

## 8 Working with Law Enforcement

BY DENNIS M. LORMEL

Working with law enforcement has long been, and will continue to be, one of the strong and silent attributes of the financial services sector. When law enforcement achieves investigative success in myriad types of cases, it is often due in large part to the support of the banking community. The author, who spent three years with the IRS and 28 with the FBI, has witnessed firsthand how the contributions of dedicated banking professionals provided the evidence necessary to sustain prosecutions or positively influence other law enforcement actions and outcomes.



## 16 On Alert: Designing Effective AML Monitoring Processes

BY DAVID B. CARUSO AND DAN SOTO, CAMS

Among the more difficult anti-money laundering (AML) compliance challenges is managing and effectively addressing the large numbers of transaction alerts produced by software monitoring systems. Many in the AML field would say that their financial institutions suffer from transaction monitoring overload. If not properly designed, software programs designed to detect potentially suspicious activity produce far too many alerts, the large majority of which prove to be of no value in detecting criminal activity.

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## 24 Reg. E and NACHA Rules

ANN-MARIE BARTELS, AAP

Maintaining compliance with federal Regulation E and NACHA Operating Rules presents individual challenges for banks. The requirements imposed by Regulation E and the NACHA rules appear in some cases to be in conflict, which introduces additional complexities. Banks frequently voice concerns regarding apparently divergent requirements associated with handling unauthorized and erroneous transactions, error resolution, and stop-payment orders.

## 32 Preparing for and Managing the Examination Process

BY THOMAS J. HEALY, CRCM, AND BONITA G. JONES

The issues in today's banking industry elevate anxiety levels, making "effective examination management" a hot topic. At the June 2008 ABA Regulatory Compliance Conference, organizers devoted two sessions to exam management: "Preparing for Your Exams," presented by John Byrne (Bank of America), Michael D. Kelsey (CapitalOne), and Daphne Whistler (Office of the Comptroller of the Currency); and "Managing Regulatory Relationships," presented by Mike Maher (Wells Fargo Home Mortgage). In August, Byrne and Kelsey joined Chris Spellman (Morill and Janes) for an ABA telephone briefing, "Preparing Your Bank for Regulatory Exams-How Does Your Bank Measure Up?" Drawing from those presentations, this article reinforces the notion that successful examination management is more than just gathering and delivering documents to the examiners; it is an ongoing part of any compliance program.



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