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THE
BSA
EXPERIENCE

A DEEP DIVE INTO THE BANK SECRECY ACT AND KNOWING HOW TO COMPLY

SECURA
RISK MANAGEMENT

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★

CREDITS

AUG. 20-23 | MIDDLE GEORGIA STATE UNIVERSITY | MACON

THE BSA EXPERIENCE

AUG. 20-23 | MIDDLE GEORGIA STATE UNIVERSITY | MACON

Based on increased demand from BSA professionals, the Georgia Bankers Association is teaming up with **Secura Risk Management** to bring you the BSA Experience which will be taught by legal and compliance professionals, BSA Officers and experts on all compliance pillar requirements. This program is designed to take BSA Officers, Risk Management Officers, Executive Risk Management, Internal Auditors and their teams through all topics that support an effective BSA program. The BSA experience has been developed by using different learning techniques to better equip each participant through instructor led training, interactive education including case studies, small group discussions, and demonstrations of internal controls, systems, reporting, and other types of leading business practices. Participants will leave not only with instructor led presentations but leading business practices and a variety of tools to support their BSA/AML compliance goals. Based on the extent of learning and the depth of the program, the BSA Experience is limited to 50 attendees. This will allow instructors to provide a more controlled learning environment based on the extensive curriculum.

“The BSA Experience was developed as a response to the demand of the industry to create a hands-on educational event that effectively walks participants through the life cycle of a sustainable BSA program based on regulatory guidance and evolving expectations.”

Program highlights:

- > All skill levels will benefit
- > Participants will leave with leading business practice documents
- > 50 bankers maximum enrollment to ensure interaction
- > All-star faculty



Terri Sands, Founder
Secura Risk Management

REGISTRATION

Registration is \$1,495 per person or **\$1,395 per person if two or more people attend from your organization**. Note: Based on the extent of learning and the depth of the program, there is a three-person max for each participating organization and a 50-person cap for the entire program. Registrations will be honored on a first-come, first-served basis. This will allow instructors to provide a more controlled learning environment based on the curriculum.

Register online at WWW.GABANKERS.COM, or submit the form below to GBA's **Shan Haugabrook**, shan@gabankers.com. We will invoice your bank/company or you may call Shan with credit card information, 404.420.2010.

Name: _____

Nickname (for badge): _____

Title: _____

Bank: _____

Address: _____

City, State, Zip: _____

Phone: _____

Email: _____

Sponsorship opportunities are available! For more information or with any other questions, please contact GBA's **Jenna Lynn Warner** at 404.420.2024 or jwarner@gabankers.com.

AGENDA AT A GLANCE

MONDAY

Welcome Reception – *Sponsorship Opportunity*

TUESDAY

9 – 10 a.m. Introduction to BSA/AML Regulations and Applicable Law

10 – 10:45 a.m. Currency Transaction Reporting and Documentation and Monitoring of Monetary Instruments

10:45 – 11 a.m. Break – *Sponsorship Opportunity*

11 a.m. – Noon Understanding Customer Identification Program, Customer Due Diligence and Enhanced Due Diligence Requirements

Noon – 1 p.m. Lunch – *Sponsorship Opportunity*

1 – 2 p.m. Beneficial Ownership Requirements, Triggered Events and Ongoing Monitoring

2 – 3 p.m. Effective Identification of High-Risk Entities and Individuals, Geography, and Products/Services at Account Opening and throughout Duration of Relationship

3 – 3:15 p.m. Break – *Sponsorship Opportunity*

3:15 – 4:15 p.m. Enhanced Due Diligence Documentation Requirements: Writing a Comprehensive High-Risk EDD Review

4:15 – 5:15 p.m. Suspicious Activity Reporting Requirements: Identification, Reporting and Ongoing Monitoring

WEDNESDAY

9 – 10 a.m. Writing Effective SAR Narratives and Reviewing Ongoing Suspicious Activity

10 – 11 a.m. Two Part Session on FINCEN and OFAC: Part 1: Law Enforcement Inquiries, 314a, Subpoenas, and National Letters), 314b and State Department Of Banking Requirements.

11 – 11:15 a.m. Break – *Sponsorship Opportunity*

11:15 – 12:15 p.m. Part 2: OFAC Requirements and Financial Institution Responsibilities

12:15 – 1:15 p.m. Lunch – *Sponsorship Opportunity*

1:15 – 2:15 p.m. Implementing Artificial Intelligence (AI) and Data Analytics in your AML Program

2:15 – 3:30 p.m. Documenting a Comprehensive BSA/AML/OFAC Program and Risk Assessment

3:30 – 3:45 p.m. Break – *Sponsorship Opportunity*

3:45 – 4:45 p.m. Best business practices for performing high-risk onsite visits: Identification of Suspicious Activity

4:45 – 5:30 p.m. AML Responsibilities for Correspondent and Respondent Relationships

THURSDAY

8:45 – 10:15 a.m. AML System Controls and Requirements: Using Automation to Identify and Report

10:15 – 10:30 a.m. Break – *Sponsorship Opportunity*

10:30 a.m. – Noon Requirements for Banking Inherently High-Risk Relationships

Noon – 1 p.m. Lunch – *Sponsorship Opportunity*

1 – 2:30 p.m. Requirements and leading Business Practices for Complying with the Training Pillar

2:30 – 3:30 p.m. BSA/AML/OFAC Officer Requirements and Ongoing Responsibilities for Ensuring the Program is Effective and Sustainable

3:30 – 3:45 p.m. Break – *Sponsorship Opportunity*

3:45 – 5 p.m. BSA Program Reporting, Management and Board of Directors Responsibilities

FRIDAY

9 – 10 a.m. BSA Program Model Validation

10 – 11 a.m. Independent Testing

11 a.m. – Noon BSA Regulatory Consent Orders and Lessons Learned

CURRICULUM (COLOR CORRESPONDS TO DATE ON AGENDA)

Introduction to BSA/AML Regulations and Applicable Law

This session serves as the foundation of BSA and an overview of applicable regulations, laws, role of the government in the BSA and a working knowledge of money laundering activity. This will provide attendees with a primer of BSA/AML/OFAC responsibilities and outline criminal penalties for money laundering, terrorist financing, violations of the BSA and civil penalties for violations of the BSA.

Speaker: Harry Dixon, III, MUFG, Vice President of Global Financial Crimes Policy Development



INTERNAL CONTROLS

Currency Transaction Reporting, Documentation and Monetary Instruments

A financial institution is required to file a Currency Transaction Report (CTR) for each transaction in currency which includes a deposit, withdrawal, exchange or other payment or transfer) of more than \$10,000 as a single transaction or in an aggregate. Also, this session will cover the recordkeeping requirements for the purchase and sale of monetary instruments in amounts between \$3,000 - \$10,000. This session will take attendees through CTR requirements, when financial institutions may exempt a customer based on Phase I and Phase II exemptions, how to monitor and frequent audit findings based on known gaps in a financial institutions CTR process.

Speaker: Doug Mims, Partner, Carr, Riggs & Ingram



Understanding Customer Identification Program, Customer Due Diligence and Enhanced Due Diligence Requirements

This session will provide attendees with the specific requirements for the customer identification program highlighting required vs. optional documentary and non-documentary evidence of a consumer and a business. This session will take attendees through the account opening process of performing customer due diligence including what information to obtain, best business practices for identifying inherent risk of the consumer and business and when to move to the next level of enhanced due diligence for higher risk clients including but not limited to additional verification and documentation requests, site visits and an ongoing review of the client. Attendees will participate in a mock account opening process and will have the opportunity to risk rate based on predetermined criteria.

Speaker: Jesse Morton, Stout Consulting, CPA/CFF, CFE, CACTS, J.D., LL.M., Director of Dispute Consulting



Beneficial Ownership Requirements, Triggered Events and Ongoing Monitoring

Beneficial ownership is an important pillar of compliance for identifying the individuals behind the business relationship. On May 11, 2018, financial institutions changed their account opening procedures from identification of the business to the identification of the individual for required transparency of the owner with the most benefit and or control over the relationship. An important FinCEN requirement for law enforcement to have better visibility into individuals who hide behind business entities. This session will take attendees through effective identification of these beneficial owners and controllers, the triggered events using a risk-based approach and how to effectively and practically manage the ongoing risks of the newest BSA pillar requirement.

Speaker: Steven Bunn, CAMS, At-Risk Adult Crime Tactics Specialist Asst. BSA Officer, Cadence Bank



Effective Identification of High-Risk Entities and Individuals, Geography, and Products/Services at Account Opening and throughout the Duration of the Relationship

This session will dive into high-risk individual and business identification based on nature of business, nature of individual, geography and products/services. Attendees will learn how to easily capture the high-risk inherent risk rating of any relationship at account opening and how this information drives the residual risks in your AML system. This session will provide attendees a working knowledge of required information to obtain during the account opening process, how to identify and assure the inherent risk rating complies with regulatory requirements and your risk tolerance, and how the residual risks is captured and reflected in your AML system for ongoing monitoring. Attendees that do not have AML systems will also benefit from this system by highlighting potential gaps in manually intensive AML programs. Attendees will participate in a mock high-risk identification exercise to provide better visibility into inherent risks, residual risks and ongoing fraud and/or money laundering identification methods.



Speaker: Steven Dietz, SVP, Chief Compliance Officer, Ameris Bank

Enhanced Due Diligence Documentation Requirements: Writing a Comprehensive High-Risk EDD Review

This session is an instructional session requiring all attendees to write high risk enhanced due diligence reviews based on information obtained during the session. The instructor will outline an enhanced due diligence structured review and provide attendees with several high-risk reviews. Attendees will have the opportunity to complete mock high-risk reviews and receive feedback on the completed review.



Speaker: Scott Rosenbaum, CPA, CFE, Stout Consulting, Senior Manager, Southeast Forensic Services

Suspicious Activity Reporting Requirements: Identification, Reporting and Ongoing Monitoring

This session will outline the regulatory requirements for suspicious activity reporting. Attendees will learn the difference between filing suspicious activity, monitoring ongoing suspicious activity, and using various techniques to determine if filing is necessary or not. Also covered in this session is how to manage those SARs that are not filed and the importance of periodically reviewing SARs not filed. This session will also cover the usage of suspicious activity committees, their responsibilities and regulatory expectations of SAR committees.



Speaker: Michael Musgrave, CAMS, BSA Officer, Senior Vice President, Rabobank, N.A

Writing Effective SAR Narratives and Reviewing Ongoing Suspicious Activity

This session is an instructional session requiring all attendees to write SAR narratives based on information obtained during the session. The instructor will provide attendees mocked up suspicious activity and provide instruction on how to effectively complete these narratives based on regulatory requirements, efficiency and clarity of the SAR. Attendees will have the opportunity to complete mock SAR narratives and receive feedback.



Speaker: Jesse Morton, Stout Consulting, CPA/CFF, CFE, CACTS, J.D., LL.M., Director of Dispute Consulting

Two-Part Session on FinCEN and OFAC

Law Enforcement Inquiries (314a, Subpoenas, and National Letters), 314b requests and State Department of Banking requirements for Reporting: A federal, state, local or foreign law enforcement agency investigating terrorist activity or money laundering may request that FinCEN solicit, on its behalf, certain information from a financial institution or a group of financial institutions. FinCEN may require the Bank to search records to determine whether the financial institution maintains or has maintained accounts for, or have engaged in transactions with, any specified individual, entity or organization. This session will take attendees through the process of handling each type of law enforcement request and regulatory requirements for handling these requests for customers and non-customers.

OFAC Requirements and Financial Institutions Responsibilities: OFAC is the office of the U.S. Treasury that administers economic and trade sanctions based on U.S. foreign policy and national security goals targeting individuals and entities engaged in certain activities. This session focuses on the regulatory requirements for creating an effective and risk-based OFAC compliance program. Learn the areas within your institution that requires OFAC verification from account opening to the movement of money through different payment channels. Attendees will be provided a best business practice document on higher risk OFAC areas and how to test the effectiveness of your OFAC controls.



Speaker: Brian Frey, Alston & Bird LLP, Partner - White Collar, Government & Internal Investigations

Implementing Artificial Intelligence and Data Analytics in Your AML Program

Artificial intelligence (AI) and data analytics for financial crime need to be thought about in two different ways including how AI and data analytics can be applied within the institution to on the data already available and how tools dedicated to financial crime use AI and data analytics to provide a better visibility into a financial institutions risks. FI's have an enormous amount of data in their systems that is largely under utilized and it is difficult to slice and dice the client base to provide greater insight into the risks within each business. This session will focus on financial crime tools of artificial intelligence and how that provides for better collection of data, speed at which it can be collected, profiling of information, entity resolution, and recognizing patterns within data not previously known. In addition, this session will focus on data analytics to include collection, understanding and further mitigating risks and using search profiles to focus efforts at risk mitigation on the highest risk areas, risk ranking of clients and risk alerts. This session will use case studies to better educate the attendees on AI and effective data analytic usage.



Speaker: Livia Benisty, Head of Financial Crime at ComplyAdvantage

Documenting a Comprehensive BSA/AML/OFAC Risk Assessment and BSA Policies and Procedures

This session will focus on how to effectively document your financial institutions BSA/AML/OFAC Risk Assessment to include all the required BSA/AML/OFAC components, risk scoring, and using a transparent method for clearly reflecting the risk status of your program to your Board of Directors. The FFIEC Guidance states that "management should structure the bank's BSA/AML compliance program to adequately address its risk profile as identified in the risk assessment". This session will also focus on the individual components that are required to be documented in your BSA/AML/OFAC policy and procedures and frequent audit findings resulting from deficiencies in risk assessments, policies and procedures. The instructor will provide attendees with a sample outline of BSA/AML/OFAC policies and procedures and review this outline during the session.



Speaker: Sebrina Sweeney, Sweeney Compliance Group

Best Business Practices for Performing High-Risk Onsite Visits: What You Should Document and Red Flags of Suspicious Activity

This session will focus on the onsite visit for the high-risk customer. This session will focus on best business practices for identifying the high-risk customer that requires an onsite review, what types of products/services you should look for during onsite (e.g. prepaid loadable cards, check cashing, privately held-ATMs, Coin Operated Amusement Machines (COAMS) and more! This session will take the attendee through the different onsite visit categories. Attendees will also receive a sample onsite review form as a take away.



Speakers: Pete Stuart, Stuart Security Solutions and Terri Sands, CAMS, CFE, AAP, ACT Specialist, Secura Risk Management

AML Responsibilities for Your Correspondent and Respondent Banking Relationships

Financial institutions maintain correspondent relationships at other domestic and international financial institutions to provide certain services that can be performed more economically or efficiently. These services may include deposit accounts, funds transfers or other services. These correspondent relationships must follow the same regulatory requirements for mitigating BSA/AML risks. This session will focus on the requirements for performing risk reviews for these types of relationships including the type of review, frequency and the method used based on best business practices. (*Speaker TBA*)

AML System Controls and Requirements

This session will focus on the systems that may be used to automate your monitoring of customers, transactions, geographies, and products/services. Attendees will learn from a leading AML software provider how to identify, monitor and evaluate your AML risks using system analytics. The instructor will walk attendees through the CTR, Customer Due Diligence, Enhanced Due Diligence, Beneficial Ownership, OFAC, 314a and other BSA functionality to reflect how financial institutions should use their systems to significantly improve the effectiveness and efficiencies of their program.

Speaker: Representative from Verafin, TBA

Requirements for Banking Inherently High-Risk Relationships

This session will focus on the understanding of the requirements for banking high-risk relationships. The instructor will take attendees through each type of relationship and outline the requirements for banking such relationships. These relationships include non-resident alien and foreign individuals, politically exposed persons, embassy and foreign nationals, nonbank financial institutions, professional service providers, nongovernmental agencies, and cash intensive relationships (e.g. convenient stores, restaurants, retail stores, liquor stores, cigarette distributors, privately owned automated teller machines (ATM), vendor machine operators and parking garages. This session will also focus on inherently higher risk product and services (e.g. ACH, prepaid access, purchase and sale of monetary instruments, brokered deposits, insurance, concentrations accounts, payable through accounts, correspondent accounts and more). The instructor will provide attendees with a leading business practice document that provides documentation and monitoring requirements for the acceptance of risk throughout the duration of the relationship.



Speaker: Ben Hutten, Partner, Buckley Sandler

BSA OFFICER AND BSA PROGRAM REPORTING REQUIREMENTS

BSA/AML/OFAC Officer Requirements and Ongoing Responsibilities for Ensuring the Program is Effective and Sustainable

The financial institutions board of directors must designate a BSA Compliance officer for ensuring that controls, processes, and risk management supports the BSA program. This session will focus on the requirements of the BSA officer, regulatory requirements and expectations and new FinCEN guidance on outsourced relationships to support the BSA Compliance Officer pillar. This panel discussion will also review different perspectives on balancing customer experience while still complying with BSA requirements.



Woodhouse

Speakers: Erik Woodhouse, Counsel, Crowell & Moring; Bonnie Swearingen, BSA Officer, Security Federal Bank; and Terri Sands, Founder, Secura Risk Management

Panel: BSA Program Reporting, Management and Board of Directors Responsibilities

The status of the BSA Program should be reported to the Board of Directors in such a manner as to ensure there is complete transparency of any key performance or key risk indicators that may compromise the financial institution's compliance obligations. As regulatory consent orders have increased over the years, board reporting has become a more scrutinized area in BSA/AML exams. This session will be comprised of BSA compliance and Enterprise Risk Officers that will take attendees through their reporting procedures and experience with regulators on any recommendations for improving current board reporting procedures.



Hasan



Mcleod



Deaton

Panelists: Dalal Hasan, White Collar Crime & Regulatory Enforcement group; Deborah Mcleod, former Director of Financial Investigative Unit, State Bank & Trust; and Steven Deaton, CEO, Cornerstone Bank.

TRAINING

Requirements and Leading Training Practices of the Training Pillar

Financial institutions are required to ensure that personnel are trained in various areas of BSA. Training should include regulatory requirements and the financial institutions internal BSA/AML policies, procedures and processes. This session will focus on the different types of training including all employee training, new employee training, job-specific training for higher-risk areas, and senior management and board of directors training. The instructor will take attendees through frequent regulatory findings with the training pillar and focus on the most practical, effective and sustainable method used for ensuring compliance requirements are met while also enhancing the employee's ability to retain knowledge and become more effective at identifying possible suspicious activity.



Speaker: Terri Sands, CAMS-Audit, CFE, AAP, At-Risk Adult Crime Tactics (ACT) Specialist, Secura Risk Management

MODEL VALIDATION AND INDEPENDENT TESTING

BSA Program Model Validation

While model validation of compliance programs has been around for years, BSA model validation is somewhat of a new concept for small to mid-size financial institutions. This session will focus on regulatory requirements and expectations for model validation regardless of your financial institution size. The instructor will take attendees through each step of the model validation process to include conceptual soundness, data validation, data quality and integrity, model performance, and validation and sustainability. The instructor will also provide attendees with a sample outline of BSA model validation.



Speaker: Jesse Morton, Stout Consulting, CPA/CFF, CFE, CACTS, J.D., LL.M., Director of Dispute Consulting

Independent Testing

Regulations require that an independent audit be completed generally every 12 – 18 months. The method used for BSA audits to meet regulatory requirements has significantly changed over the years to include a greater focus on testing the effectiveness of your internal controls including systems, staffing, and overall governance of the BSA program. This session will focus on regulatory expectations, how BSA audits have changed over the years, and what financial institutions can expect on future BSA audits. The instructor will take you through specific areas of risks and include a more effective and efficient testing model used as a result of regulatory technology internal audit coverage. This approach allows auditors to select a greater pool of samples to cover more transactions and customers in testing while giving financial institutions better visibility for which areas/accounts/transaction types to focus on for improving their overall BSA program.



Speaker: Bradley Carroll, CPA, CFF, QIAL, CIA, CRMA, CFSA, Principal, Frazier & Deeter

REGULATORY CONSENT ORDERS

Panel Discussion: BSA Regulatory Consent Orders, Lessons Learned and Your Take-Aways

BSA consent orders have been on the risk based on regulatory findings over the past several years and lessons learned from these orders. Financial institutions that have never been met with a consent order find themselves in a vulnerable position during regulatory exams as areas of BSA that may have been acceptable in the past are now a deficiency. The instructor, Jesse Morton of Stout Consulting will take attendees through a real-life case study of a consent order that lasted two years including how the Bank got in the position, how they worked their way out of the consent and lessons learned. In addition, this session will feature a financial institution in Georgia that recently went through a BSA consent, lessons learned, and how this order has significantly changed their BSA program.

Speakers: Jesse Morton, Stout Consulting, CPA/CFF, CFE, CACTS, J.D., LL.M., Director of Dispute Consulting and Jay Funderburke, BSA Officer, PeoplesSouth Bank

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