BSA Training Requirements





Tailoring BSA/AML Training to Meet Different Employee Needs

Instructor Deborah L Crawford



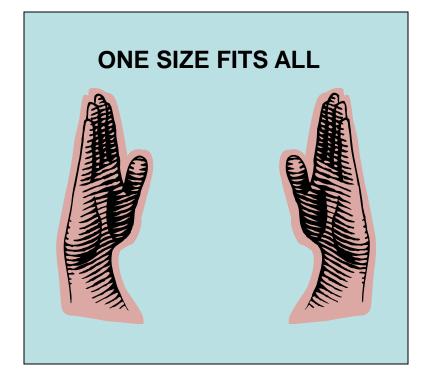
- Debbie is the President of Gettechnical Inc, a Baton Rouge based training company. Her combined banking and training experience began in 1984 and she is a deposit side expert. She received her Bachelors and Masters degrees from Louisiana State University.
- If you have any questions just call 1-800-354-3051 or email us at gettechnical@msn.com.

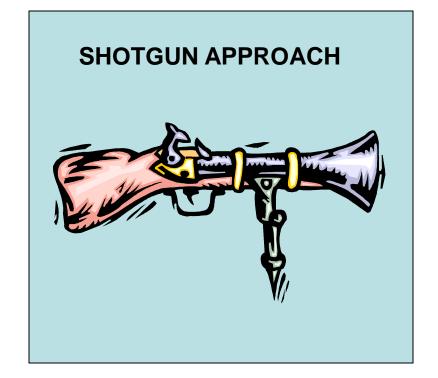


Designing BSA Training

BSA Training is an examiner "hotspot"

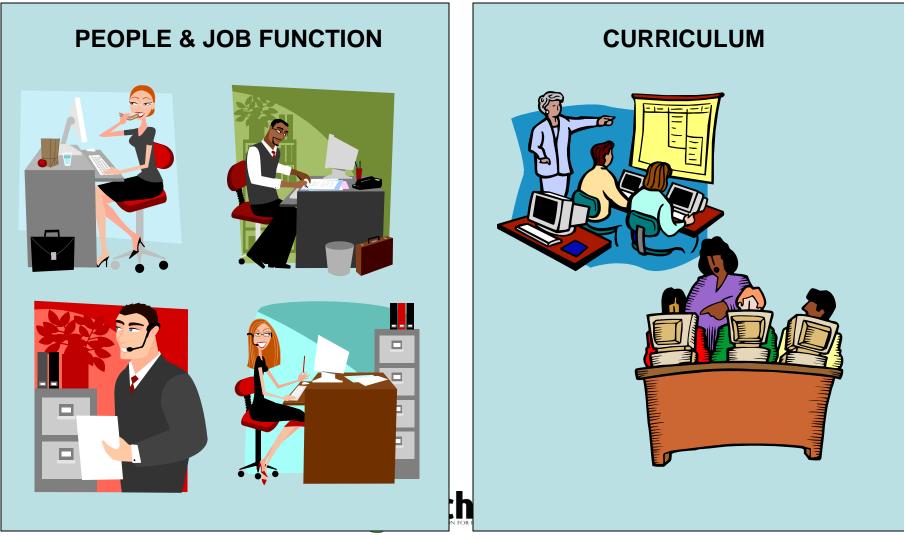
Current Training Styles







New Customized Approach



What does the Exam Manual Say About Training?

"Banks must ensure that appropriate personnel are trained in applicable aspects of the BSA. Training should include regulatory requirements and the bank's internal BSA/AML policies, procedures, and processes."



What does the Exam Manual Say About Training?

"At a minimum, the bank's training program must provide training for all personnel whose duties require knowledge of the BSA. The training should be tailored to the person's specific responsibilities."





Training

"In addition, an overview of the BSA/AML requirements typically should be given to new staff during employee orientation."



Training

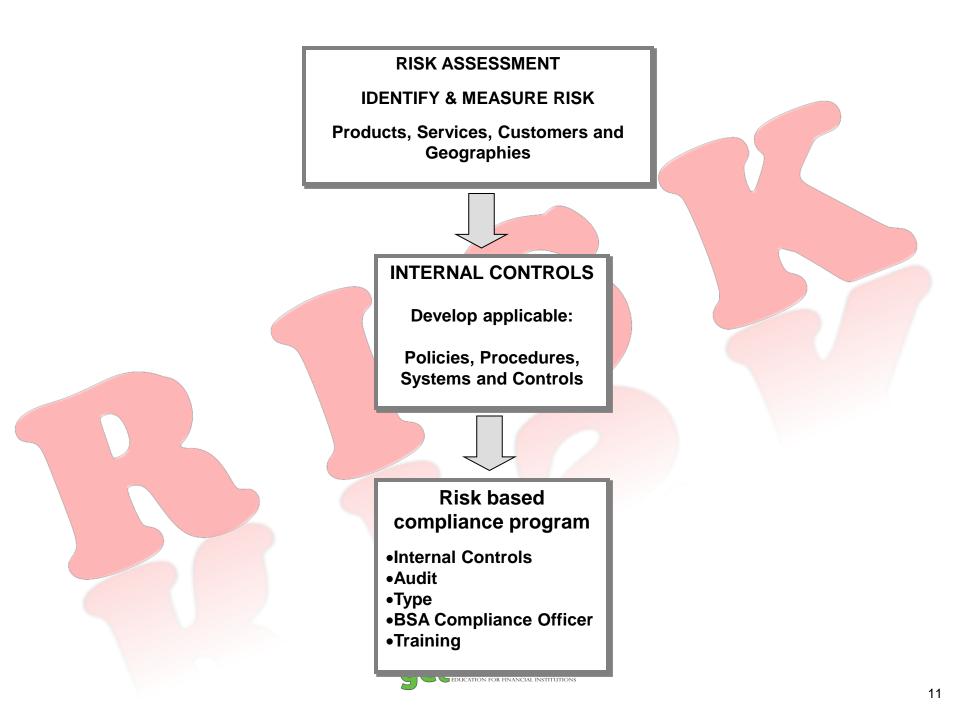
"Training should encompass information related to applicable business lines, such as trust services, international, and private banking."



Training

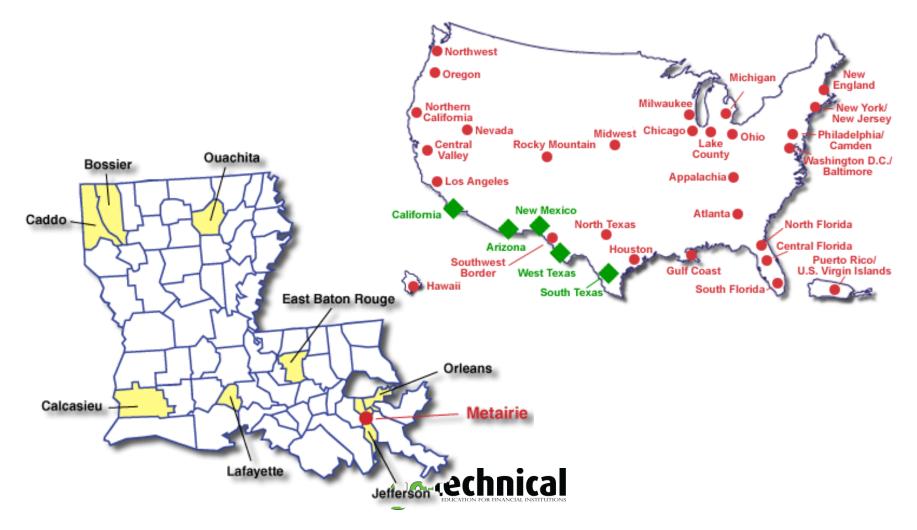
"The BSA compliance officer should receive periodic training that is relevant and appropriate given changes to regulatory requirements as well as the activities and overall BSA/AML risk profile of the bank."







High Intensity Drug Trafficking Areas



Training & Risk Level

Management should consider the staffing resources and the level of training necessary to promote adherence with these policies, procedures, and processes.



Training & Risk Level

For those banks that assume a higher-risk BSA/AML profile, management should provide a more robust program that specifically monitors and controls the higher risks that management and the board have accepted.



"The BSA/AML compliance program must provide for the following minimum requirements:

- A system of internal controls to ensure ongoing compliance.
- Independent testing of BSA/AML compliance.
- Designate an individual or individuals responsible for managing BSA compliance (BSA compliance officer).
- Training for appropriate personnel."



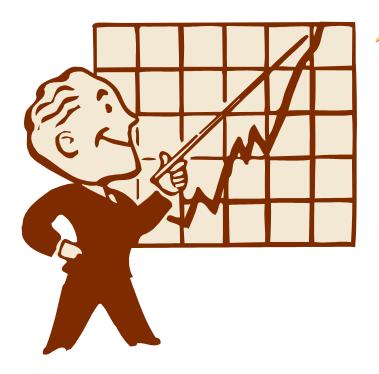
Types of BSA Training



Orientation Online Training Telephone/Web Programs Classroom Style, In-Bank Seminars at State Banking Groups Touch-up Training (Auditor) Findings) E-mails, Games, Etc.



Tracking Training

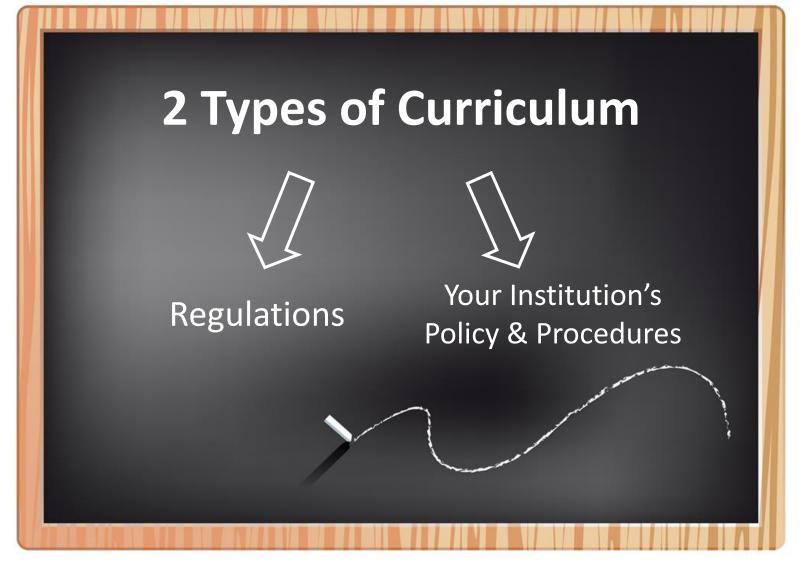


Banks should document their training programs. Training and testing materials, the dates of training sessions, and attendance records should be maintained by the bank and be available for examiner review.



Employee	Title	Attended Training	Type of Training	Date of Training
Sally Employee	Teller	Yes	basic	4/16/20XX







Core Curriculum

- Customer Identification Program
- Customer Due Diligence
- Suspicious Activity Reports
- Red Flags for Money Laundering
- Currency Transaction Reporting
- Information Sharing
- Purchase and Sale of Monetary Instruments
- Funds Transfer Recordkeeping
- Office of Foreign Assets and Control



Specialized Curriculum: High Risk Customers

- NRA
- **ℰ**PEPs
- Embassy and Foreign Consulate
- ~NBFI
- Professional Service Providers
- **∼**NGO
- Business Entities
- Cash Intensive Businesses



High Risk Services

- Electronic Banking
- Bulk Shipments of cash
- Funds Transfers—cover payments new
- ACH—International ACH new rules
- Electronic Cash
- Third Party Payment Processors
- Privately Owned ATMs
- Lending Activities
- Private Banking

Trust & Asset Management Services

US Dollar Drafts
 Payable through accounts
 Pouch activities

Electronic banking: Remote Deposit Capture



From the Exam Manual: Board of Directors

The board of directors and senior management should be informed of changes and new developments in the BSA, its implementing regulations and directives, and the federal banking agencies' regulations.



From the Exam Manual: Board of Directors

While the board of directors may not require the same degree of training as banking operations personnel, they need to understand the importance of BSA/AML regulatory requirements, the ramifications of noncompliance, and the risks posed to the bank.



From the Exam Manual: Board of Directors

Without a general understanding of the BSA, the board of directors cannot adequately provide BSA/AML oversight; approve BSA/AML policies, procedures, and processes; or provide sufficient BSA/AML resources.



From the Exam Manual:

For example, training for tellers should focus on examples involving large currency transactions or other suspicious activities; training for the loan department should provide examples involving money laundering through lending arrangements.



BSA/AML Exam Manual Topics



CORE EXAMINATION OVERVIEW AND PROCEDURES FOR REGULATORY REQUIREMENTS AND RELATED TOPICS

Section A



A-1: Customer Identification Program

The CIP is intended to enable the bank to form a reasonable belief that it knows the true identity of each customer. The CIP must include account opening procedures that specify the identifying information that will be obtained from each customer. It must also include reasonable and practical risk-based procedures for verifying the identity of each customer.



Customer Identification Program Training Checklist:



- Customer Identification Required
- Customer Verification
- Recordkeeping Requirements and Retention
- Comparison With Government Lists
- ✓ Adequate Customer Notice
- ✓ Reliance on Another Financial Institution
- ✓ Use of Third Parties



A-2: Customer Due Diligence

The cornerstone of a strong BSA/AML compliance program is the adoption and implementation of comprehensive CDD policies, procedures, and processes for all customers, particularly those that present a high risk for money laundering and terrorist financing. The objective of CDD should be to enable the bank to predict with relative certainty the types of transactions in which a customer is likely to engage.



Customer Due Diligence Training Checklist:



- ✓ Customer Due Diligence Guidance
- ✓ Enhanced Due Diligence for High-Risk Customers



A-3: Suspicious Activity Reporting

Suspicious activity reporting forms the cornerstone of the BSA reporting system. It is critical to the United States' ability to utilize financial information to combat terrorism, terrorist financing, money laundering, and other financial crimes. Within this system, FinCEN and the federal banking agencies recognize that, as a practical matter, it is not possible for a bank to detect and report all potentially illicit transactions that flow through the bank.



Suspicious Activity Reporting Training Checklist:

- ✓ Safe Harbor for Banks from Civil Liability for Suspicious Activity Reporting
- ✓ Systems to ID, Research, and Report Suspicious Activity
- ✓ Identifying Underlying Crime
- ✓ Law Enforcement Inquiries and Requests
 - SAR Decision-Making Process
 - Timing of a SAR Filing
 - Notifying Board of Directors of SAR Filings
 - Sharing SARs with Head Offices and Controlling Companies
 - SAR Filing on Continuing Activity
- SAR Quality
- ✓ Prohibition of SAR Disclosure
- ✓ SAR Record Retention and Supporting Documentation



A-4: Currency Transaction Reporting

A bank must file a Currency Transaction Report (CTR) (FinCEN Form 104) for each transaction in currency (deposit, withdrawal, exchange, or other payment or transfer) of more than \$10,000 by, through, or to the bank. Certain types of currency transactions need not be reported, such as those involving "exempt persons," a group which can include retail or commercial customers meeting specific criteria for exemption.



Currency Transaction Reporting Training Checklist:



✓ Aggregation of Currency Transactions

 Filing Time Frames and Record Retention Requirements

✓ CTR Backfiling



A-5: Currency Transaction Reporting Exemptions

U.S. Treasury regulations have historically recognized that the routine reporting of some types of large currency transactions does not necessarily aid law enforcement authorities and may place unreasonable burdens on banks. Consequently, a bank may exempt certain types of customers from currency transaction reporting.



Currency Transaction Reporting Exemptions Training Checklist:



✓ Phase I CTR Exemptions

✓ Phase II CTR Exemptions

✓ Safe Harbor for Failure to File CTRs

✓ Effect on Other Regulatory Requirements



A-6: Information Sharing

On September 26, 2002, final regulations (31 CFR 103.100 and 31 CFR 103.110) implementing section 314 of the Patriot Act became effective. The regulations established procedures for information sharing to deter money laundering and terrorist activity.



Information Sharing Training Checklist:



 Information Sharing Between Law Enforcement and Financial Institutions

✓ Voluntary Information Sharing



A-7: Purchase and Sale of Monetary Instruments Recordkeeping

Banks sell a variety of monetary instruments (e.g., bank checks or drafts, including foreign drafts, money orders, cashier's checks, and traveler's checks) in exchange for currency. Purchasing these instruments in amounts of less than \$10,000 is a common method used by money launderers to evade large currency transaction reporting requirements.



Purchase and Sale of Monetary Instruments Recordkeeping Training Checklist:



✓ Purchaser Verification

✓ Acceptable Identification

✓ Contemporaneous Purchases

✓ Indirect Currency Purchases of Monetary

Instruments

✓ Recordkeeping and Retention Requirements



A-8: Funds Transfers Recordkeeping

Funds transfer systems enable the instantaneous transfer of funds, including both domestic and crossborder transfers. Consequently these systems can present an attractive method to disguise the source of funds derived from illegal activity. The BSA was amended by the Annunzio–Wylie Anti-Money Laundering Act of 1992 to authorize the U.S. Treasury and the Federal Reserve Board to prescribe regulations for domestic and international funds transfers.



Funds Transfers Recordkeeping Training Checklist:



- ✓ Responsibilities of Originator's Banks
- ✓ Responsibilities of Intermediary Institutions
- ✓ Responsibilities of Beneficiary's Banks
 - Expiration of the Conditional Customer Information File Exception Travel Rule
- ✓ Abbreviations and Addresses



A-9: Foreign Correspondent Account Recordkeeping and Due Diligence

One of the central goals of the Patriot Act was to protect access to the U.S. financial system by requiring certain records and due diligence programs for foreign correspondent accounts. In addition, the Patriot Act prohibits accounts with foreign shell banks. Foreign correspondent accounts, as noted in past U.S. Senate investigative reports are a gateway into the U.S. financial system.



Foreign Correspondent Account Recordkeeping and Due Diligence Training Checklist:



- ✓ Foreign Shell Bank Prohibition and Foreign Correspondent Account Recordkeeping
- Special Due Diligence Program for Foreign Correspondent Accounts
- Special Procedures When Due Diligence Cannot Be Performed
- ✓ Applicability Dates



A-10: Private Banking Due Diligence Program (Non-U.S. Persons)

Private banking can be broadly defined as providing personalized financial services to wealthy clients. Section 312 of the Patriot Act added subsection (i) to 31 USC 5318 of the BSA. This subsection requires each U.S. financial institution that establishes, maintains, administers, or manages a private banking account in the United States for a non-U.S. person to take certain AML measures with respect to these accounts.



Private Banking Due Diligence Program (Non U.S. Persons) Training Checklist:



- ✓ Private Banking Accounts
- Enhanced Scrutiny of Private Banking Accounts for Senior Foreign Political Figures
- Special Procedures When Due Diligence Cannot Be Performed
- ✓ Applicability Dates



A-11: Office of Foreign Assets Control

OFAC is an office of the U.S. Treasury that administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against entities such as targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction.



Office of Foreign Assets Control Training Checklist:



✓ Blocked Transactions

- ✓ Prohibited Transactions
- ✓ OFAC Licenses
- ✓ OFAC Reporting
- ✓ OFAC Compliance Program



Who Should Be Trained in Core Procedures?

Core Jobs	A-1	A-2	A-3	A-4	A-5	A-6	A-7	A-8	A-9	A-10	A-11
Tellers											
Head Tellers											
Customer Service Rep											
Personal Bankers											
Branch Managers											
Lending Officers											
Lending Support											
Training Staff											
Compliance, BSA											
Security Officers											
Human Resources											
Board											



EXPANDED EXAMINATION OVERVIEW AND PROCEDURES FOR PRODUCTS AND SERVICES

Section B



B-1: Correspondent Accounts (Domestic)

- Banks maintain correspondent relationships at other domestic banks to provide certain services that can be performed more economically or efficiently because of the other bank's size, expertise in a specific line of business, or geographic location. Such services may include:
 - Deposit accounts.
 - 🛹 Funds transfers.
 - Other services.



Correspondent Accounts (Domestic) Training Checklist:



✓ Bankers' Banks

✓ Risk Factors

✓ Risk Mitigation



B-2: Correspondent Accounts (Foreign)

Foreign financial institutions maintain accounts at U.S. banks to gain access to the U.S. financial system and to take advantage of services and products that may not be available in the foreign financial institution's jurisdiction. These services may be performed more economically or efficiently by the U.S. bank or may be necessary for other reasons, such as the facilitation of international trade.



Correspondent Accounts (Foreign) Training Checklist:



✓ Contractual Agreements

✓ Risk Factors

✓ Risk Mitigation



B-3: U.S. Dollar Drafts

A U.S. dollar draft is a bank draft or check denominated in U.S. dollars and made available at foreign financial institutions. These drafts are drawn on a U.S. correspondent account by a foreign financial institution. Drafts are frequently purchased to pay for commercial or personal transactions and to settle overseas obligations.



U.S. Dollar Drafts Training Checklist:



Risk Factors

✓ Risk Mitigation



B-4: Payable Through Accounts

Foreign financial institutions use PTAs, also known as "pass-through" or "pass-by" accounts, to provide their customers with access to the U.S. banking system. Some U.S. banks, Edge and agreement corporations, and U.S. branches and agencies of foreign financial institutions (collectively referred to as U.S. banks) offer these accounts as a service to foreign financial institutions. Law enforcement authorities have stated that the risk of money laundering and other illicit activities is high in PTA accounts that are not adequately controlled.



Payable Through Accounts Training Checklist:



- ✓ Risk Factors
- ✓ Risk Mitigation



B-5: Pouch Activities

Pouch activity entails the use of a carrier, courier (either independent or common), or a referral agent employed by the courier, to transport currency, monetary instruments, and other documents from outside the United States to a bank in the United States. Pouches can be sent by another bank or individuals. Pouch services are commonly offered in conjunction with foreign correspondent banking services. Pouches can contain loan payments, transactions for demand deposit accounts, or other types of transactions.



Pouch Activities Training Checklist:



✓ Risk Factors

✓ Risk Mitigation



B-6: Electronic Banking

E-banking systems, which provide electronic delivery of banking products to customers, include automated teller machine (ATM) transactions; on-line account opening; Internet banking transactions; and telephone banking. For example, credit cards, deposit accounts, mortgage loans, and funds transfers can all be initiated on-line, without face-toface contact.



Electronic Banking Training Checklist:



✓ Risk Factors

✓ Risk Mitigation

✓ Remote Deposit Capture



B-7: Funds Transfers

Payment systems in the United States consist of numerous financial intermediaries, financial services firms, and non-bank businesses that create, process, and distribute payments. The domestic and international expansion of the banking industry and nonbank financial services has increased the importance of electronic funds transfers, including funds transfers made through the wholesale payment systems.



Funds Transfers Training Checklist:



✓ Funds Transfer Services

✓ Risk Factors

✓ Risk Mitigation



B-8: Automated Clearing House Transactions

The use of the ACH is growing rapidly due to the increased volume of electronic check conversion and one-time ACH debits, reflecting the lower cost of ACH processing relative to check processing. Check conversion transactions, as well as one-time ACH debits, are primarily low-dollar value, consumer transactions for the purchases of goods and services or the payment of consumer bills. The Federal Reserve Banks' FedACH system is almost exclusively used for domestic payments, but can accommodate cross-border payments to Canada, Mexico, and some countries in Europe.



Automated Clearing House Transactions Training Checklist:



- ✓ ACH Payment Systems
- ✓ Risk Factors
- ✓ Risk Mitigation
- ✓ OFAC Screening



B-9: Electronic Cash

E-cash (e-money) is a digital representation of money. E-cash comes in two basic forms: stored value card e-cash and computer e-cash. Stored value card e-cash is most often downloaded through special terminals (e.g., specially equipped automated teller machines (ATMs), computers, or cellular phones) onto electronic cards. Computer e-cash is downloaded to personal computer hard disks via a modem or stored in an on-line repository.



Electronic Cash Training Checklist:



Risk Factors

✓ Risk Mitigation



B-10: Third-Party Payment Processors

Non-bank or third-party payment processors (processors) are bank customers that provide payment-processing services to merchants and other business entities. Traditionally, processors contracted primarily with retailers that had physical locations in order to process the retailers' transactions. These merchant transactions primarily included credit card payments but also covered automated clearing house (ACH) transactions, remotely created checks, and debit and stored value cards transactions.



Third Party Payment Processors Training Checklist:



- Risk Factors
- ✓ Risk Mitigation



B-11: Purchase and Sale of Monetary Instruments

Monetary instruments are products provided by banks and include cashier's checks, traveler's checks, and money orders. Monetary instruments are typically purchased to pay for commercial or personal transactions and, in the case of traveler's checks, as a form of stored value for future purchases.



Purchase and Sale of Monetary Instruments Training Checklist:



Risk Factors



B-12: Brokered Deposits

The use of brokered deposits is a common funding source for many banks. Recent technology developments allow brokers to provide bankers with increased access to a broad range of potential investors who have no relationship with the bank. Deposits can be raised over the Internet, through certificates of deposit listing services, or through other advertising methods.



Brokered Deposits Training Checklist:



✓ Risk Factors



B-13: Privately Owned Automated Teller Machines

Privately owned ATMs are typically found in convenience stores, bars, restaurants, grocery stores, or check cashing establishments. Some ISOs are large-scale operators, but many privately owned ATMs are owned by the proprietors of the establishments in which they are located. Most dispense currency, but some dispense only a paper receipt (scrip) that the customer exchanges for currency or goods. Fees and surcharges for withdrawals, coupled with additional business generated by customer access to an ATM, make the operation of a privately owned ATM profitable.



Privately Owned Automated Teller Machines Training Checklist:



✓ Sponsoring Bank

✓ Risk Factors



B-14: Nondeposit Investment Products

NDIP include a wide array of investment products (e.g., securities, bonds, and fixed or variable annuities). Sales programs may also include cash management sweep accounts to retail and commercial clients; these programs are offered by the bank directly. Banks offer these investments to increase fee income and provide customers with additional products and services. The manner in which the NDIP relationship is structured and the methods with which the products are offered substantially affect the bank's BSA/AML risks and responsibilities.



Nondeposit Investment Products Training Checklist:



- ✓ Network Arrangements
- ✓ In-House Sales and Proprietary Products
- ✓ Risk Factors
- ✓ Risk Mitigation



B-15: Insurance

Banks engage in insurance sales to increase their profitability, mainly through expanding and diversifying fee-based income. Insurance products are typically sold to bank customers through networking arrangements with an affiliate, an operating subsidiary, or other third-party insurance providers. Banks are also interested in providing cross-selling opportunities for customers by expanding the insurance products they offer. Typically, banks take a role as a thirdparty agent selling covered insurance products. The types of insurance products sold may include life, health, property and casualty, and fixed or variable annuities.



Insurance Training Checklist:



 AML Compliance Programs and Suspicious Activity Reporting Requirements for Insurance Companies

- ✓ Risk Factors
- Risk Mitigation



B-16: Concentration Accounts

Concentration accounts are internal accounts established to facilitate the processing and settlement of multiple or individual customer transactions within the bank, usually on the same day. These accounts may also be known as special-use, omnibus, suspense, settlement, intraday, sweep, or collection accounts. Concentration accounts are frequently used to facilitate transactions for private banking, trust and custody accounts, funds transfers, and international affiliates.



Concentration Accounts Training Checklist:



✓ Risk Factors



B-17: Lending Activities

Lending activities include, but are not limited to, real estate, trade finance, cash-secured, credit card, consumer, commercial, and agricultural. Lending activities can include multiple parties (e.g., guarantors, signatories, principals, or loan participants).



Lending Activities Training Checklist:



✓ Risk Factors



B-18: Trade Finance Activities

Trade finance typically involves short-term financing to facilitate the import and export of goods. These operations can involve payment if documentary requirements are met (e.g., letter of credit), or may instead involve payment if the original obligor defaults on the commercial terms of the transactions (e.g., guarantees or standby letters of credit). In both cases, a bank's involvement in trade finance minimizes payment risk to importers and exporters.



Trade Finance Activities Training Checklist:



✓ Risk Factors



B-19: Private Banking

Private banking activities are generally defined as providing personalized services to high net worth customers (e.g., estate planning, financial advice, lending, investment management, bill paying, mail forwarding, and maintenance of a residence). Private banking has become an increasingly important business line for large and diverse banking organizations and a source of enhanced fee income.



Private Banking Training Checklist:



- ✓ Risk Factors
- ✓ Risk Mitigation



B-20: Trust and Asset Management Services

Trust accounts are generally defined as a legal arrangement in which one party (the trustor or grantor) transfers ownership of assets to a person or bank (the trustee) to be held or used for the benefit of others. These arrangements include the broad categories of court-supervised accounts (i.e., executorships and guardianships), personal trusts (i.e., living trusts, trusts established under a will, and charitable trusts), and corporate trusts (i.e., bond trusteeships).



Trust and Asset Management Services Training Checklist:



✓ Customer Identification Program

✓ Risk Factors



B-21 Bulk Shipments of Currency

- This is new so you are gonna want to add it for B-21
- Bulk shipments of currency entail the use of common, independent, or Postal Service air/land/sea carriers to transport large volumes of bank notes from sources either inside or outside the United States to a bank in the United States



Who Should Be Trained in Expanded Procedures for Products/Services?

Core Jobs	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9	B- 10	B- 11	B- 12	B- 13	В- 14	B- 15	B- 16	B- 17	B- 18	B- 19	В- 20
Tellers																				
Head Tellers																				
Customer Service Rep																				
Personal Bankers																				
Branch Managers																				
Lending Officers																				
Lending Support																				
Training Staff																				
Compliance, BSA																				
Security Officers																				
Human Resources																				
Board																				



EXPANDED EXAMINATION OVERVIEW AND PROCEDURES FOR PERSONS AND ENTITIES

Section C



C-1: Nonresident Aliens and Foreign Individuals

Foreign individuals maintaining relationships with U.S. banks can be divided into two categories: resident aliens and nonresident aliens. For definitional purposes, an NRA is a non-U.S. citizen who: (i) is not a lawful permanent resident of the United States during the calendar year and who does not meet the substantial presence test, or (ii) has not been issued an alien registration receipt card, also known as a green card. The Internal Revenue Service (IRS) determines the tax liabilities of a foreign person and officially defines the person as a "resident" or "nonresident."



Nonresident Aliens and Foreign Individuals Training Checklist:



✓ Risk Factors



C-2: Politically Exposed Persons

Banks should take all reasonable steps to ensure that they do not knowingly or unwittingly assist in hiding or moving the proceeds of corruption by senior foreign political figures and their associates. Because the risks presented by PEPs will vary, identifying, monitoring, and designing controls for these accounts and transactions should be risk-based.



Politically Exposed Persons Training Checklist:



- ✓ Risk Factors
- ✓ Risk Mitigation



C-3: Embassy and Foreign Consulate Accounts

Embassies contain the offices of the foreign ambassador, the diplomatic representative, and their staff. The embassy, led by the ambassador, is a foreign government's official representation in the United States (or other country). Foreign consulate offices act as branches of the embassy and perform various administrative and governmental functions (e.g., issuing visas and handling immigration matters). Foreign consulate offices are typically located in major metropolitan areas. In addition, foreign ambassadors' diplomatic representatives, their families, and their associates may be considered politically exposed persons (PEPs) in certain circumstances.



Embassy and Foreign Consulate Accounts Training Checklist:



✓ Risk Factors



C-4: Non-Bank Financial Institutions

- NBFIs are broadly defined as institutions other than banks that offer financial services. The Patriot Act has defined a variety of entities as financial institutions. Common examples of NBFIs include, but are not limited to:
 - Casinos and card clubs.
 - Securities and commodities firms (e.g., brokers/dealers, investment advisers, mutual funds, hedge funds, or commodity traders).
 - Money services businesses (MSBs).
 - Insurance companies.
 - Other financial institutions (e.g., dealers in precious metals, stones, or jewels; pawnbrokers; loan or finance companies).



Non-Bank Financial Institutions Training Checklist:



- ✓ Risk Factors
- ✓ Risk Mitigation
- Providing Banking Services to Money Services
 Businesses



C-5: Professional Service Providers

A professional service provider acts as an intermediary between its client and the bank. Professional service providers include lawyers, accountants, investment brokers, and other third parties that act as financial liaisons for their clients. These providers may conduct financial dealings for their clients. For example, an attorney may perform services for a client, or arrange for services to be performed on the client's behalf, such as settlement of real estate transactions, asset transfers, management of client monies, investment services, and trust arrangements.



Professional Service Providers Training Checklist:



✓ Risk Factors



C-6: Non-Governmental Organizations and Charities

NGOs are private nonprofit organizations that pursue activities intended to serve the public good. NGOs may provide basic social services, work to relieve suffering, promote the interests of the poor, bring citizen concerns to governments, encourage political participation, protect the environment, or undertake community development to serve the needs of citizens, organizations, or groups in one or more of the communities that the NGO operates. An NGO can be any nonprofit organization that is independent from government.



Non Governmental Organizations and Charities Training Checklist:



✓ Risk Factors

✓ Risk Mitigation



C-7: Business Entities (Domestic and Foreign)

The term "business entities" refers to limited liability companies, corporations, trusts, and other entities that may be used for many purposes, such as tax and estate planning. Business entities are relatively easy to establish. Individuals, partnerships, and existing corporations establish business entities for legitimate reasons, but the entities may be abused for money laundering and terrorist financing.



Business Entities (Domestic & Foreign) Training Checklist:



✓ Domestic Business Entities

- ✓ Foreign Business Entities
- ✓ Nominee Incorporation Services
- ✓ Risk Factors
- ✓ Risk Mitigation



C-8: Cash-Intensive Businesses

- Cash-intensive businesses and entities cover various industry sectors. Most of these businesses are conducting legitimate business; however, some aspects of these businesses may be susceptible to money laundering or terrorist financing. Common examples include, but are not limited to, the following:
 - Convenience stores.
 - Restaurants.
 - Retail stores.
 - Liquor stores.
 - Cigarette distributors.
 - Privately owned automated teller machines (ATMs).
 - Vending machine operators.
 - Parking garages.



Cash-Intensive Businesses Training Checklist:



- ✓ Risk Factors
- ✓ Risk Mitigation



Who Should Be Trained in Expanded Procedures for Persons/Entities?

Core Jobs	C-1	C-2	C-3	C-4	C-5	C-6	C-7	C-8
Tellers								
Head Tellers								
Customer Service Rep								
Personal Bankers								
Branch Managers								
Lending Officers								
Lending Support								
Training Staff								
Compliance, BSA								
Security Officers								
Human Resources								
Board								

Section D: Appendix F: Money Laundering and Terrorist Financing "Red Flags"



From the Exam Manual:

Examples of money laundering activity and suspicious activity monitoring and reporting can and should be tailored to each individual audience.



D-1: Money Laundering and Terrorist Financing "Red Flags"

Management's primary focus should be on reporting suspicious activities, rather than on determining whether the transactions are in fact linked to money laundering, terrorist financing, or a particular crime.



Money Laundering & Terrorist Financing Red Flags Training Checklist:



- Potentially Suspicious Activity that May Indicate Money Laundering
- Potentially Suspicious Activity that May Indicate
 Terrorist Financing



Who Should Be Trained in Money Laundering and Terrorist Financing "Red Flags"?

Core Jobs	D-1
Tellers	
Head Tellers	
Customer Service Rep	
Personal Bankers	
Branch Managers	
Lending Officers	
Lending Support	
Training Staff	
Compliance, BSA	
Security Officers	
Human Resources	
Board	

Thanks for participating!

Deborah L. Crawford **Gettechnical Inc** 404 N. Burnside Avenue Gonzales, LA 70737 1-800-354-3051 gettechnical@msn.com Gettechnicalinc.com



