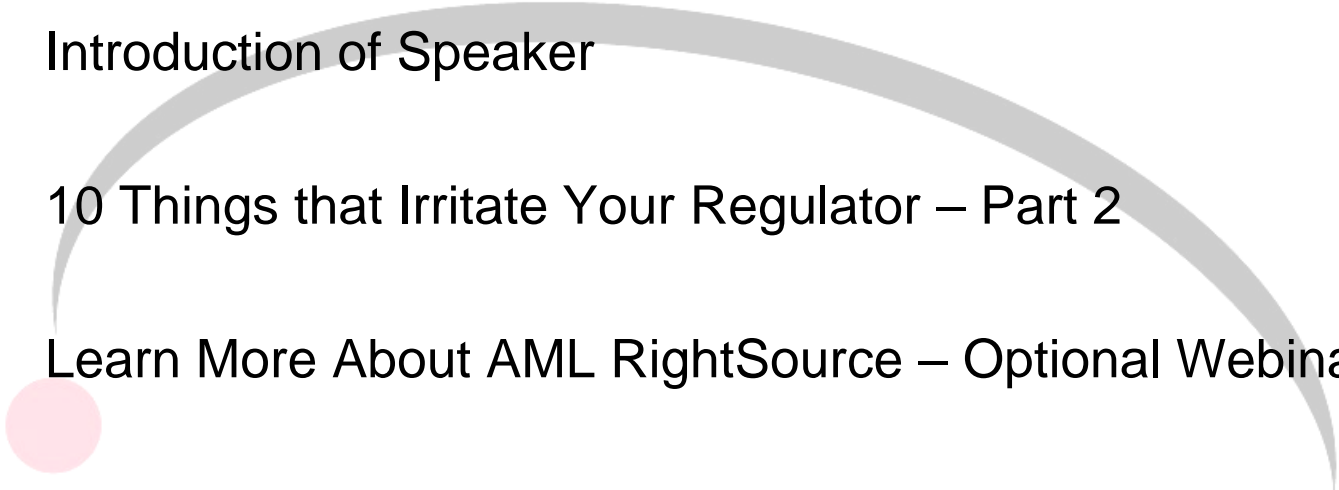




BSA/AML Compliance
Ten Things That Irritate Your Regulator
Part 1

Thank you for joining us
The presentation will begin shortly

10 Things that Irritate Your Regulator – Part I

1. Introduction to AML RightSource
 2. Introduction of Speaker
 3. 10 Things that Irritate Your Regulator – Part 2
 4. Learn More About AML RightSource – Optional Webinar
 5. Question & Answers
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About AML RightSource

- Founded in 2005 by former Deloitte professionals.
- Helped design and implement the first post 9/11 BSA/AML compliance department .
- AMLRS team is comprised of compliance officers and analysts with experience working within the financial institution industry.
- Designed the first and only managed services solution that combines the people, the process, the technology and the knowledge that financial institutions need for a robust BSA/AML Transaction Monitoring program.
- AMLRS services have withstood regulatory audit and review, providing a superior BSA/AML Transaction Monitoring solution.

Speaker Today: Sal Fragapane, CAMS

- 19 years in the banking industry with a focus on internal audit and compliance
- Areas of Expertise: BSA / AML & Consumer compliance regulations specific to banks
- BSA/Compliance officer with a \$10 Billion dollar Savings and Loan
- Currently Chief Compliance Officer for AML RightSource
- MBA – Baldwin Wallace College, BSBA – Finance – Bowling Green State University , CAMS certified

10 Things that Irritate Your Regulator – Part I

The content of this webinar is derived from many years of experience our staff and I have working at and with financial institutions.

In addition, AML RightSource has had several conversations with Regulators over the years about this very topic and our day to day interactions with our bank clients and helping them prepare for, manage, and pass their BSA exams has afforded us plenty of insight.

10 Things that Irritate Your Regulator – Part I

1. Exam preparation

- Not having all the information gathered and ready
- Unclear naming convention for electronic files
- Not applying the contents of the FIEC BSA / AML Exam manual to your program
- Giving the examiner what they ask for and not what they need

Consider organizing a kick off meeting

It is acceptable to contact the examiner in charge prior to their arrival if you have a question or need some guidance

10 Things that Irritate Your Regulator – Part I

2. Not using data that is readily available

- Currency Transaction Reports (CTRs)
- High Intensity Drug Trafficking Area (HIDTA)
- High Intensity Financial Crimes Area (HIFCA)

10 Things that Irritate Your Regulator – Part I

3. Not being able to justify and support your approach & conclusions

- “We are a low risk institution”
- “We do not have high risk customers”
- “We do not have cash intensive businesses”
- “We do not bank MSBs”

10 Things that Irritate Your Regulator – Part I

4. Risk Assessment – the gift that keeps on giving

Should serve as the starting point of building your BSA program

- After 5 + years – not having an adequate risk assessment
- Not completed – sets a negative tone
- Too thin with not much substance
- Done once and never updated

Your regulator will more than likely start and scope their exam based upon the quality of your risk assessment

10 Things that Irritate Your Regulator – Part I

5. Independent Testing

What is it really?

Can your regulator rely on it?

- Not being conducted by truly independent or qualified staff
- Not following the minimum testing requirements outlined in the FFIEC Exam Manual
- Common gap of not testing the accuracy of the MIS reports
- Not considering the risk assessment in the scope

10 Things that Irritate Your Regulator – Part I

6. AML Department and Fraud Department not Communicating or Sharing Information

- FRAML convergence
- Different case management systems that are not integrated
- Frequently using much of the same data but not sharing insight
- A fraud customer may have AML implications and vice versa

10 Things that Irritate Your Regulator – Part I

7. Training Requirements

- The appropriate personnel are not trained
- The regulatory requirement AND the institution's internal policies and procedures are not included
- The BOD have not been updated with timely and relevant information
- Attendance has not been documented
- Training is a one time event

10 Things that Irritate Your Regulator – Part I

8. Section 311 Special Measures

What is it really?

- Bank's seem to be well aware and on top of FinCEN 314 (a) and 314 (b) – but seem to forget about FinCEN 311

10 Things that Irritate Your Regulator – Part I

9. BSA Officer Role

- Token BSA Officer
- BSA Officer with insufficient authority
- BSA Officer not being officially designated by the BOD
- BSA Officer not provided with sufficient training

10 Things that Irritate Your Regulator – Part I

10. Repeat Findings

- Do not sit well with your regulator
- Repeat program deficiencies relative to the 4 pillars = C&D

Coming Soon... Part 2

10 More Things That Irritate Your Regulator Relative to your BSA / AML Program

Due to the significant demand for this particular topic, in the near future we will be hosting a part 2 webinar to expand upon the items that irritate your regulator relative to your BSA / AML program

Check Bankers Online for upcoming dates and times

Questions and Answers



Please submit your questions now...

The End



Thank You
for
Attending