

'TEN YEARS AFTER,'* WHERE ARE WE?

Lessons learned, and lessons that need to be learned

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I would never be so presumptuous as to think I could have a view of the ten years since 9/11 that would be dramatically different than others. Instead, it seems that simply reporting on some of the events in the past week that touch on this important memory makes the most sense.

By the way, the title of this blog is not a reference to Alvin Lee's band, which played at Woodstock, nor will I try to incorporate several notable songs that mention "freedom."

Many have paid tribute to the victims of Sept. 11 and the first responders who sacrificed so much to assist in the days and months after that tragic day. (Note: I want to thank ABA Banking Journal for allowing ACAMS to mention the webinar we produced on September 9, since the proceeds are going to 9/11 first responders.)

Looking back, looking forward

What we need to recall is what the financial AML environment looked like pre-9/11 and what we know (or need to know) ten years after.

Three particular events present a view that warrants repeating.

Treasury anniversary presentation. On Sept. 8, I was honored to be invited to a U.S. Treasury Department symposium: "Ten Years Later: Progress and Challenges in Combating the Financing of Terrorism since 9/11."

You can go to the Treasury website to read the speeches and keynote addresses, and there was certainly some valuable information from panel discussions. Among the items covered were illustrations of how complex and diversified threat finance has become. There were also important updates covering such issues as the rise of homegrown extremists and current efforts of terrorists to move and raise money from traditional criminal actions such as bank robberies and the rise of kidnapping for ransom.

What was amazing (and actually quite sad) was the absence of certain important elements to the terrorist financing prevent efforts.

An event recognizing the progress of the efforts to address terrorist financing had no representatives from the regulatory agencies. In fact, I spoke to some key AML staff in the agencies as recently as Sept. 12 and they learned of the Treasury event from me. While we in the financial sector have our disagreements with the regulators, no objective observer can say that that part of the government was not essential to training financial institutions on what to monitor and report in the area of terrorist financing.

In addition, the lack of discussion about the important role of the private sector in the days and months after 9/11 was also disappointing and shows a clear need to actually learn from the lessons post 9/11. The private sector was invited to the program and for that we are grateful, but recognizing the efforts of organizations such as the New York Clearing House and the financial sector in New York was warranted.

All in all, ten years later we clearly still need to learn about the importance of inclusion. Terrorist financing prevention demands a comprehensive approach and all parties are engaged and dedicated to this challenge. Mentioning the breadth of entities involved is not enough--your actions are more important.

Looking at the whole picture. On Sept. 9, ACAMS held the webinar I mentioned above, and our presenters gave a much broader view of where we are today. Former and current dedicated public servants such as Dennis Lormel, William Langford, and John Roth covered the immediate actions in the financial sector after 9/11; the passage of the PATRIOT Act; and how terrorist financing remains a difficult crime to prevent and report.

All three see the bigger picture and know many challenges remain. The programs showed we could disagree about certain laws and events but that our goals are shared.

Notable symbol of American freedom. I was at the N.Y. Giants-Washington Redskins home opener on 9/11/11 and the environment was deeply moving. From the unfurled American flag that eventually covered the entire field at the beginning of the game to the chants of fans of both teams shouting "USA! USA!" it was a unifying day.

A sporting event is not remotely in the same category of importance as what the government and private sector do to address terrorist activities.

But it is a great example of Freedom.

The Giants lost, I regret to say, but I would not have wanted to be anywhere else that day.

Late breaking item from FinCEN:

As of this posting, the Financial Crimes Enforcement Network (FinCEN) has just issued a request for comment on "mandatory" electronic filing by June 30, 2012, of BSA documents such as suspicious activity reports (SARs) and currency transaction reports (CTRS).

FinCEN says the impact on banks will be minimal so all should review to determine if that is true. Comments are due in 60 days from publication in the Federal Register.

I have spoken to several regulators who urge the industry to review this proposal.

* Paul McCartney and Richie Havens wrote songs called "Freedom" and CSNY sung "Find the Cost of Freedom."

- 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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