
OFFICIALS WARN BANKERS OF THREATS UNDER THE RADAR

I.G.Y.: "A just machine to make big decisions?" No, as always, up to us

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Every time I return from a conference, I am struck by the mixed emotions and strategies of the participants. Some clearly attend to learn from the panelists, share information and best practices with peers, and leave with a commitment to improve whatever situation they left when they arrived at the program. It is also refreshing (even after all these years) to witness panelists from the government who want to share concerns and challenges and sincerely hope that the audience will benefit from the information they disseminate.

On the other hand, we must acknowledge that some seem to attend conferences to complain; make statements rather than ask questions from the audience; and argue that all regulations are ineffective.

For these folks, success in AML and related areas is not only illusory, it is impossible to attain with that attitude. Similarly, those in the government that argue that the current statutory and regulatory systems are inadequate, or that the financial sector is not committed to addressing money laundering and related crimes, remain part of the problem and can never be part of the solution.

Optimism doesn't have to be endangered species

So, what is the AML community's perspective? Perspective reminds me of a theme of 1982's "The Nightfly" by Donald Fagen and particularly one of the hits, "I.G.Y."

"IGY," or International Geophysical Year (1957-58), was a look back at a time when society was optimistic about what was ahead. Technology and people would improve everything ("a just machine to make big decisions--programmed by fellows with compassion and vision").

Well, clearly that hasn't happened. But all is certainly not lost.

Our 17th Annual ACAMS MoneyLaundering.com Conference actually made me more optimistic that the AML community (excluding the few naysayers) remains committed and connected. Presenters gave us keen insight into a number of areas including the value of private-public partnerships.

What the experts had to say

OFAC Director Adam Szubin thanked the community for their dedication and professionalism regarding sanctions compliance and emphasized the clear successes of these efforts in assisting in causing regime change such as in Libya.

Chris Warrener, the FBI Section Chief for the Terrorist Financing Operations Section, offered a compelling review of terrorist financing cases and made the ironic point that today's successes do not make the front pages any longer.

Warrener also made the point, driven home several days later at a New York briefing by FBI Director Robert Mueller, that the major threat for the private and public sector is cyber attacks. As daunting as this area is for the financial sector, the resources committed by the FBI and other agencies are certainly a welcome development.

Diana Henriques, author of *The Wizard of Lies*, the best-selling story about the Madoff scandal, told this compliance audience that many red flags were missed and investors (many friends and family of Madoff) were taken in by the returns being consistently strong but never "too good to be true."

Even though more obligations for AML professionals is a burden, I was impressed by sessions such as those on global anti-bribery initiatives and how panelists have quickly dealt with such disparate challenges such as the United Kingdom's Bribery Act and the 35-year-old Foreign Corrupt Practices Act (FCPA). It does seem as if AML officers get handed all new (and not necessarily related) requirements because they have shown the ability to respond to operational and legal obstacles.

This conference hosted AML professionals from 36 countries and the themes ran the gamut from the traditional to corruption, elder abuse, regional challenges, and the vast array of new technologies.

The most consistent theme, however, is that the global AML community works best when communication and commitment are strong and as Donald Fagen wrote about another time, based on this dedication-the future looks bright.

- 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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