

ABA Bank Compliance

FEATURES

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8 AML Enforcement Actions: What Can We Learn?

BY JOHN J. BYRNE, CAMS, AND MICHAEL D. KELSEY

As we progress through 2006 and continue to face myriad challenges in the critical area of anti-money laundering (AML) compliance, what can we glean from the spate of enforcement actions issued in the past year? William J. Fox, Financial Crimes Enforcement Network's (FinCEN's) former director, has made clear that one of his agency's goals is to use enforcement actions as a training tool for the financial sector. In equally forceful terms, other agency leaders have recommended caution, lest a bank read too much into a particular order, as the orders are clearly fact-based. The dilemma for the industry, of course, is that we ignore enforcement "themes" at our peril. This article provides brief summaries of the major actions that suggest themes of changes in AML policies for compliance officers.

14 Compliance Policy Statement: A Plan for Successful Creation and Smooth Adoption

BY WILLIAM J. RUNDORFF

Policy is a central attribute of successful management in any endeavor, and bank compliance is no exception. The complex mass of regulations controlling the banking industry requires comprehensive policies to manage compliance risk—and many regulations mandate the establishment of board-approved policies—but developing those policy statements is a daunting task. The purpose of this article is to assist compliance professionals as they create and obtain board approval for clear, effective compliance policies.

20 Compliance Is Not a Competitive Sport!

BY ANA M. FOSTER, CRCM, AND DORIS WALDMAN, CRCM

When it comes to compliance, there is no room for competition. All financial institutions must adhere to banking regulations and interact with regulatory agencies, and working toward the same goals, we all want to do our jobs as effectively and efficiently as possible. One of the best resources we have for accomplishing these goals is the local compliance network—a group of compliance professionals serving as a resource, therapy group, and fraternity in one. This article examines the value of local networks and learning from peers.

26 New Overdraft Amendments to Reg. DD and How They Affect Your Institution

BY W. BARRETT NICHOLS

In May 2005, the Federal Reserve Board published the final amendments to Regulation DD of the Truth in Savings Act, which will become mandatory July 1, 2006. It is extremely important that financial institutions understand the amendments and their implications, and put into place systems, procedures, and policies to ensure compliance. Regulation DD amendments address misleading advertisements, nonsufficient funds and overdraft fees disclosure requirements, advertisement disclosures, and periodic statement disclosures. The purpose of this article is to provide details about Regulation DD amendments and suggest some practical ways to comply.

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