

## WE STILL HAVEN'T FOUND WHAT WE ARE LOOKING FOR

There are no easy answers, but there are answers

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This edition of the blog covers three bases: early data from a new piece of AML research; highlights from a recent conference; and a heads up concerning a new proposal concerning cross-border wire reporting.

As the headline says, "we still haven't found what we're looking for,"\* but we are joined in our search.

An AML/fraud update: And our survey says!

As I mentioned in my previous blog, ACAMS and Ernst & Young developed a survey to assess where we are with AML and fraud. The result, Linking Fraud and Anti-Money Laundering Programs, provides snapshots of where those two connected areas are with both the government and the private sector.

Major results of the poll of about 700 AML professionals:

- Over half of the regulators polled favored some form of integration between fraud and AML programs.

- Over 95% of respondents plan to spend the same or more on both their AML or fraud programs
  
- 80% of financial institution respondents expect improved investigative efficiencies from combining their programs
  
- Whether supportive of merging or coordinating, a majority believed that cross-training is essential.

The final report on this survey will be available before the end of the year.

#### How the BSA/AML fraternity is changing

Last week, our organization (ACAMS) held its Ninth Annual International Conference, in Las Vegas. It was interesting to witness the many diverse members of the AML community still looking for answers-with the list of questions growing.

Sessions included the traditional discussions on regulatory hot topics; latest schemes and scams; SAR filing issues; and a focus on money-services businesses. New topics, evidence of the growth of AML obligations for compliance officers, included preparing for bribery and corruption issues; addressing internet transactions; the impact of the Foreign Account Tax Compliance Act (FATCA), and the ever-increasing problem of cybersecurity. (Note: ACAMS and ABA will be joining together for a phone briefing on Nov. 30th covering sanctions, yet another AML related topic. Further information will be posted in the near future on ABA's website telephone briefing calendar page And you can read about the upcoming ABA/ABA Money Laundering Enforcement Conference at the end of this blog.)

What this makes clear to all of us in this fraternity, is how much the content of our discipline has changed.

To be effective, a bank compliance officer needs to understand a myriad of laws, regulations, products, and jurisdictional differences. The good news is that members of the government (law enforcement, regulators, and policymakers) all feel an obligation to provide advice to the regulated and to commend the industry for their competency. Government participants are also very interested in industry perspectives and that came through with the questions asked during the many sessions last week.

The problem that remains is how to at least tread water and follow all of these disparate but connected areas. Conference meetings are one way, but not the only way. In the parlance of the 21st Century, AML is a 24/7 process for both the private and public sector. If you are looking for a simple answer-it is not there.

Cross-border wire reporting: Is this what we are looking for?

On Sept. 27, the Financial Crimes Enforcement Network (FinCEN) published a notice of proposed rulemaking (NPRM) on the reporting of cross-border wire transfers by banks and MSBs.

The proposal would require banks and money transmitters to report to FinCEN certain cross-border transmittals. In addition, all banks would have to file a list of taxpayer identification numbers of accountholders who either transmit or receive a cross-border electronic transmittal of funds.

FinCEN Director James Freis had this to say about the proposal:

"By establishing a centralized database, this regulatory plan will greatly assist law enforcement in detecting and ferreting out transnational organized crime, multinational drug cartels, terrorist financing, and international tax evasion."

If you will note, tax evasion is mentioned-yet another area of focus which is relatively new for compliance officers, but being discussed at many AML conferences.

"This additional information will facilitate the utilization of the cross-border data, in particular as part of efforts to combat tax evasion by those who would seek to hide assets in offshore accounts," FinCEN stated.

The question of security regarding tax identification numbers and all seemingly protectable information still looms large.

This proposed rulemaking has a 90-day comment period, so impacted entities from the private or public sector should provide their views on this dramatic issue.

As we debate yet another volume of government-required reporting, I wonder if all sides of this debate will conclude when this rule is final and all information is captured:

"I still haven't found what I'm looking for."

\*Apologies to U2

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- About John Byrne, CAMS  
Byrne is Executive Vice-President of the Association of Certified Anti-Money Laundering Specialists (ACAMS). He has written extensively on AML issues for 25 years and has appeared on television and testified before many congressional committees on AML-related policy issues. Prior to joining ACAMS, John was the Global Regulatory Relations Executive at Bank of America. Previous to that, he worked for the American Bankers Association for 22 years and was responsible for ABA's lobbying, regulatory, and educational efforts on money laundering, and other compliance issues. He received the ABA's Distinguished Services Award and was also the first private sector recipient of the "Director's Medal for Exceptional Service" from the Treasury Department's Financial Crimes Enforcement Network (FinCEN). Byrne can be e-mailed at [jbyrne@acams.org](mailto:jbyrne@acams.org).

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- FORMER LAUNDERER'S DUE DILIGENCE TIPS ON TAP: Banking lawyer-turned-launderer-turned-consultant Ken Rijock warns bankers never to reveal reasons when turning down prospective customers. Read his tips given at ABA's 2010 Regulatory Compliance Conference

- HELPFUL LINKS: 2010 American Bankers Association/American Bar Association Money Laundering Enforcement Conference: This longtime favorite of the compliance fraternity returns in 2010 with a new, up-to-the-minute program, live, in the nation's capital. The conference is set for Oct. 17-19 at the Washington Marriot Wardman Park Hotel, Washington, D.C. For further information, [click here](#).