

# ADVANCED BSA ACADEMY

## APRIL 22-26, 2024

### Credits applied for: CPES, CRCMS, & CAFPS

The Lodge at Gulf State Park • 21196 East Beach Boulevard • Gulf Shores, AL • 36564

**Registration** April 22 at 8:30 a.m.

**Adjourn** April 26 at 12 p.m.

*This week long school provides up-to-date overview covering a wide range of top industry concerns to ensure your knowledge and understanding of BSA/AML Requirements. In the age of deregulation, BSA/AML is here to stay, with its ever-increasing compliance expectations. Our faculty is highly experienced and knowledgeable. You won't want to miss this opportunity to dive in deep and bring back helpful knowledge and resources for your bank. We will also have fun!*

#### WHO SHOULD ATTEND?

The school is designed for BSA professionals with a working knowledge of all aspects of the BSA compliance management including BSA, AML, compliance, risk management, auditors, and fraud. Individuals with accountability for BSA compliance will also benefit from this program, such as: retail management, risk management, operations, and employee development.

#### BSA Updates

In this session we will recap recent FinCEN advisories, guidance, and hot topics. We will also cover recent enforcement actions to analyze what went wrong and where we can expect examiners to focus in the upcoming exam cycle. This will be a great opportunity to catch up on what you should be considering in your Program and how AML/CFT continues to evolve.

#### OFAC sanctions updates from Ukraine and Gaza

For many community banks that do not have an international presence, it may seem like conflicts on the other side of the world may not pose much risk. However, bad actors continue to look for weak links in the US financial system to exploit and evade sanctions. Understanding the scope and focus of new sanctions is key to adequately evaluating your risk and ensuring processes are reasonably designed to mitigate those risks.

#### Best practices for validating AML and OFAC monitoring software

All institutions, even those who use manual processing for suspicious activity monitoring, have a model whether they know it or not. More and more examiners are focusing on the methodologies we employ to manage model risk, whether it be to identify suspicious activity, higher risk customers, or potential OFAC matches. We must be prepared to answer questions like, "How does your system work?" and "How

did you determine what thresholds to use?"

The key to answering these questions is in how you documented decisions you made when implementing software, and how you validated that the decisions you made were reasonable. In this session we will walk through the governance process of managing software and how to ensure its validation complies with regulatory guidance.

#### Managing FinTech Risk

Regulatory agencies have published updated guidance relating to managing third-party risk, particularly as it relates to FinTechs. Many FinTechs are looking for financial institution partnerships to support their product or service offering. In this session we will consider the types of due diligence that should be considered prior to onboarding a FinTech relationship and over the life of the partnership.

#### SAR narratives that catch law enforcement's eye

Many bankers have the perception that the SARs they spend hours filing wind up in a bureaucratic black hole, never to be seen again. The reality is that law enforcement agencies have many SARs to sort through and are going to focus on those cases which present significant risk to the financial industry, consumers, or national security. In this session we will discuss how to make your SAR stand out and be as useful as possible to law enforcement.

# EDUCATIONAL SESSIONS

## Enhanced Due Diligence for Higher Risk Customers

One of the challenges a BSA Officer faces with higher-risk customers is how to put all the pieces of the puzzle together. Some customers have very specific documentation listed in the examination procedures, others do not. Ensuring that procedures are adequate to address all the various customer types, as well as use the information collected to support a documented conclusion is critical to demonstrating to our examiners that we understand customer activity.

## Money Laundering for Lenders

One of the challenges many AML/CFT Officers face is conveying the applicability of BSA requirements to the loan department. Although less frequent than deposit accounts, loans can be used in any stage of money laundering. Add the increased risks of fraud and identity theft, and we find ourselves with many requirements for monitoring and reporting suspicious activity that may be overlooked. In this session we'll discuss red flags to consider that could be useful in your loan training as well as some real world examples of the impact BSA requirements have on lending.

## AML/CFT Risk Assessment updates

We all have one. The size, complexity, and risk factors will vary by institution, but one thing everyone has in common is that the document periodically needs updating. The revision to the Examination Procedures removed the requirement to update the risk assessment every 12-18 months, but that doesn't mean we can put the document on a shelf and forget about it. In this session we will discuss triggering events, how to use the risk assessment to advocate for yourself, and the evolution of what examiners want to see in the risk assessment.

## De-Risking: Round Two

When the requirements for banking money service businesses and third-party payment processors spiked, many financial institutions stopped providing services to those industries due to fear of examiner criticism. In the current environment, we can add cryptocurrency, marijuana related businesses, and a host of other higher-risk industries to this list. The industry is encouraged to make decisions on a customer-by-customer, rather than an industry-by-industry basis, but what does this look like in terms of policy and procedure? Are we prohibited from excluding an industry? In this session, we'll discuss the risk-based approach to whom we bank or not bank along with strategies for documenting these decisions.

## Communicating with the Board: What do they need to know?

Your limited to five minutes and board members are checking their watches or their phones before you even speak. Depending on the culture of your organization, it can be challenging and intimidating to speak to the Board. In this session, we will discuss what absolutely has to be there, how to speak in terms the Board will understand, and consider what we can simply put in the Board packet, even if we do not verbally touch on it.

## SAR Decision Making

This session will be a prep session for the one that immediately follows it. We will review investigation methodologies, procedures for determining if a SAR should be filed, and documentation expectations for conclusions and supporting data. We will consider the use of SAR Committees in the decision-making process and steps for escalating alerts to cases, and

meeting investigation timeframes to ensure timely SAR filing.

## SAR Investigation Processes

This session is designed to be interactive, so be sure to bring your questions, procedural ideas, and investigation methods. The speaker will provide several scenarios where a reviewer receives limited transactional information from a system alert, spreadsheet, or staff referral. Participants are invited to ask questions or state what additional research they would conduct based on the limited information given. The facilitator will provide additional details about the case as the investigation "progresses" to simulate an actual investigation. At the end of each investigation, the participants can voice their opinions whether they believe a SAR should or should not be filed based on the information obtained during the discussion.

## The Future of AML/CFT Compliance: Artificial Intelligence

For AML/CFT Professionals that have spent many years in the industry, the prospect of changing how we identify, monitor, and report suspicious activity can be particularly intimidating. From manual reports, to rule-based systems, to machine learning in the span of a few decades shows that technology will continue to speed up before it slows down. In this session we will consider the potential risks and benefits that AI poses for our industry, and take a peek at what the future may hold.

## Other topics to be discussed in detail include:

- Beneficial Ownership Overview and Update
- Marijuana Banking and Hemp Banking
- Human Trafficking/Smuggling
- Cryptocurrency
- 8 BSA and OFAC Priorities
- Recap of 2023 Trends and the Exam Manual
- SAR Decision Making, Monitoring and Reporting
- How to Identify Red Flags for marijuana-related businesses, debit card fraud, wire fraud, BEC, identity theft, EFE, crypto fraud
- Case Studies to determine when to file, when not to file, and how to file
- How to write effective narrative
- BSA/AML Risk Assessment-The Driver of Your Program
- Deep dive into completing a BSA/AML risk assessment including identifying inherent and residual risks
- A template will be provided and we will work through several risk factors as a class, so they can walk away with what they need to update their own risk assessment
- Board Reporting and Training
- BSA Escape Room/Challenge
  - Use clues that require knowledge of BSA rules and requirements to "escape" a bad exam and earn a "satisfactory" exam rating

## CONFERENCE INCLUDES:

- Case Studies
- Interactive Breakout Sessions
- Trivia & More
- Reg Panel

# FACULTY



**BRIAN CROW** has a passion for and skill in protecting bank assets from fraud and compliance losses have earned him the nickname “Security Evangelist.” In addition to developing and guiding the strategic vision for TCA, Brian delivers focused educational support to clients and helps them manage TCA’s suite of consulting, audit, and training services. He’s a nationally recognized expert on BSA/AML and deposit compliance and is a regular speaker at the annual BSA/AML Top Gun Conference. As an education consultant for the Glia Group BOL Learning Connect program, Brian conducts webinars on topics like VISA/MasterCard chargebacks, debit card compliance, and fraud prevention. For this work, he was recognized as a Bankers Online Guru in 2011.



**DAWN KINCAID** began her banking career while attending The Ohio State University. She has over 20 years’ experience in client service, operations, information technology, administrative and board relations, marketing, and compliance. Most recently Dawn served as the Senior Vice President of Operations for a central-Ohio-based community bank, where she created and refined policies and procedures, conducted self-audits and risk assessments, and organized implementation of new products and services. Dawn has served in the roles of Compliance, BSA/AML, CRA, Privacy, and Security Officer. She has led training initiatives, prepared due diligence information, completed a variety of regulatory applications, coordinated internal and external audits and exams, and presented for numerous state associations. Dawn resides in Delaware, Ohio with her husband and two sons.



**JULIA A. GUTIERREZ** serves as the Compliance Alliance director of education; developing curriculum and presentations, as well as presenting at various schools and seminars; both live and in a live stream/hybrid format. Gutierrez brings over 20 years of financial industry experience to the Compliance Alliance team. She began her career in banking in 2000 while receiving her bachelor of business administration degree in finance from the University of Alabama. Her compliance knowledge and understanding derive from her combined experience in community banks and consulting. Gutierrez served as a risk management and BSA officer, assisted in the development of an enterprise-wide risk management and compliance program for a de novo institution, assisted in the compliance remediation efforts for an institution who was referred to the DOJ, held positions in retail and branch management, and was a senior compliance



**ELIZABETH K. MADLEM, JD** is the vice president of compliance operations and deputy general counsel at Compliance Alliance. In the past, she served as both the operations compliance manager and enterprise risk manager for Washington Federal Bank, a \$16 billion dollar organization headquartered in Seattle, Wash. She has industry expertise and real-world solutions surrounding bank-enterprise initiatives and knowledge of contract law and bank regulatory compliance. An attorney since 2010, Madlem was a Summa Cum Laude, Phi Beta Kappa, Delta Epsilon Sigma graduate of Saint Michael’s college in Burlington, Vt, and a juris doctor from Valparaiso University school of law in Indiana. As the vice president of compliance operations, Madlem oversees Compliance Alliance’s products and services and plays an important part in all operational areas of Compliance Alliance. advisor for a large regulatory compliance consulting firm.



# ACCOMMODATIONS

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## TENTATIVE DAILY AGENDA

*Times are listed in CST. Registration will begin at 8:30am Monday.*

**Monday** - 9:00 a.m. – 4:00 p.m.

**Tuesday** - 8:30 a.m. – 4:00 p.m.

**Wednesday** - 8:30 a.m. – 12:00 p.m.

**Thursday** - 8:30 a.m. – 4:00 p.m.

**Friday** - 8:30 a.m. – 12:00 p.m.

*Meals include Breakfast and Lunch. Lunch will be on your own on Wednesday and Friday.*

In order to make necessary arrangements, we request that you please indicate **NO LATER** than **15 business days** from events if you require any special accommodations, such as handicap accessibility, or if you have special dietary needs, i.e. food allergies, dietary request, etc. If you have special request please email them to Elizabeth Bailey at [ebailey@alabama.bank](mailto:ebailey@alabama.bank).



All room rates are \$249 \*Self parking included!

To book your stay at The Lodge at Gulf State Park please visit

<https://bit.ly/47DD6o6>

If you wish to call to make your reservation please call **800-618-4350**. Contact Elizabeth Bailey for the group code.

**Room block expires March 29, 2024.**

## REGISTRATION

### for Advanced BSA Academy

Please return this form and appropriate fees to: ABA, 445 Dexter Ave., Suite 10025, AL 36104

**EARLY BIRD MEMBER RATE\***: \$1,695 - Register before 3/1/2024 and save \$200!

*\*To qualify for early bird rate all fees must be paid by 3/1/2024.*

**REGULAR MEMBER RATE**: \$1,895

**NON-MEMBER RATE**: \$2,975 (Prepayment is required for all non-members.)

*All rates are for ONE attendee. Daily substitutions are not permitted.*

**Registration  
gift  
included!**

Name \_\_\_\_\_ Bank \_\_\_\_\_

Title/Dept. \_\_\_\_\_ Email \_\_\_\_\_

Mailing Address \_\_\_\_\_ City, State & Zip \_\_\_\_\_

Direct Line \_\_\_\_\_ Cell \_\_\_\_\_

Additional Attendees: 1. \_\_\_\_\_

2. \_\_\_\_\_

**PAYMENT METHOD:** Total fees due: \$ \_\_\_\_\_ (Payment due prior to event.)

☐ Check enclosed

☐ Please send me an invoice

☐ Please bill the following credit card: ☐ Visa ☐ MasterCard ☐ Discover ☐ Amex

Credit Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

To register, you may email this form to [ebailey@alabama.bank](mailto:ebailey@alabama.bank). Or, you may mail this form and appropriate fees to:

**ABA, 445 Dexter Avenue, STE 10025, Montgomery, AL 36104.**

For more information, contact Elizabeth Bailey, vice president of professional development, at (251) 510-3593

or email [ebailey@alabama.bank](mailto:ebailey@alabama.bank).

**For information on important policies please visit our website at <https://www.alabama.bank/policies>.**



ALABAMA BANKERS ASSOCIATION

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