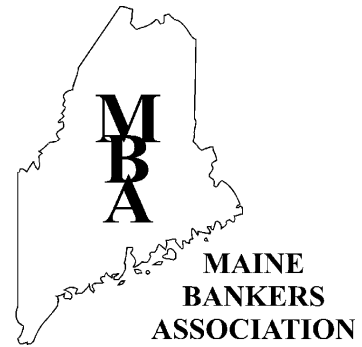


MAINE ASSOCIATION
OF COMMUNITY BANKS

&



In cooperation with:
Profit Protection LLC

&

The National Association for Bank Security

presents

The 2007

Bank Secrecy Act School

***Managing the AML Program in an Environment
of Rising Regulatory Expectations***

Who should attend?

- Compliance, legal, audit, risk management and operations employees and managers
- Trainers, internal control specialists, and bank security
- BSA and AML specialists – from experienced veterans to new recruits
- Serious professionals with banking background looking for “in-depth” knowledge and articulation of the issues

April 10 & 11, 2007
Ramada Conference Center
490 Pleasant Street
Lewiston ME 04240
207-784-2331

Why a School and Why Now? The Truth is

- Regulators expect and increasingly demand that each new bank charter would require a qualified Bank Secrecy & Anti-Money Laundering Executive.
- The BSA examination asks much more of banks, and expects much more from the BSA program than in the past.
- Community banking is vastly different than regional, super-regional and multi-national banking.
- Knowing the customer and knowing the regulations are no longer enough.
- The expanded interagency exam will take a risk-based approach, expecting banks to understand their appetite for and exposure to risk and to implement practices to mitigate risks

There are numerous workshops, seminars and conferences dealing with current money laundering related events, from politics to program deficiencies to “PEPs”. There are telephone and web-based programs that discuss the nuances of new regulations. There are symposia to deliberate the impact of world events affecting BSA enforcement. But this is the first COMPREHENSIVE SCHOOL designed, developed and tailored for most bankers, and it’s the first such event offered as such in an academic setting.

Unlike other programs, a school provides...

- More opportunity for in-depth thinking and deliberation
- A learning environment focused on how to think, reason, process, and analyze relevant information
- A proactive and positive approach to interactive problem-solving

- Exercises and group discussion focused on shared knowledge and experience
- More hands-on value than traditional question-and-answer sessions
- A way to “validate” what you know and how you use it – knowledge and the application of knowledge

What should attendees expect?

- Experienced faculty discussing issues in an engaging and thoughtful environment
- Background, regulatory requirements and guidance on BSA and AML matters
- Tips on developing and refining management skills to deal with AML challenges
- Lessons learned from recent enforcement actions
- “Credentials” from an academic approach – knowledge and “take-aways”
- The perspective, skill-set, tools, and understanding to help deal with BSA issues
- Unique opportunity for peer-exchange and interactive discussion
- Value-added benefits, including learning how to:
 - Build, maintain, and refine an effective BSA/AML Program
 - Research and find answers to everything from fundamental to technical questions
 - Analyze and resolve issues relating to your bank’s program
 - Apply an analytical approach to determine the best course of action
 - Identify and weigh the risks relating to money laundering
 - Survive in a crisis-management environment

School Curriculum and Course Descriptions

Welcome and Orientation: Overview of School –

BSA/AML Overview: Background & Legislative/Regulatory History: The course materials will include a detailed discussion of the evolution of Bank Secrecy Act-related laws and regulations, from the beginning through the USA PATRIOT Act in 2002. The session will highlight the impact of each initiative, and provide a connection between the federal laws and the implementing regulations, interpretations, and other guidance.

Overview of Title 31: The session will outline the regulations implementing the Bank Secrecy Act, along with cites and references to specific key issues.

Civil & Criminal Enforcement - The Money Laundering Laws & Regulations: This session covers the enforcement aspects of the various money laundering laws and regulations, ranging from civil to criminal penalties and banking agency enforcement tools.

Principles of Money Laundering & Terrorist Financing - Concepts, Fundamentals & Emerging Trends: This will highlight the basic premise of money laundering and terrorist financing, along with the banker’s role in combating them. The stages of money laundering and “reverse”

money laundering are discussed, along with key elements of the process by which the customer tries to disguise or conceal the ownership or control of the funds, and the true source and origin of assets.

Reporting Requirements – CTRs, DEPs, CMIRs; FBARs: The reporting requirements of Title 31 are discussed, including the managerial aspects of CTR filing (not just how to complete the form). The establishment and maintenance of exemptions is addressed in detail. The session also introduces attendees to filing CMIRs and those pertaining to Foreign Bank Account Reports (“FBARs”).

Recordkeeping – Record, Retain and Retrieve: The Bank Secrecy Act is designed to create paper trails that are useful to law enforcement. In addition to the reporting aspects of cash and certain cross-border transactions, the regulations provide for extensive recordkeeping. This course will explain the general rules of Title 31, along with specific rules pertaining to records arising from the USA PATRIOT Act:

- General recordkeeping standards
- Special rules for banks and for non-bank financial institutions

- 314(a) and 314(b)
- Timely Retention and Retrieval of Customer Records
- Program for Handling Legal Orders & Requests

Wire/Funds Transfers: As one of the recordkeeping requirements, the funds transfer rule is both complex and easily automated. This course will describe the coverage and capture requirements, along with the impact of self imposed restrictions.

\$3,000 Rule: This “anti-smurf” recordkeeping requirement has evolved over time. The course discusses the coverage and recordkeeping aspects, along with the advisability of self imposed restrictions.

Developing A Bank Risk Assessment: The BSA/AML risk assessment is the overriding focus of the new BSA examination procedures. The bank is expected to develop a written assessment. If not, examiners are instructed to develop one on its behalf. This session explores “how to” both conduct the risk assessment and write the document.

Developing a Customer Risk Assessment: Recent regulatory guidance states that customers are not to be automatically presumed to be “high risk” based solely on type of business. The bank is expected to identify and classify high risk customers through its own internal efforts and allocate its resources where it determines there to be the greatest risk. This session talks about establishing risk classifications and how to prioritize customer risk.

Customer Due Diligence (CDD): “Know Your Customer” has been effectively removed from the new examination procedures, replaced by “Customer Due Diligence”. This replacement phrase continues to reflect the concept that identifying and verifying customer identity through CIP alone is not enough. This session helps identify the circumstances under which CDD needs to be a part of one’s compliance efforts.

Developing, Managing & Refining Your BSA/AML Compliance Program: The traditional program designed to assure compliance with the Bank Secrecy Act continues to undergo significant enhancements recently. This course will examine the key elements of the BSA/AML program from a management rather than a compliance standpoint.

Developing, Managing & Refining Your OFAC Program: Exam expectations have raised the bar as to the bank’s OFAC program. This course will highlight the requirements of foreign asset laws, and will discuss the elements of an effective risk-based management program.

Customer Identification Program: CIP rules set a nationwide “minimum standard” for any account opened at a bank or covered financial institution. This session examines the CIP rules in the context of the revised examination procedures.

Suspicious Activity – Reporting, Writing & Filing SARs: Among the most critical aspects of anti-money laundering efforts is the complete, accurate and timely filing of SARs. Complete SAR narratives have been the focus of recent government initiatives. And examinations

have found numerous deficiencies in the process by which customer financial activity is identified and reported. This course reviews the basic requirements for SAR reporting and provides many suggestions regarding form completion. An analysis of the new form and instructions is made including selected high risk categories.

Handling Legal Orders & Requests: Whether an informal request for information about a bank customer or a subpoena from a federal grand jury or National Security Letter, the bank must know what to do, and should have well-established procedures in place to govern their responses and to assure compliance with privacy requirements. This session talks about establishing and operating such a program.

AML Management Skills – Best Practices: Knowing the law and regulations is no longer enough. This session considers what it takes to effectively manage the BSA/AML program. Topics include:

- Management Skills
- Writing Effective Policies and Procedures
- Analysis Skills & Forensic Reviews
- Case Management: Watch lists, SARs & “NO-SAR” policies and practices, documentation of the process
- Understanding considerations in selecting an automated system

The Role of Technology, Software, Controls and Other AML Tools: Today’s BSA/AML Officer must be conversant with technology and how to apply it. This session will explore the skill-set needed, along with practical applications of common software that can be used to enhance AML performance. This ranges from research and investigations to identifying and monitoring patterns of activity.

Regulatory Expectations under the 2005 and 2006 versions of the BSA/AML examination manual: The 330 page interagency examination manual introduced in 2005 replaced a 23 page version. Needless to say, regulatory expectations were increased in a number of areas. This session will address the major implications of that manual and how it has been utilized in the field. At the end of July 2006, the manual was replaced with a 366 page version. The course will identify significant changes introduced in the latest manual and how these changes affect a bank’s compliance program.

Using The New Examination Procedures to Prepare for the Examination: This segment is from the perspective of the banker, not the examiner. It addresses how to use the new procedures to anticipate questions and build a compliance program that meets well-defined regulatory expectations.

All students receive a certificate of completion and a comprehensive course textbook, with both teaching and take-home reference materials. The course book will include valuable information on each subject, along with useful tools, case study examples, sample program materials and useful reference materials.

Speakers (two of the following speakers will be present)

Phillips G. Gay, Jr., CAMS, CRCM and CRP, is the principal of the Compliance Advisory Service, Coral Springs, FL, and is a frequent speaker at state and national compliance programs, and senior advisor to a national compliance training concern. He is currently Senior Vice President of a commercial bank, and was a former vice president of regulatory compliance for First Union Corporation (now Wachovia) and a senior vice president for Bank of North America. He has served in an advisory capacity on numerous government and American Bankers Association (ABA) committees dealing with regulatory compliance matters.

Jay M. Friedland is President and CEO of M&M Consulting, Inc. a New England based consulting firm providing compliance, audit and loan review services to community banks. He also serves as the chief regulatory compliance and Bank Secrecy Act consultant. Mr. Friedland had been the Director of Compliance and Audit Director for the Bank of Boston Corporation. He also held a number of other senior level legal counsel positions with the Bank of Boston. Previously, Mr. Friedland had been a staff attorney for the Federal Reserve Bank of New York. He received a JD from the University of Michigan Law School and a BA from Brooklyn College of the City University of New York, and is a member of the Massachusetts Bar.

Maureen J. Holteen, CFSSP, former vice president of KeyBank's Corporate Fraud Investigations group is an independent bank fraud consultant with 21 years experience in the financial industry. An informative and engaging speaker, Maureen has delivered presentations throughout the eastern United States at national vendor conventions, banking and law enforcement educational seminars. Her areas of expertise include fraud awareness, detection and prevention; critical incident response and preparedness as well as identity theft and investigations. Maureen is a Certified Financial Services Security Professional through the Institute of Certified Bankers and an associate member of the Association of Certified Fraud Examiners.

Greg Benson is a recognized authority on check fraud detection and prevention. He assisted in the apprehension and conviction of the largest check fraud ring in U.S. history (\$40 million). He has over 30 years of financial service industry experience at commercial banks, savings and loans, consulting and trade association work. Presently he is Vice President and Chief Compliance Officer for Burke & Herbert Bank & Trust Company.

REGISTRATION FORM

THE 2006 BANK SECRECY ACT SCHOOL: *Managing the Anti-Money Laundering Program*

April 10 and 11, 2007 Ramada Conference Center

Please print clearly or type:

Institution _____

Billing Address _____

City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Please register the following persons:

Name	Nickname	Title	Email
_____	_____	_____	_____
_____	_____	_____	_____

Registration per person-Member \$495 Amount Enclosed \$ _____

Registration per person-Nonmember \$700 Amount Enclosed \$ _____

Three ways to Register:

Fax: Complete the registration form and fax to 207.774-5693

Email: Complete the registration form and email it to turnerj@mecb.com

Mail: Send this form with a check or credit card information to:

Maine Association of Community Banks, 489 Congress Street, 3rd Floor • Portland, ME 04101

Credit Card _____ MasterCard _____ Visa _____ American Express _____

Card Number: _____ Expiration Date: _____

Signature: _____

Cancellation and refund policy: A \$50 per person cancellation fee will be charged. No refunds for cancellations made after March 27, 2007. Substitutions from you bank are encouraged if you are unable to attend. Please note that if you don't attend, but haven't cancelled, you are still responsible for payment, however, seminar materials will be sent to you. If you register within three days of the program and then cancel or fail to attend the program, you will be invoiced for the full cost of the program.

Accommodations: A block of rooms has been reserved at the Ramada Inn Conference Center in Lewiston/Auburn. The cost is \$79.90 per night, single or double occupancy. Reservations must be made on or before June 1st. Reservations made after these dates will be on a space-available basis at a higher rate. If you wish to make reservations, call the hotel directly at (207) 784-2331. You are responsible for settlement of your own hotel accommodations.

NO CONFIRMATIONS PROVIDED