

'CATCH ME IF YOU CAN': REWARDING CRIMINALS? OR LEARNING FROM EXPERTS?

Make sure you're getting the freshest criminality

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It has always intrigued me on how we learn from mistakes, whether intentional (and thus not a mistake) or because of negligence or some other deficiency.

This quandary is top of mind with the recent Broadway production of "Catch Me if You Can," from the book and movie about the life of convicted criminal, Frank Abagnale, Jr. (Note: The title also comes from a mid 60's Dave Clark Five tune for those of you keeping track of my lame use of songs for AML-related purposes)

Abagnale was convicted of engaging in millions of dollars of check fraud in the 1960's and eventually became a paid resource for both law enforcement and the financial sector in stemming such fraud. Whether the banking industry should acknowledge the schemes of Abagnale was the basis of an intense debate at the ABA when I was there working on security-related issues.

Many of our banker committee members flatly told me they would never attend a conference that allowed Abagnale to speak, a position that seemed to change once the Leonardo DiCaprio movie about his life came out and was a financial and critical success. However, it never really changed for the security professionals in banking.

Abagnale was invited and did speak at an ABA Convention, and I sat through his 35- minute presentation (timed to the minute since he had performed many times, by the way) and, while it was touching and entertaining, I could not help but notice that the scams he engaged in were so dated, it was like a speaker telling a high school class today about land-line phones. At least for me, the most interesting thing about the presentation was the story of how an ex-con turned his life around. (Although many would suggest he changed it for a very lucrative new career.) In a new album by one of my favorites, Paul Simon, he writes, "Life is what we make of it, so beautiful or so what." Had Abagnale simply gone away after prison, his youthful check schemes, would have been, "so what," by now.

Abagnale is not the only former criminal that is now offering their expertise to our community. I have heard presentations from those convicted of money laundering as accountants or private bankers that now explain how to adjust an institution's compliance program to improve controls and reporting processes. These presentations also suffer from providing outdated schemes that are now covered by new laws or regulations. To be fair, several have figured this out and have added current examples so that their presentations remain useful to the AML community.

The key for all of us is to not reward the criminal for their acts, but for their information that assists us in our goals to prevent future violations of law. As long as we understand that distinction, both sides can win.

Ensuring AML professionals continue to broaden their horizons: Incident Management

My former employer, the ABA, continues its delivery of a vast array of essential information and resources to their membership because they know that the right folks in the bank will receive the relevant information. At ACAMS, our communications are more of a challenge, because we are trying to ensure that the AML professionals receive relevant and timely information, even if the individual is not aware of the relevance. One such example is "incident management."

Responding to an incident may seem to be the same as preparing a business continuity plan, but it is a broader discipline.

ACAMS has just held a webinar on this topic for our entire membership and the information provided focused on returning to normalcy (business continuity) and documenting a "concept of operations" for the organization in such disparate areas as external and internal communications and staying compliant with regulatory requirements. One of the many keys for a successful incident management plan is to ensure the safety of people-contractors, staff, and customers.

In the 1980's, anti-money laundering staff only needed to know cash reporting; now the breadth of what we must know, knows no bounds.

Just add incident management to the list.

- 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.

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HELPFUL LINKS: 2010 American Bankers Association/American Bar Association Money Laundering Enforcement Conference: This longtime favorite of the compliance fraternity was recently held. For those unable to make it to the live conference, recordings, synched to PowerPoints, are available in multiple formats. [Click here](#) for details from ABA's audiovisual vendor.