

8 SARs after Spitzer

BY MAUREEN E. CAROLLO, CRCM

You submit a suspicious activity report (SAR) related to a well-known, high-ranking government official. Weeks later, you receive a phone call from law enforcement officials, who visit your bank to discuss the SAR and obtain the supporting documentation you referenced. You feel secure and confident about doing so because everyone knows that the SAR won't be disclosed because you and the bank are protected by the safe harbor provisions of the Bank Secrecy Act (BSA) regulations. Then, you see media reports identifying your bank at the heart of a government investigation. Are SARs really anonymous?



COVER: STEPHEN CHERNIN / AP IMAGES

14 Does Decoupled Debit Mean Compliance Gets a Pass?

BY CARL G. PRY, CRCM

A new product threatens the cozy checking account/debit card relationship: the "decoupled debit card." The idea is not new (it's still a debit card), but the issuer of the card is. Decoupled debit cards are not issued by the bank that holds the customer's checking account; the issuer could be another bank, a nonbank financial institution, or another type of entity altogether. This generates many questions: How does the card issuer know if there are funds available to make the payment? What networks are used to perform these transactions? What are the compliance implications if we just have the account? And perhaps most importantly to some banks, what choices do we have—can we prevent this?

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24 Enhanced Due Diligence with Money Service Businesses

BY RYAN RASSKE

Recent regulatory actions have once again caused banks to revisit their enhanced due diligence on money service businesses (MSBs). While the risk of doing business with MSBs may not have changed in the past few years, the level of scrutiny by regulators and law enforcement continues to increase. With all the emphasis on the Bank Secrecy Act (BSA) and the USA PATRIOT Act during the past six years, it is no surprise examiners continue to issue enforcement actions against banks and MSBs with weak compliance programs. This article will help banks understand what activity qualifies someone as an MSB and the due diligence steps they can use to determine which ones have an acceptable level of risk.



32 The Compliance Challenge of U.S. Basel II: Finding Guidance, Seeing the Future

BY GREGORY J. LYONS

Large bank compliance personnel can be excused for being a bit overwhelmed by the rollout of the new international Basel Accord (Basel II) in the United States. They are trying to fully and efficiently implement the most complex capital and risk management change ever conceived, and to do so with no single current set of comprehensive rules and the rules continuing to evolve on an international level. This article breaks down what compliance pros need to know about implementing Basel II.

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