



How Bakkt Uses Unit21 to Get to a 15% False Positive Rate

Compared to an industry average of 90 – 95%

On the heels of their recent IPO, Bakkt is seeing great momentum for their real-time transaction processing engine, built to leverage the latest cloud technologies for increased adaptability, scalability, and security.

Bakkt began in 2018 with the vision to bring trust and transparency to digital assets. Bakkt unlocks the 1.20+ trillion digital assets that are currently held in cryptocurrencies, rewards and loyalty points, gaming assets and merchant-stored value. Consumers can now liquidate digital assets to trade, transfer and pay in any way. Also, merchants can lower costs of payment acceptance, enhance customer engagement and decrease loyalty liability through a variety of redemption options.

Kailey Klein, CAMS, joined Bakkt in 2019 and today is Bakkt's Compliance and AML Officer. We recently spoke with Kailey to learn about her experience with Unit21 and how it's helping her automate her transaction monitoring processes. Here is what she had to say, in her own words.

Some Background on Bakkt and What Makes it Unique

Bakkt is a digital asset platform that combines many different transactions. We have the ability to buy and sell crypto and gift cards at a discount. We partner with loyalty merchants — think of all the ways you can earn points, like airline points. Sometimes people can't use them and we're providing consumers the ability to convert their points to cash or bitcoin. You can also convert those gift cards you will never use to cash.

Our customers are individuals residing in the U.S. We have future plans to expand but we have to get our systems and processes in place in the U.S. first.

Our motto is "Find money you never knew you had." We are building that out and bringing merchants onboard. We are a combination of all things digital assets; we don't specialize in one area — we are the full package.

In terms of what growth looks like at Bakkt, we will see growth when we can really build out a fraud system. We are very solid from an AML perspective, but compliance in my company is in charge of fraud, whereas in most companies they are usually separated. I know that compliance will

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have taken a major step when we can get fraud under control. Right now we are at 500,000 customers and our goal is 9M customers, so in a year, I hope to grow from a team of 8 to a team of 20 because Bakkt has grown that much.

Reducing SARs Management Time By At Least 66%

Unit21 provides us with alert management, case management and report filings. We track everything from alerts to cases to SARs right in Unit21. But SARs management is my favorite thing. I've always had to file SARs manually, so the ability to have templates set up for me and data pulled in

to review all of them. With Unit21, I can be in one system, click on everyone's SARs, review them and submit. I never had an automated system in any of my previous jobs. There were a lot of manual processes.

Automatic Transaction Monitoring with a Baseline of 15% False Positive Rate

Instead of industry averages of 90 – 95%

We engaged with Unit21 because we were trying to solve every problem from a transaction monitoring perspective. We needed to have a system

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when customers are connected saves our whole team so much time. Before we were manually typing in every box of a SAR, having to log in to the BSA website, and manually submit it. Unit21 has cut out so much wasted time for us.

Using the old way, a SAR would take 90 minutes or more with the narrative. Now we can file a SAR in 20 minutes. That is the biggest time-saver for me because everyone files their own SARs but I have

that isn't relying on our eyes when reviewing accounts. We need to be able to set up rules and automatically get alerts on our 500,000 customers. So Unit21 is solving our biggest problem by monitoring hundreds of thousands of customer accounts. And the best thing is that we have been able to achieve a steady 15% false positive rate. That is a huge deal in an industry where 90 – 95% is the norm.

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I think Unit21 is going to be a huge help with our first-ever AML Audit. Pulling data is going to be so easy. From a time perspective and how we document things, it's going to be very nice for the auditors. They will like how everything is in one system and how everything is easy to pull. It's just going to make my life so much easier. There'd be no way to monitor transactions without Unit21. With the sheer number of transactions and accounts — we'd be done for. Without Unit21, we would be nailed in the audit by the regulators who would say we have nothing in place to prevent money laundering.

Unit21 is going to prevent us from getting regulatory fines with their case management and extensive documentation that can easily be pulled. It's going to help us stay in line with what our regulators expect from a Money Service Business like us.

UNITED STATES

15% False Positive Rate Compared to an industry average of 90-95%

Second-to-none Customer Service

I'm the top manager in compliance, and when I first started with the system, I felt like a deer caught in the headlights. We went live and I didn't know how to get started on a rule. I didn't know how to create a rule. Then I received excellent training and all kinds of documentation, and I was ready to go. I went from feeling lost to feeling like I was in the know and can manage the system.

Customer service is on top of everything. I don't have to wait two days to figure out why I'm having an issue. Reps are engaged and reach out to me more than I reach out to them. They are very customer-facing and willing to get their hands dirty. Unit21 asks us if we are having issues, rather than us having to come to them. The customer service is outstanding, and the team is able to answer any question or problem in 10 minutes. We have tons of vendors and I don't have anyone as responsive.

“Unit21 is truly a blessing and they make my life easier. That's all I can ask for. The automation is everything I needed, so I'm very happy. I tell my boss we can never get rid of Unit21!”

Kailey Klein, Compliance and AML Officer at Bakkt



The other thing I really love is that Unit21 is consistently re-designing the product to be more user-friendly. They take feedback and continuously strive to make changes, adapting their offering based on customer wants and needs, and a lot of companies don't do this.

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Recommending Unit21 To Others is Easy

If you want a partner who is there for you and one who cares, responds quickly, is on top of it, who makes sure they respond in a timely manner, you want Unit21. If I don't respond to an email, Customer Support is following up to make sure the solution they proposed to me worked.

I also love the community slack channel and how collaborative it is. All of the different companies who are using it bring ideas to the table. I've never seen that before with another vendor. That network of people using the system to get tricks and tips from each other is more valuable than people realize.



\$100B+

Activity Monitored

Unit21 has monitored over \$100B+ in transactions and counting. We have protected our customers against hundreds of millions of dollars of fraud loss and money laundering.



60%+

Reduction in False Positives

Customers are able to immediately see a magnitude decrease in false-positive rates. Our customers have more bandwidth to focus on what matters.



20M+

Users Protected

Our customers have been able to protect over 20M users from fraudulent activity. We help our customers enhance their end-user experience and build brand trust.

Backed by Google, Tiger Global Management, and other leading investors, Unit21 is redefining how risk and compliance teams fight financial crime. Unit21's fully customizable no-code platform provides a simple API and dashboard for detecting, investigating, and reporting on fraud, money laundering, and other sophisticated risks across multiple industries. Combining Know Your Customer (KYC) identity verification, transaction monitoring, and outlier detection, and suspicious activity report (SAR) case management, Unit21 streamlines every aspect of risk and compliance operations. Unit21 is based in San Francisco, California.

If you are interested in discovering how Unit21 can help your risk and compliance teams fight financial crime, [contact us](#) or [schedule a demo](#) today.