



How PrizePool Prevented \$500K in Fraudulent Transfers Using Unit21

Unit21 customer, **PrizePool** was built to incentivize Americans to create a better financial foundation. “PrizePool ups the game of today’s boring, low-growth, savings accounts. It gives customers a fun way to save — one where their money is their chance to win real cash prizes.”

In an effort to understand how PrizePool is successfully using Unit21’s **Transaction Monitoring** and **Case Management** software to manage its risk and compliance operations, we interviewed the CTO and Co-Founder of the company, Joe Woo, to get his feedback and unique insights.

In our conversation, Joe spoke about the psychology behind PrizePool and the genesis of the company.

“The idea actually originated from a Freakonomics podcast which basically described how the vast majority of Americans view saving money as tough and something like 40% of Americans can’t come up with a thousand dollars to cover an unexpected expense. However, over 50% of Americans gamble in some form every year, whether it’s a lottery, casino, fantasy football, or something of that nature which is a \$90 billion dollar industry. That’s where this idea of a ‘no-loss lottery’ came in. Rather than a typical lottery where people buy a ticket and hope for the best, instead, people have the ability to save money and just by the virtue of saving money, it gives them chances to win large cash prizes at no cost to them.”

“Unit21’s Link Analysis and Transaction Monitoring played a key role in helping us identify and investigate this ACH fraud ring. Once we found one bad actor, we were able to use Unit21 to find other related actors that needed to be investigated and suspended.”

Joe Woo, CTO and Co-Founder at PrizePool

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A Little Background: The PrizePool Story

PrizePool was started in 2019 by Joe Woo and Co-Founder Frank Chien, who is the company’s CEO. As their second startup together, they decided to start PrizePool, a FinTech company that’s utilizing incentives, to help Americans develop better financial habits.

However, launching a successful savings FinTech is not without its challenges, especially with regard to risk and compliance. When asked about these difficulties, Joe explained their situation. What it largely came down to was the inability to have a birds-eye view of the transactions happening within their systems.

“Back in the seventies or eighties, one would need to physically walk into a branch to commit fraud.

But now with a few clicks, bad actors can download an app, open an account, get past KYC and start making fraudulent transactions. In today's remote environment, we have a need to catch these activities in real time. And on top of that, we are drowning in data. A key challenge is being able to quickly separate the signal from the noise."

When asked about what triggered PrizePool to begin looking for a solution to these issues, it came down to the fact that they were in the process of rolling out a new **debit card product**. The flow of funds is much faster with debit and, as a result, fraud can happen much more quickly. This new product prompted PrizePool to begin its search for a risk and compliance operations solution.

Ultimately, it came down to the age-old question of whether to build it in-house or buy it from a vendor like Unit21.

Why PrizePool Chose Unit21

The criteria that Joe used for determining the best solution really came down to two main considerations. Was the software going to easily integrate with their data? And was it going to be easy for the team to use?

"We ended up going with Unit21 because it offered the ease of integration we were looking for. And then the quality of service was there too. Anytime

we needed support, the Unit21 team was super responsive. Any issues or questions we had were resolved quickly."

Joe also noted that Unit21's **Link Analysis** feature is a powerful tool for uncovering potential bad actors who may be tied to other identified fraudsters, which was a key selling point for him. He then went on to explain the perceived costs of having to build the same functionality that Unit21 offers in-house and how that would have impacted the team, their productivity, and their customers.

"Building this software in-house would've required a lot of engineering support, which would have meant tying up our engineering resources. However, with Unit21, we can focus on adding more value to our end-users as opposed to building more internal tooling."

How Unit21 is Helping PrizePool Drive Impact

Since implementing Unit21, PrizePool has been able to set up dozens of rules that alert the team of any suspicious activity requiring investigation. When asked about his experience setting up the rules inside the system, he said, "it's easy to create rules, test them, and see if there is a good 'signal-to-noise' ratio before rolling them out. That's pretty powerful."

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Aside from helping the PrizePool team experiment and iterate on the rules, Joe noted that Unit21 is doing the work of at least two people, which is saving the team time and making them more productive and effective at catching instances of fraud.

In fact, **the PrizePool team was able to prevent over \$500,000 in fraudulent transactions** using Link Analysis and transaction monitoring alerts within the first three months of using the Unit21 platform.

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When thinking about ROI, this case alone demonstrates the potential power of the software when wielded by an experienced team and the potential impact a platform like Unit21 can have on a company’s bottom line, even in the short term.

Unit21 as a Partner: Closing Thoughts

A discouraging reality of today’s digital world is the growing prevalence of fraud and the shifting nature of these threats and attacks with the onus of detection being thrust upon financial organizations like PrizePool. Fortunately, solutions like Unit21 are available to aid in the prevention of these nefarious activities, making it so financial organizations have an easier task at hand.

After speaking with Joe, it became clear that the partnership has been paying off by giving the PrizePool team more time and resources to focus on making their product even better for their customers, all while helping them avoid falling victim to financial crime.

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PrizePool wants to make building a financial foundation easy, and they’re doing so by incentivizing people to make the most educated choices for their financial life. As their partner in risk and compliance technology, we are excited to play a key role in helping to bring their vision to light.



80%+

Reduction in False Positives

Unit21 customers see a significant decrease in false positive rates. Teams become more effective since they can focus on what matters.



\$100B+

Activity Monitored

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



50%+

Reduction in Fraud Losses

The enhanced detection and operational efficiency afforded by Unit21 enables customers to achieve more accuracy and cut fraud losses in half.

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.*