



**Routable**

*Know your  
payee: AI-  
powered  
compliance  
for modern  
workflows*

# Introduction

## The evolution of AI in finance

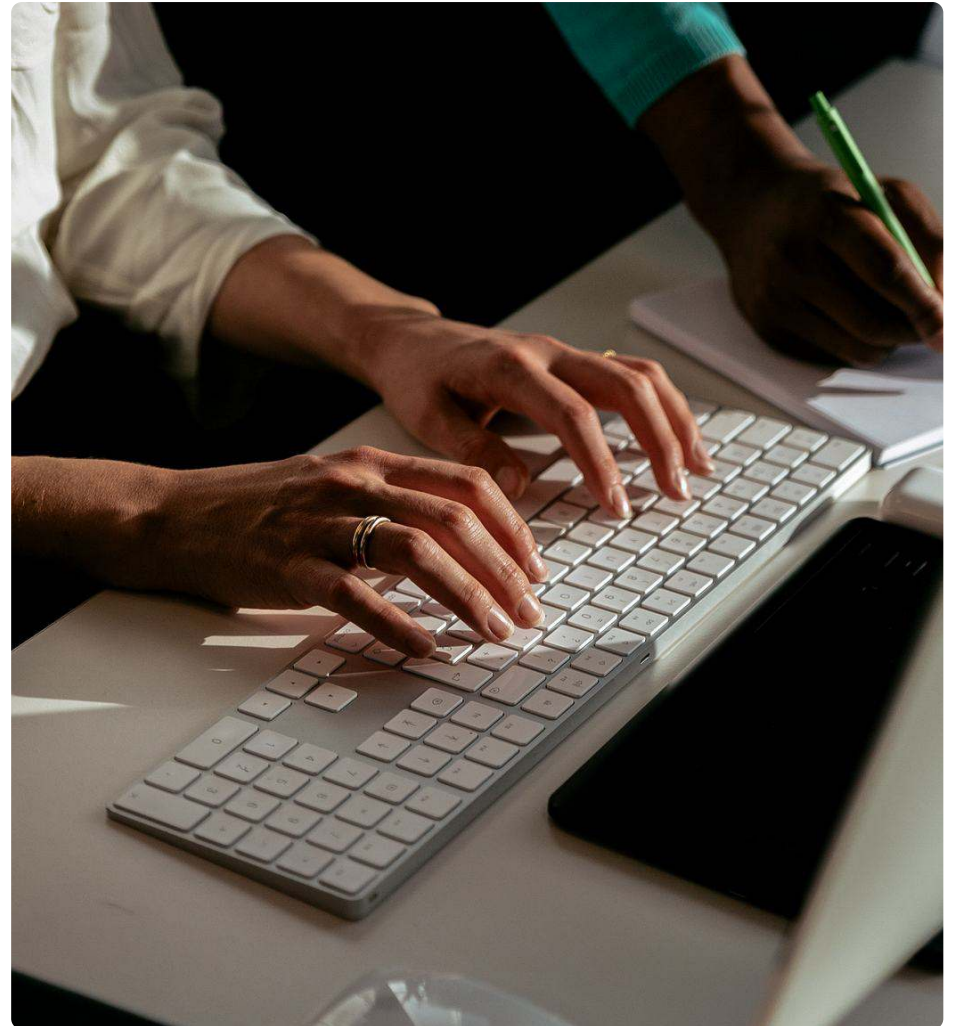
Accounts Payable teams are caught in a difficult balancing act: processing payments quickly while meeting ever-growing compliance demands.

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AI represents a practical solution to this everyday challenge, helping businesses manage vendor relationships more securely without sacrificing efficiency.

Manual processes simply can't keep up anymore. They're slow, error-prone, and increasingly vulnerable to sophisticated fraud schemes.

As regulations grow more complex, finance teams need adaptive solutions. This is where AI shines—continuously learning and improving to keep you compliant without constant manual updates.



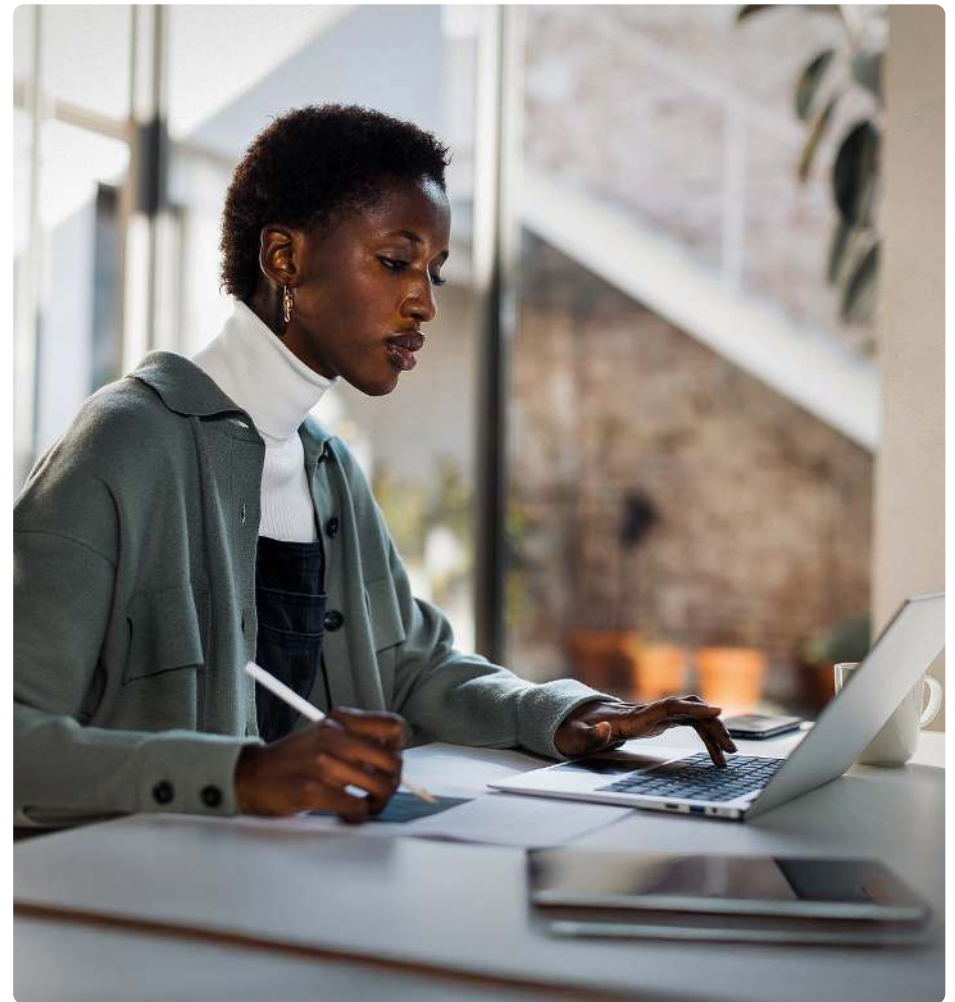


# The growing threat of fraud

**Financial fraud has become an urgent business risk in today's digital payment landscape.**

As companies digitize payment processes, fraudsters have developed increasingly sophisticated techniques:

- Business email compromise attacks have increased by over 65% between 2017 and 2023, with the average attack costing businesses \$130,000 per incident, according to the [FBI's Internet Crime Report 2023](#)
- Invoice fraud schemes cost businesses billions annually, with research from the [Association of Certified Fraud Examiners](#) showing that over 74% of organizations reported attempted or successful attacks in their 2022 study
- Payment diversion tactics have evolved into highly targeted attacks, with criminals exploiting verification gaps between systems
- Supply chain infiltration allows fraudsters to pose as legitimate vendors, often remaining undetected for months

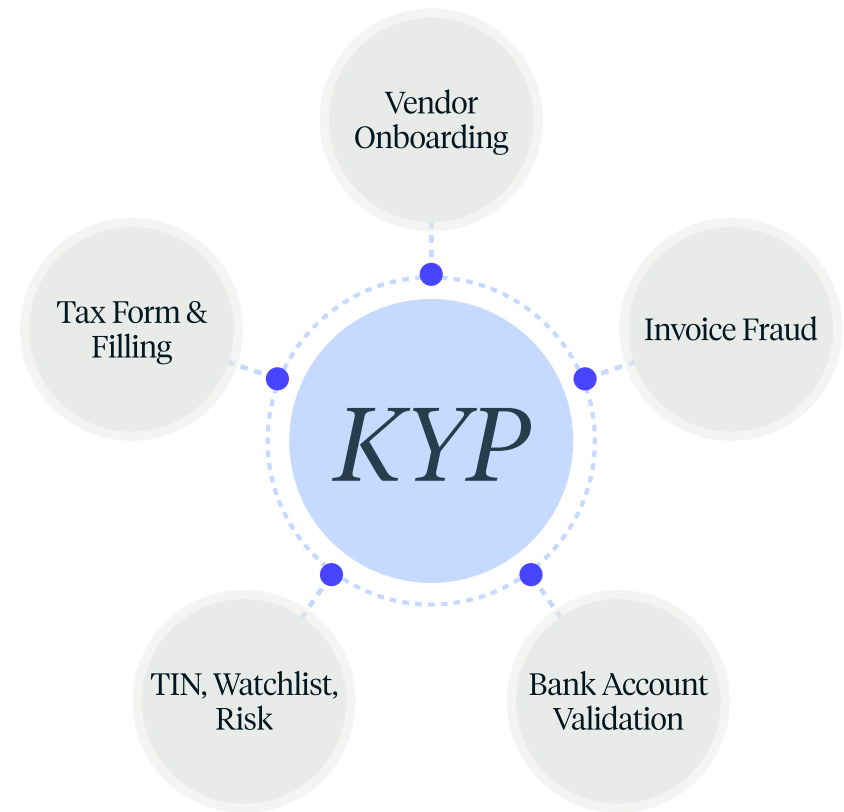


Many AP departments find themselves in a difficult position: they need robust security measures but can't afford to slow down payments or frustrate vendors. Traditional verification processes often require multiple manual steps, document uploads, phone calls, and lengthy approval chains - creating bottlenecks that delay payments and strain vendor relationships.

# Why KYP matters: *Beyond basic verification*

Know Your Payee (KYP) takes a holistic approach to vendor management that goes beyond simple verification. While Know Your Customer (KYC) and Know Your Business (KYB) are standard in financial services, KYP addresses the specific challenges facing AP departments:

- **Tax compliance across vendor types** - From corporations to sole proprietors
- **Early fraud detection** - Identifying payment anomalies before fraud occurs
- **Audit-ready documentation** - Maintaining complete records for all vendor relationships
- **Streamlined onboarding with robust security** - Using intelligent risk assessment
- **Sanctions screening** - Preventing payments to sanctioned entities through automated checks
- **Regulatory compliance** - Reducing penalty risks through continuous monitoring

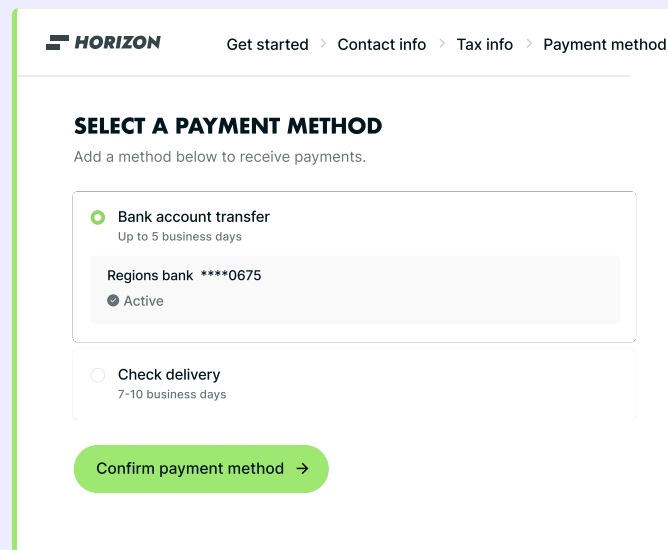


For businesses processing high volumes of payments, manual KYP processes are inefficient and they're practically impossible at scale. Research from the Institute of Finance & Management suggests that comprehensive vendor verification can increase AP workload by 15-25% without technological assistance.

The regulatory landscape continues to evolve rapidly, with new requirements emerging regularly. Organizations need systems that adapt to changing compliance standards without constant reconfiguration.

# AI-enabled KYP across the payment lifecycle

Modern AI solutions transform how businesses manage payee relationships through targeted technology addressing specific challenges throughout the payment lifecycle:



The screenshot shows a web interface for HORIZON. At the top, there's a navigation bar with the HORIZON logo and a breadcrumb trail: "Get started > Contact info > Tax info > Payment method". Below this, the main heading is "SELECT A PAYMENT METHOD" with a subtext "Add a method below to receive payments." There are two payment method options: "Bank account transfer" (selected with a green dot) and "Check delivery" (unselected with a grey dot). The "Bank account transfer" option includes details: "Up to 5 business days", "Regions bank \*\*\*\*0675", and a radio button labeled "Active" which is selected. At the bottom, there is a green button labeled "Confirm payment method →".

## Vendor onboarding

AI-powered systems create a secure, streamlined onboarding experience by:

- Intelligently analyzing submitted documents to extract key information
- Detecting potentially fraudulent submissions by examining document structure and patterns
- Adapting verification intensity based on risk factors
- Creating complete audit trails that document every step

# Tax and regulatory compliance

AI simplifies tax compliance through:

- Real-time TIN validation against government databases
- Intelligent determination of required tax forms based on vendor profiles
- Bulk actions to run compliance checks on all applicable vendors
- Watchlist validation against over 6,000 watchlists

**mono** — Get started > Contact info > Tax info > Payment method

### Add your W-9 tax information

Business  
e.g Corporation

Individual  
e.g Freelancer

Business legal name

Mono Inc

Business type

C-Corporation ^

Business EIN

23-563800

**R** Compliance issues found which will prevent this payment from initiating

Stellar Solutions

Bill #SA-748439 \$50,000.00 USD

Overview Messages & history

Attachment 1 of 3

Status Compliance hold

Bill

Invoice date September 1	Due date December 15	Posting period September
Department Marketing	Account None	Class None
Memo Payment for services provided in August		Tags Amount over

# Fraud detection

AI enhances fraud detection by:

- Establishing unique behavioral baselines for each vendor relationship
- Analyzing thousands of data points across invoice history
- Continuously adapting to new fraud techniques without manual rule updates
- Flagging suspicious activities while providing specific risk context

# Payment security

AI secures the payment process through:

- Multi-layered validation of payment destinations
- Continuous monitoring for suspicious account changes
- Risk-based verification that applies appropriate scrutiny where needed
- Real-time screening against global watchlists and sanctions databases

New bill ERP Connected

High risk

ACME CORPORATION

Acme Co.  
123 Main St, New York, NY 10001  
123456789

Bill to: Acme Consulting  
456 Main St, New York, NY 10001  
987654321

Invoice # 0044760  
Invoice date 2024-10-26  
Invoice due 2024-11-01

Item	Description	Qty	Rate	Amount
Cloudy Computing	Cloud Storage Services	100	\$5.00	\$5,000
Ultimate Mail	Weekly News Digest	99	\$1.00	\$9,900
Connect On-Demand	Weekly Update	100	\$0.50	\$5,000
Finance Fuel	Emerging Market Index	75	\$1.00	\$7,500
Midnight Recovery	Comprehensive Face ID	100	\$0.80	\$8,000
Super Road Rally	VPN Defense 24/7	100	\$0.50	\$5,000
Armored	Advanced Encryption Mask	200	\$0.50	\$10,000
Ultra	Facial Dream	400	\$0.50	\$20,000
<b>Subtotal</b>				<b>\$44,900.00</b>
				<b>Total \$48,178.80 USD</b>

Bill name: JF Morgan Chase  
Address: 1234 Main St, New York, NY 10001  
Account number: 123456789010  
Routing number: 123456789

Expenses (0) Items (8)

High severity events detected View

AI Agent summary  
We recommend you pause creating this payable as we have detected a high char fraud. This vendor is also missing a W-9 form, which is required before payment.

Move invoice to review

Vendor  
Display name  
Acme Corporation  
Form W-9 missing View last 1

Address changed

Purchase Order  
Linking a purchase order is optional View all POs  
Linked purchase order:  
PO-00015 (Total amount: \$48,178.80) View

Bill details



# Compliance *without compromise*

AI transforms compliance from a burden into a business advantage by:

- Reducing manual effort while improving accuracy
- Integrating seamlessly with existing financial systems
- Creating clear audit trails that simplify regulatory reporting
- Allowing finance teams to scale payment operations without proportional headcount increases

By addressing compliance challenges with AI, companies can protect themselves from fraud while maintaining the payment efficiency that vendors expect.

## Payment approvals

1 All approvers are required



Jayden Howards

Amount is greater or equal to

\$0.00 USD

Department is

Design

or

R&D

2 All approvers are required



Anthony Lee

Amount is greater or equal to

\$1,000 USD

Department is

Design

or

R&D



# Ready to see how intelligent compliance automation can transform your AP operations?

Contact our team today for a personalized demo.

[Request A Demo](#)

# Routable

Routable's Accounts Payable Automation platform offers the most efficient and robust solution to streamline and scale the end-to-end AP process. With automated invoice capture and processing, flexible payment options, and seamless vendor management, Routable reduces manual payment tasks by 80% so finance teams can focus on impact. Routable's deep ERP integrations and configurable approval workflows support complex business requirements with ease. Routable eliminates compliance headaches through detailed audit trails, role-based access, and vendor risk checks. All with an average savings of 30%. AP Automation, solved.