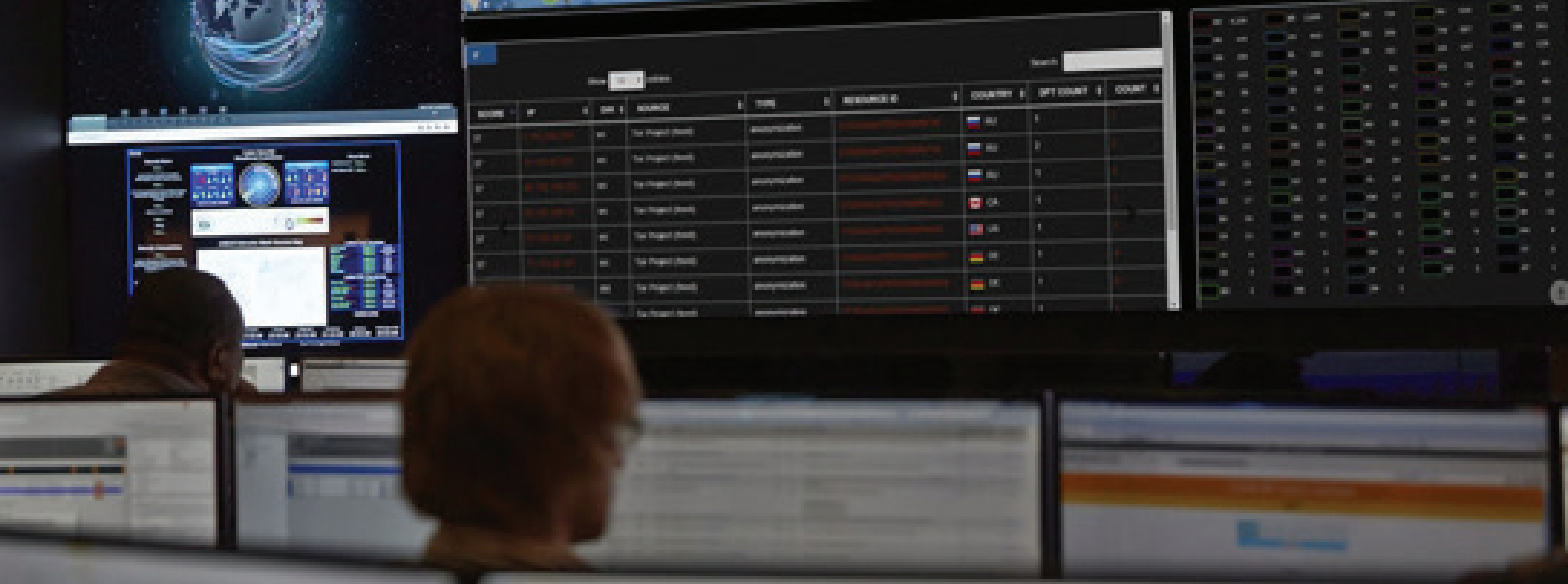
Clients including Bank of America, Citigroup Inc., TD Ameritrade, and Charles Schwab & Co., rely on SBS to help them comply with requirements of the USA PATRIOT Act, the U.S. Treasury’s Office of Foreign Assets Control (OFAC), and the Bank Secrecy Act (BSA). Using proprietary tools and algorithms, SBS screens organizations’ customer databases to expose sanctions, Politically Exposed Persons (PEPs), Reputationally Exposed Persons (REPs) found in adverse media, and other high-risk entities. Dealing with the sensitive information of global financial firms, security is essential at SBS. So is reliability, as SBS meets rigorous customer and regulator standards. Finally, scalability is essential as SBS expands its capabilities and takes on bigger and bigger customer databases.

Meeting all these needs since 2006 has been Rackspace, the world’s top provider of IT as a service in today’s multi-cloud world. “There is a repeating theme in all drivers of the SBS relationship with Rackspace: reliability, security, and scalability,” says David Schiffer, SBS founder, president and CEO.

### **Rackspace hosts SBS entity resolution platform and corporate environment**

In 2006 when the Rackspace relationship began, SBS focused on list management of government sanctions lists and other third-party data. Today, SBS’s next-generation SAFE Advanced Solutions Visual Intelligence Platform® handles large databases with ease and brings complex information alive visually for more accurate and efficient entity resolution. Organizations send their customer data files to SBS, which runs the scanning and entity resolution processes. An intuitive dashboard allows authenticated users to log in and view alerts, manage cases, generate reports, and drive decisions. To enable all this, SBS needs a secure IT architecture for scanning hundreds of millions of account records daily. The infrastructure must be highly reliable and scalable for both planned growth and urgent client projects—which sometimes involve data files much bigger than expected. It’s a complex environment, but Rackspace helped bring it all together.

“To help architect the solution, we met with key SBS players to determine their requirements, and stayed in constant communication to build out their infrastructure,” recalls Randall Smith, a Rackspace enterprise support engineer who



works closely with SBS. “After that, it’s ongoing support. They keep us informed about their plans and future growth, and it helps us plan properly.”

Virtualized on the Microsoft® Hyper-V platform, SAFE Advanced Solutions Visual Intelligence Platform runs via Rackspace Managed Hosting, including application servers, database servers, load balancers, and security firewalls—all housed in SOC2 security-compliant Rackspace data centers, fully mirrored for disaster recovery. Rackspace already has upgraded storage to accommodate massive data mining.

“Rackspace has this thing called Fanatical Support,” Schiffer says. “Even the most demanding tough guys on my SBS staff speak very highly about the Fanatical Support we get from Rackspace—their expertise in architecting, security, storage, and scalability, combined with the continuity of having a dedicated team that knows us available around the clock.”

In addition to its VIP platform, SBS has moved its corporate back-office environment—Microsoft Exchange email and other applications, virtualized on the VMware platform—to Rackspace. Both SBS’ offering and corporate environment run on [HPE ProLiant DL380 Gen9 Servers](#).

“You need performance in a server, and reliability,” Schiffer says. “We’d been using HPE servers in-house for many years. When we decided to outsource to Rackspace, it was

natural to continue with HPE, whether for physical infrastructure servers or virtualization. Hosted deployments accelerated from months to weeks to days due to Hyper-V on HPE, enabling us to add new accounts quickly—spinning up virtual machines and getting them all managed by Rackspace.”

## **Fast, accurate results fuel business growth**

With its infrastructure and methodologies in place, SBS meets customer SLAs for sub-second turnaround of web service calls so that, for example, when a broker-dealer opens a new customer account online, SBS returns results within one second. Using its patented risk-ranking methodology and alert-scoring framework, SBS delivers a prioritized hierarchy of alerts with the highest risk and greatest likelihood of being true. This saves organizations from getting flooded by unnecessary alerts. “We get generally under one percent false positive hit rates, which is an order of magnitude less than the competition’s five percent to 40 percent,” Schiffer says. “And rather than just give them a group of alerts, we score them in a priority order.”

SBS has been written up in *The New York Times*, covered by ABC News, and even featured in a thriller novel. Schiffer has met with the investigative teams of the U.S. Senate Commerce Committee and the U.S. House Committee on Homeland Security. SBS enjoys industry recognition including

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## Customer at a glance

### Application

Entity resolution and data visualization platform and back-office corporate applications

### Hardware

- HPE ProLiant DL380 Gen9 Servers

### Services

- Rackspace Managed Hosting: application servers, database servers, load balancer, firewall
- Rackspace Fanatical Support®
- Rackspace Managed Security

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“By moving to Microsoft Hyper-V with HPE ProLiant servers behind it, SBS can scale its client services platform faster and maintain reliable uptime.”

– Randall Smith, Enterprise Support Engineer, Rackspace

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Chartis RiskTech 100® Customer Satisfaction; IDC FinTech’s Top 100 FinTech companies worldwide; and Aite Group’s Best in Class Watchlist Filtering Solution. One customer wrote that after using two other sanctions screening services for more than a decade, turning on the SBS service turned up two previously unidentified OFAC hits, including someone who had been imprisoned in Gitmo. “We’re a privately owned business and we’re competing and winning awards against major companies,” Schiffer says.

Such success is fueling growth at SBS. The company’s revenue grew 40 percent in 2017, and entered 2018 on track to do the same. Now SBS plans to expand globally, where Rackspace’s network of international data centers will enable SBS to serve clients that are restricted from bringing data into the United States.

“We wouldn’t be in the same business without Rackspace; I’d be producing software and just sending it out to banks,” Schiffer says. “Our partnership with Rackspace is critical to our business success in this managed services environment. Right now, SBS employees have thousands of Rackspace workers behind the scenes enabling us to broaden our global scope and compete with the biggest players in our industry. Rackspace is integral to our roadmap of the future. That’s bad news for bad guys.”

Learn more at  
[hpe.com/solutions/cloud-delivery](https://hpe.com/solutions/cloud-delivery)

## Our service provider

