



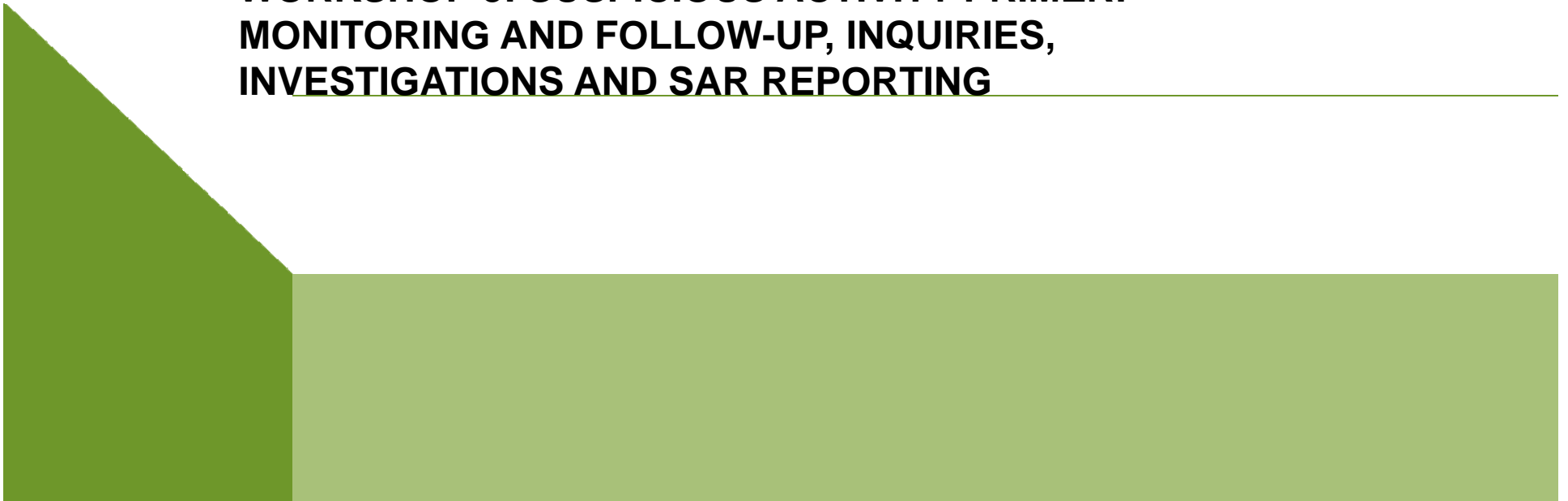
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## **2013 ANTI-MONEY LAUNDERING AND FINANCIAL CRIMES CONFERENCE**

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**WORKSHOP 3: SUSPICIOUS ACTIVITY PRIMER:  
MONITORING AND FOLLOW-UP, INQUIRIES,  
INVESTIGATIONS AND SAR REPORTING**

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# Presenters

Moderator: Linda Busby, Manager – Corporate Anti-Money Laundering, Raymond James Financial, Inc.

## Panelists:

Sandra L DePoalo, Managing Director, Head of AML Monitoring & International AML Compliance, Bank of New York Mellon

John Panagopoulos, Director, Global Head of Investigations and Surveillance, Barclays

Michael Wassell, Head of Transaction and Market Surveillance, Goldman, Sachs & Co.

Alan Williamson, Director of Anti-Money Laundering, Retail Compliance, Wells Fargo Brokerage

## Panel Topics

Surveillance,  
Monitoring &  
Follow-up

Investigations

Reporting

# Surveillance, Monitoring & Follow-up



## Surveillance vs. Referrals

- Regulatory expectations for robust rules-based surveillance system
  - Tune rules regularly
  - Document rationale for making changes
  - Verify that all businesses/products/transactions are included. If excluded, justify why.
  - Alert resolution needs to be properly documented
- Internal referrals can be equally/more effective
  - Centralized reporting/escalation process (e.g., hotlines, web-based tool, key contacts)
  - Training employees

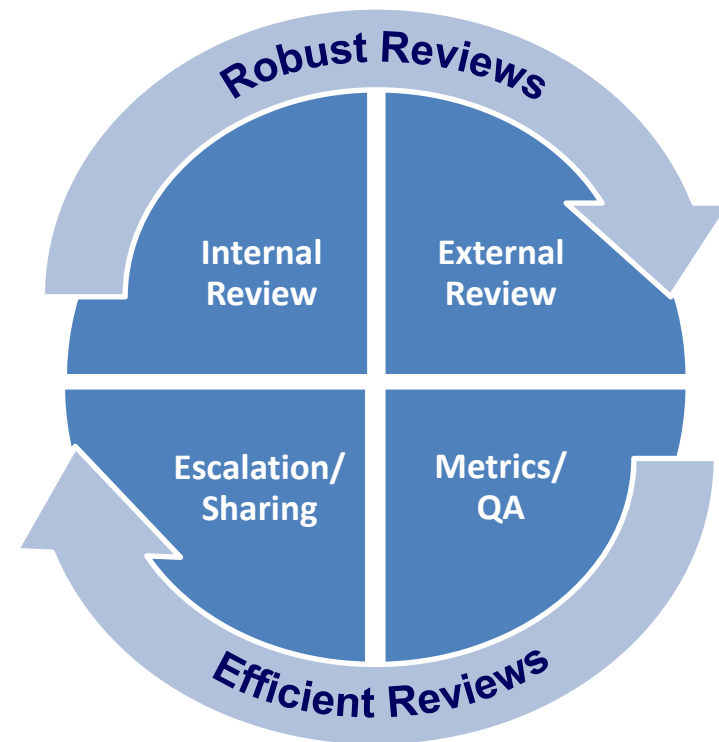
# Investigations

## 1 Ensuring complete and standardized reviews

- Both centralized and local functions require enhanced global synergies
- Required investigative steps
- Sharing concerns globally as permissible
- Supervisory review/approval

## 2 Division of Labor

- Assigning responsibilities with a risk-based approach
- Maintaining focus and encouraging a learning environment
- Internal and external training
- Leveraging divisional representation



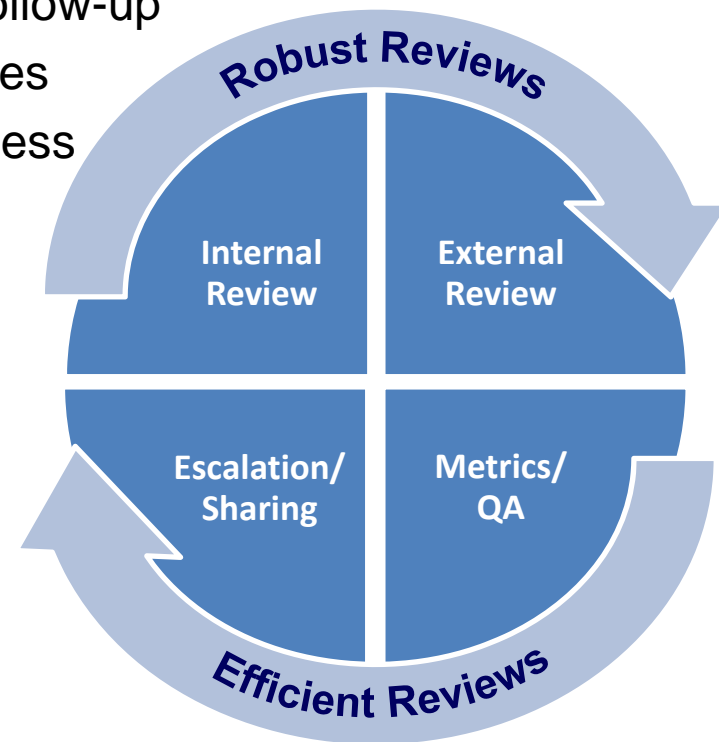
# Investigations

## 3 Investigative protocols to mitigate risk

- Higher risk, greater oversight
- Terminating and/or restricting accounts; follow-up
- Enhanced oversight of client/activity profiles
- Escalate to Senior Compliance and Business

## 4 Tracking metrics

- Quality assurance reviews
- Internal escalations
- Subpoena reviews
- Surveillance alerts
- SAR/STR reporting



# Reporting

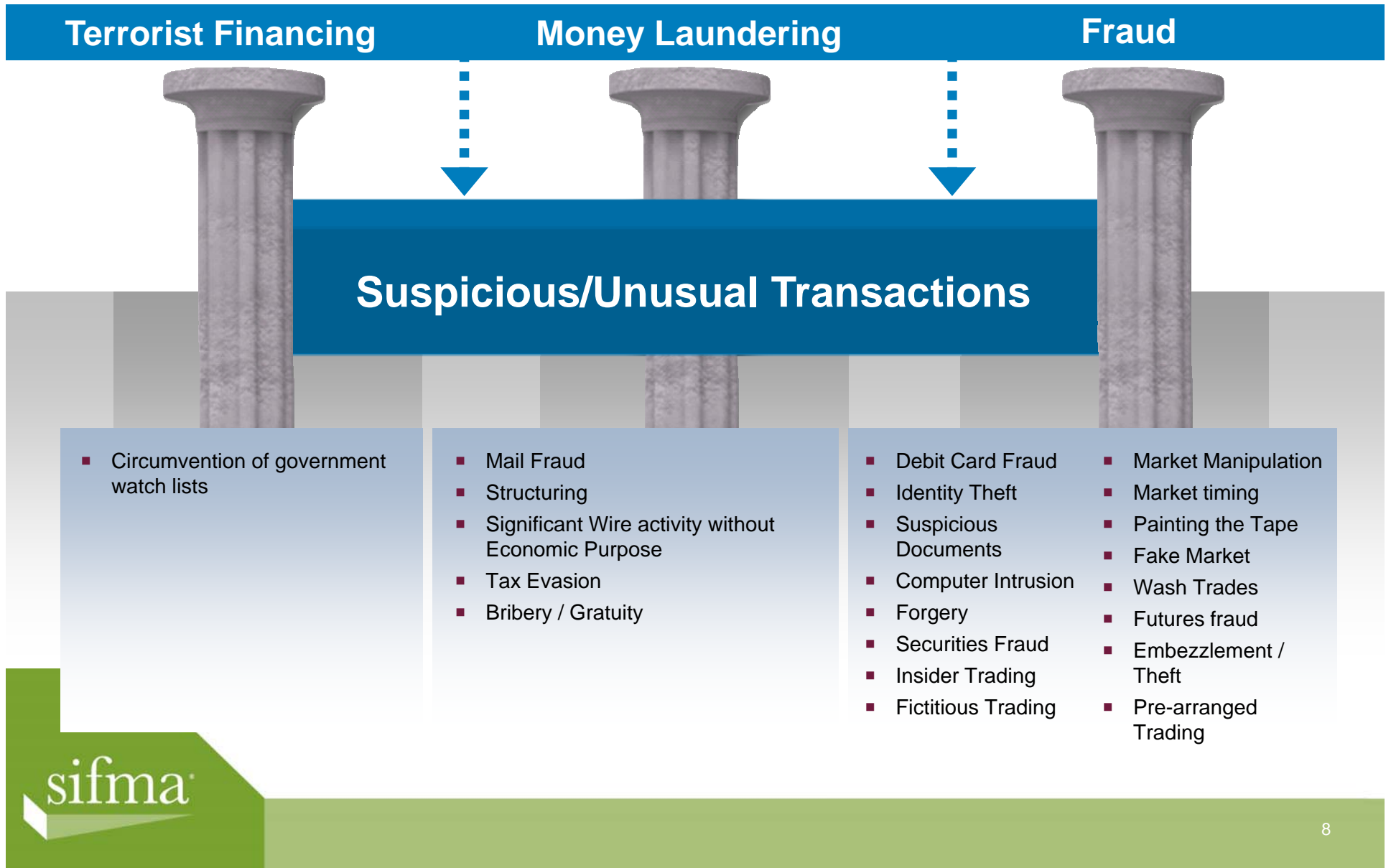


## Global vs. US Requirements

- In country MLROs are key to global AML compliance
- Coordinate SAR filings in multiple jurisdictions - where required
- Sensitivity to secrecy jurisdictions – more complicated
- Regulatory requirements/expectations differ among jurisdictions and are continuously changing



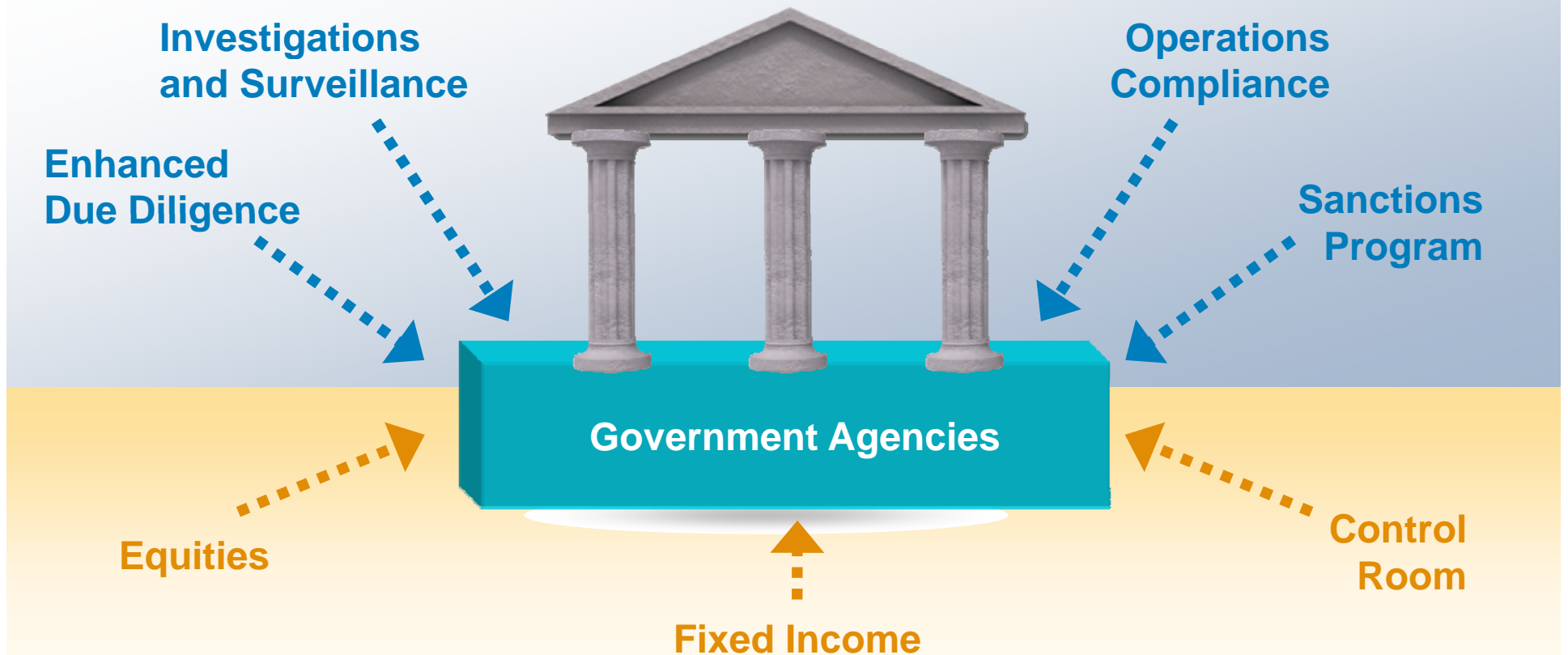
# Reportable Events





# Suspicious Activity Reporting and Escalations

## AML Surveillance



## Transactional Surveillance

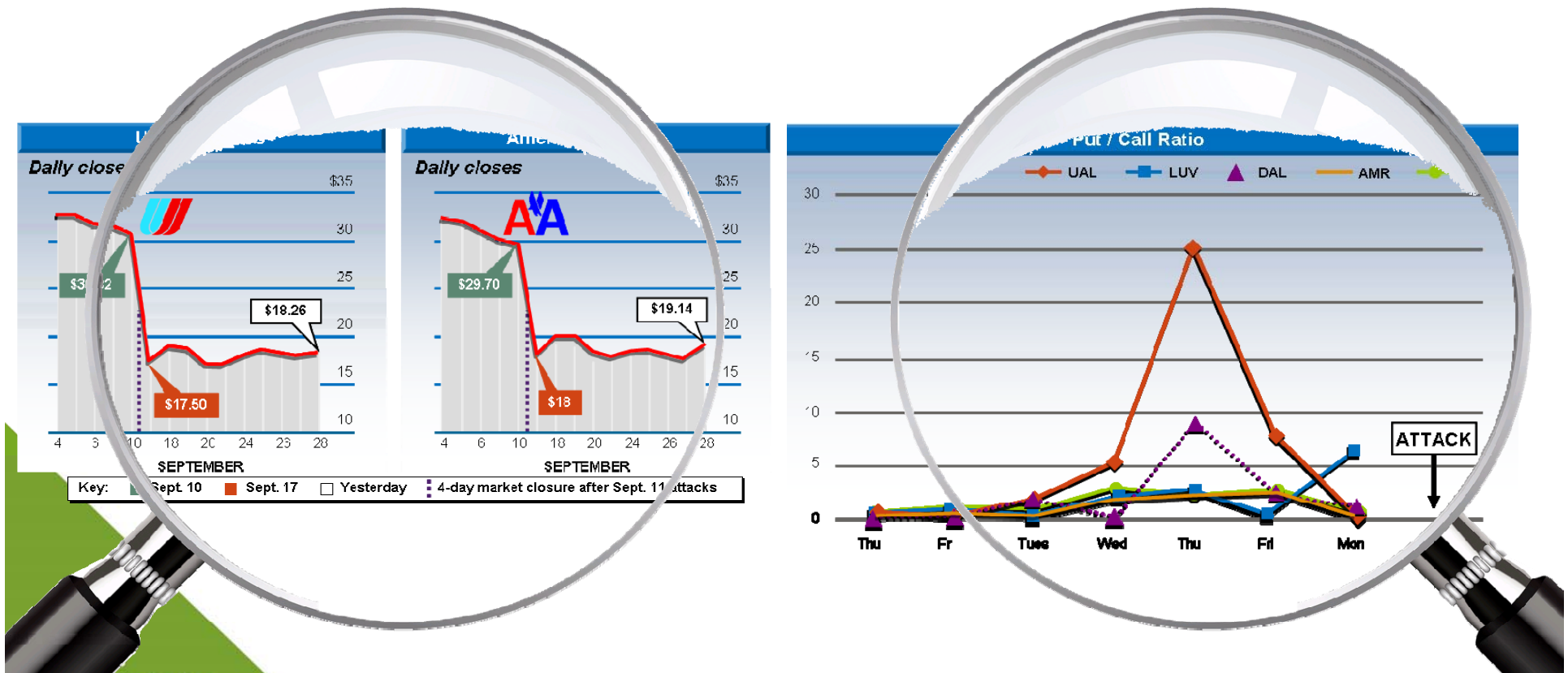
# Are you looking at your activity from multiple lenses?

## Profiting from a loss

The stocks of United and American airlines fell sharply following the September 11 terrorist attacks, which used hijacked jets from the two airlines. But unknown investors made a bundle using a financial derivative that increases in value when a stock goes down.

## United Airlines and American Airlines

This graph shows a dramatic spike in pre-attack purchases of put options on the airlines used in the attack



# Cross Compliance View – Increased Communication



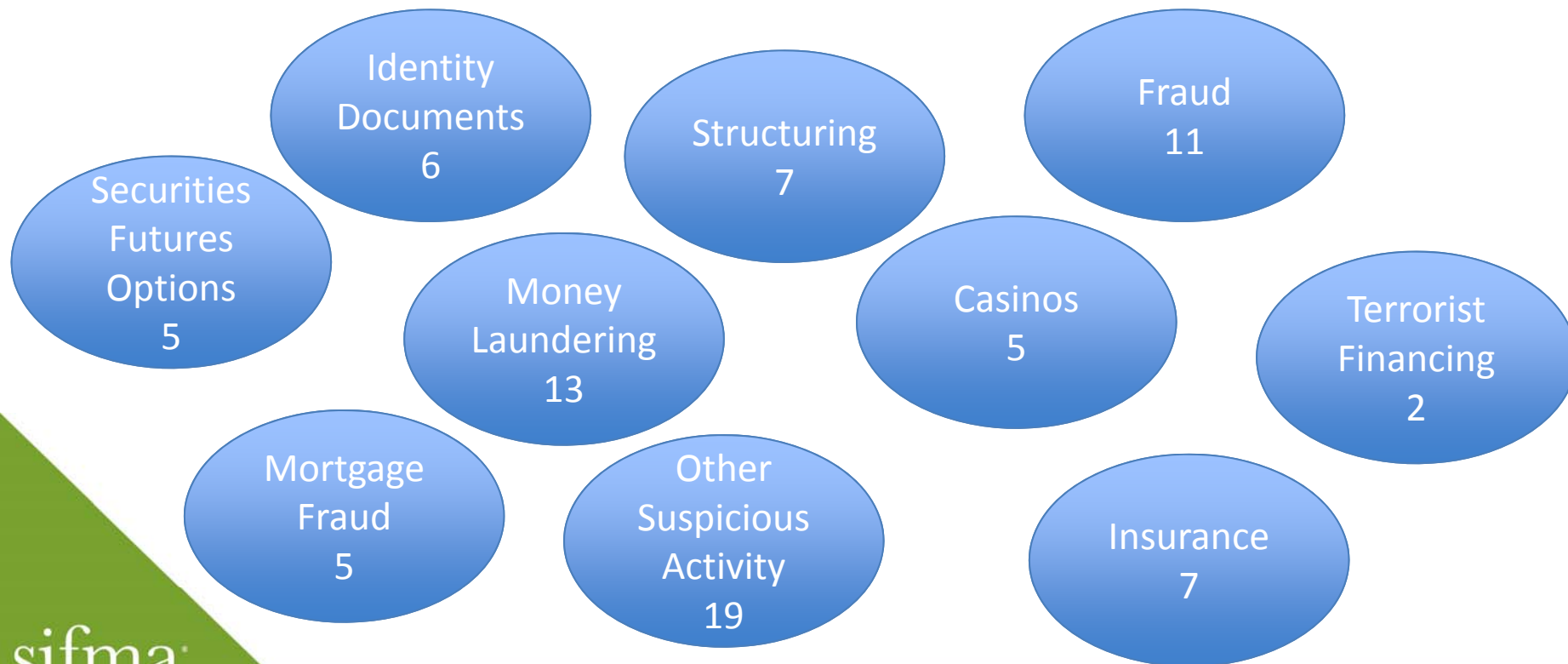
# New SAR form

One form to rule them all

No more SAR-SF, SAR-DI, etc.

What is the law enforcement/regulatory/audit expectation?

## Granular Offenses



# After Filing

You've filed your SAR, what do you do next?

## Close the account?

### Previous SARs?

How many is too many?

### How big is Account ?

Does it matter?

Should it matter?

### Who Decides?

AML?

Business?

Committee?

## Communicate?

### Law Enforcement?

### Regulators?

### Other Parts of the Firm?

Remember SAR sharing/confidentiality rules

### Front Line?

“Don't do that”

## Conclusion?

### Weak System?

### Weak Employee?

### Weak Program?

# Questions and Answers

## Current Topics

Elder Financial Exploitation

Sanctions Exploitation