



HFS Hot Vendor: AML RightSource

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Introduction

The HFS Hot Vendors are an exclusive group of emerging players, each with a differentiated value proposition for the HFS OneOffice or HFS OneEcosystem. HFS analysts speak with numerous exciting startups and emerging players.

We designate a select group as HFS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice and/or OneEcosystem Frameworks. The HFS Hot Vendors may not (at the time of writing) have the scale and size to be featured in our Top 10 reports, but they have the vision and strategy to impact and disrupt the market.

Disrupting the people-based model for AML services with optimization technology

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AML RightSource is a financial crime managed services specialist going deep on automation to help financial services firms optimize financial crimes operations. The US-based provider of risk and regulatory compliance consulting and outsourcing services has deep specialization in (as its name suggests) anti-money laundering (AML), know your customer (KYC), and Bank Secrecy Act services. As the war for talent rages amid the continued "Great Resignation," AML RightSource is well-positioned to offer the specialist resources its clients may lack, using regulatory technology (regtech) automation.

Founded in 2004 in the aftermath of the September 11 terrorist attacks in the US to help regulated financial institutions identify and report suspicious financial activity, AML RightSource surfed a groundswell of regulatory requirements related to the global financial crisis and AML - related monitoring of firms. The firm built its reputation initially with the community and local banks as a specialist in project-based surge needs and, eventually, outsourced multi-year projects.

In 2017, it attracted the attention of Clarion Capital, which invested an undisclosed amount and helped the firm with its organic growth agenda, expanding its footprint across the US and into Canada. In 2020, Clarion sold AML RightSource to Gridiron Capital for an estimated \$425 million. With the support of its new parent, AML RightSource rolled through 2021 in a blur of inorganic growth, [acquiring five companies](#) along the way. The acquisitions supported geographic footprint expansion into Europe and Asia, development of offshore capabilities, and client diversification from financial services to corporate compliance, and it significantly upped its regtech game with the application of emerging technologies to its services portfolio.

One notable acquisition was Quantaverse, bringing its Financial Crime Platform leveraging robotic process automation (RPA), artificial intelligence (AI), and machine learning (ML) to drive down false positives in financial crime identification. AML RightSource is baking regtech automation into its managed services capabilities and responding to a growing array of RFPs for optimization technology.

AML RightSource's clients validated its expertise and availability of skilled resources to manage financial crimes operations. Its regtech automation is regarded as a strong complement to existing transaction monitoring systems, helping rapidly and accurately fast-track investigations. And, crucially, regtech-enabled operations are passing muster with regulators; clients indicate they are passing the audit and regulatory reviews. Current clients also appreciate the training and expertise of AML RightSource's resources and compliment the firm's leadership on being responsive and not overly "salesy."

AML RightSource's client portfolio spans banks, payment exchanges, and financial technology (fintech) and includes purveyors of digital assets like cryptocurrencies and some corporations interested in anti-bribery and corruption. Its fintech business is surging as maturing fintechs strive to satisfy regulatory requirements. With established financial services firms, its US business is growing, powered by services plus regtech automation. As the American regulatory enforcement model spreads overseas and local regulators perhaps grow tired of being beaten up by US regulators, AML RightSource sees strong demand for its US-informed expertise throughout Europe. Expect the firm's non-US revenue and client roster grow substantially through 2022 and beyond.

HFS' take

HFS has designated AML RightSource as an HFS OneOffice™ Hot Vendor because of its mission to disrupt the people-based managed services market for AML services with optimization technology. While HFS tends to cover fast-growth scale-ups as Hot Vendors, AML RightSource's clear-eyed pivot into tech-enablement and its impressive growth make it one to watch. Financial services firms of all sizes and the regulatory bodies that oversee them must recognize that people-based models are error-prone and inherently not scalable. As HFS has written extensively over the years, automation is the ideal complement to augment human capabilities, improving productivity and quality. Quality in the

world of financial crimes means less fraud, money laundering, and terrorist financing.

As AML RightSource continues to grow and scale, it needs to ruthlessly advocate for its people + technology stance. Just throwing people at financial crimes management perpetuates the current reality. A critical part of this equation will be the willingness of financial institutions to embrace regtech automation. They've done it for almost all other facets of their businesses. Financial crimes should not be the exception. Support and continued education of regulators will help enable this.

Vendor factsheet

- **Founded:** 2004
- **Key executives:** Frank Ewing (Chief Executive Officer), Todd Ayers (Chief Financial Officer), Arun Banerjee (Chief Revenue Officer), Jeff Hehr (Chief Commercial Officer), Cory Skinner (Chief Operating Officer), Kevin Kerl (Chief Administrative Officer), Brad Breslin (Chief Delivery Officer), and James Lin (Chief Product & Technology Officer)
- **Headquarters:** Cleveland, OH, with more than 3,500 employees and 10 delivery centers throughout the US, Canada, Europe, and Asia
- **Funding:** AML RightSource is private and owned by Gridiron Capital
- **Clients:** 500+ clients across the top 20 global banks, a strong presence with super and larger regionals in the US, and a growing roster of fintechs

Solution portfolio: Advisory and consulting services, managed services, and enabling technologies to help its clients combat financial crimes

Industry coverage: Specializes in financial services



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries.

Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as "RPA" (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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