Walsh Agency

AML For Money Service Businesses

Price
$59

To complete this training simply follow these instructions.

1. Read all the way through the text on this page.
2. At the very end of the page, there will be a button labeled “Sworn Declaration”. Click on the button.
3. Fill out the form carefully. Your certificate will be sent to the email you put in.
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Welcome to MSB/AML Compliance Training…

features ‘Best Practices’ Compliance to help keep you well within the rules and out of trouble.

Dear Money Services Business Professionals, employees, branches and Agents,
The Walsh Agency, Inc. helps MSB/AML Compliance Officers and staff save time and reduce their AML workload. This course takes about a half hour to scroll and read.

1. The Walsh Agency Inc. has conducted more than 30,000 AML, Ethics and Sales trainings. We’re available to help you every step of the way.
2. This program meets an MSB’s AML annual compliance training requirement.
3. We keep Compliance Officers and all those who take our courses up to date with all new, revised and updated compliance notices from the MSB/AML regulators: the Financial Crimes Enforcement Network (FinCEN) and the Internal Revenue Service (IRS). This meets the MSB’s requirement of ‘on-going’ training. FinCEN and the IRS have issued more than a dozen new MSB/AML compliance directives during the past year alone.
4. Section V lists the required report forms with instructions. All may be printed.
5. Section VIII lists contacts and phone numbers to answer your questions.
6. We staff a live 24/7 help line. Phone: (410) 207-0134.
7. We maintain all training data (triple redundancy) for five years as required. The information includes: names, dates, instructor’s name and qualifications, content, updates, times, frequency, worksheets, Certificates and signed attestations.
8. If you have any requirements, comments, questions, please call or email us.
    - Phone: (410) 207-0134.
    - Email: WalshAMLEthics@gmail.com

You may easily navigate as you scroll through this course. To take a break, just make a note of the page where you left off and return when convenient. You may start on one computer and finish on another. On the final page, click the link: ‘Sworn Declaration’. Complete and send it to us. We certify you and send you your AML Certificate within 3 business days. It is good for 1 year.

Dear Reader,

Please consider for a moment, the importance of this course to help prevent money laundering and terrorist financing. Just think of the serious consequences to yourself, your job, your career and your company, if even one of your customers was found guilty of using you and your company for money laundering and terrorist financing. It is critical you take this AML compliance training seriously. Thank-you.

Sincerely, John Walsh, for The Walsh Agency, Inc. (incorporated in 1970)

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Section I: Introduction

Course Information

- Provider
    - The Walsh Agency Inc., a Connecticut Corporation, was established in 1970. We have conducted Sales training, Ethics training and Anti-Money Laundering compliance training courses for over 30,000 business professionals. The Walsh Agency, Inc. was admitted into the Association of Certified Anti-Money Laundering Specialists (ACAMS) in 2004.
- Instructor
    - John Walsh earned his Certified Anti-Money Laundering Specialist (CAMS) designation in 2004. He’s written several courses and books including: **An AML Compliance Training Guide for MSBs, Anti-Money Laundering Compliance for Securities and Futures Brokers, Ethics Training for Financial Professionals** and **Master Brokers**
- Description
    - Our research to develop our AML training programs includes our in-person interviews with AML regulators in Chicago and Washington, D.C., and discussions with AML experts from the Financial Crimes Enforcement Network (FinCEN), the Internal Revenue Service (IRS) and State Regulators. Our AML courses include MSB/AML rules and regulations published in Federal Register and the sources listed in the Bibliography (Section IX).
- Sworn Declaration (SD) Worksheet and Invoice
    - **This is the form you’ll fill out at the end of the course. Fill in the information requested and send it to us. The invoice for annual and on-going compliance training is included on this form.**
- Certification and your Professional AML Certificate
    - The Certificate, **not your Sworn Declaration,** is proof to your company, any review, the IRS and FinCEN you completed this course successfully. Your certificate lists major topics covered in the course. The date is a reminder when your next annual AML training is due.

Money Laundering

Money laundering is the act of moving illegally obtained assets through the financial system to disguise their origin and make them appear legitimate.

Money Laundering occurs in three stages.

1. **Placement**: may involve MSBs with the purchase of Money Orders, Traveler's checks, prepaid access (formerly called stored value), money transmission or foreign exchange. It also can consist of introducing illegally derived assets into such businesses as banks, brokerage firms, casinos, race tracks or by buying high value goods or services, for example: precious metals (gold), automobiles or insurance. **Money laundering is most vulnerable to detection and seizure at this stage.**
2. **Layering**: this phase is the movement of funds in an effort to further disguise the audit trail and ownership of funds. In this stage, assets that have been 'placed' are liquidated and transferred to other vehicles such as Money Orders, Traveler's checks, money transfers, foreign exchange, brokerage accounts, additional bank accounts (deposits from re-sale of high value goods) and real estate. This makes it more difficult to trace the money back to its original source.
3. **Integration**: to further obscure their source, the assets are again converted to give the appearance of legitimacy.

An important factor connecting the three stages of this 'process' is the 'paper trail' generated by financial transactions. Criminals attempt to avoid leaving this 'paper trail' by trying to avoid reporting and record keeping requirements.

You can be a valuable deterrent to money laundering by diligently following the rules and regulations covered in this course. You can be a 'gate keeper' and help prevent AML violations. Many MSB professionals with whom we've spoken are proud of this responsibility.

Section II: Money Services Businesses

Definition

An MSB is a business, as defined by FinCEN and the IRS, that offers one or more of the following products or services:

- Money Orders
- Check Cashing
- Foreign Exchange
- Traveler's checks
- Prepaid access (previously called 'stored value')
- The business conducts more than $1,000 in money services business activity with the same person (in one type of activity) on the same day.
- The business provides money transfer services in any amount.

IMPORTANT: "Whether a person is subject to regulation as an MSB does <u>not</u> depend on factors such as whether the person is licensed as a business, has employees or is engaged in a for-profit venture. It is the ACTIVITY performed that causes a person or business to be categorized as an MSB subject to anti-money laundering rules."

"In addition, an entity qualifies as an MSB based on its ACTIVITY WITHIN THE UNITED STATES, not the physical presence of one or more of its agents, agencies, branches or offices in the United States."

This requirement arose out of the recognition that the Internet and other technological advances make it increasingly possible for persons to offer MSB products and/or services in the United States from foreign locations. This regulation requirement applies regardless whether the MSB has or needs a state license. FinCEN seeks to ensure that the BSA rules apply to all persons engaged in covered activities within the United States regardless of their physical location." FinCEN

Registration requirements

The link to print MSB Registration forms (107, 107a) is on the last page.

Bank Secrecy Act (BSA) regulations require certain MSBs to have registered with FinCEN by December 31, 2001. An MSB established after that date must register by the end of the 180 day period beginning the day after the business was established.

MSBs are required to renew their registration within one year of their initial registration. Thereafter, they are then required to renew their registration every two years by December 31 at the end of the two-calendar year period following their initial registration.

MSBs must register by filing FinCEN form 107 (form 107a is the instruction sheet for completing 107). Registration is the responsibility of the owner or controlling person of the MSB, who must sign and file the completed registration form. **The MSB must keep a copy and a copy of FinCEN's confirmation of the filing for five years.**

Providers of prepaid access are required to register with FinCEN by 3/31, 2012.

FinCEN expects providers of prepaid access to obey the following rules as of 9/27/11:

- development of an AML Program that is risk-based and commensurate with the location, size and types of financial services offered;
- reporting of Suspicious Transactions (SARs) over $2,000; and
- maintenance of additional records by providers and sellers of prepaid access.

Registration exceptions

Each business that meets the definition of an MSB must register except for:

1. a business that is an MSB solely because it serves as an agent of another MSB;
2. the U.S. Postal Service and agencies of the U.S., of any State, or of any political subdivision of any state;
3. a branch or an agent of an MSB is not required to file its own registration form.

Agents

An agent is a separate business entity from the principal that the principle authorizes through a written agreement or otherwise, to sell its instruments or, in the case of funds transmission, to sell its 'send and receive' transfer services.

Agents are MSBs and are required to take on-going compliance training as part of their AML Policies, Procedures and Controls Program.

Maintain Agent List

In a letter to money services businesses (MSBs) dated April 27, 2011, the Financial Crimes Enforcement Network (FinCEN) requested that certain MSBs provide FinCEN with a list of their agents. The request applies to MSBs whose registration form identifies one or more agents authorized to conduct business on behalf of the MSB. Under Bank Secrecy Act (BSA) rules, an MSB must prepare and maintain a list of its agents as of January 1 of each year and report the list to FinCEN <u>upon request</u>. If you have any questions about this, call: The Financial Crimes Enforcement Network's (FinCEN's) help line at: 1-800-949-2732.

The Agent list must include:

1. Agent's name: including trade names and/or DBA names
2. Address: street, city, state and zip
3. Telephone number of the agent
4. Type of services the agent provides on behalf of the MSB
5. Gross transaction amount: a listing of the individual months in the twelve months preceding the date of the agent list in which the agent's gross transaction amount for financial products or services issued by the agent, exceeded $100,000 (excluding fees and commissions)
6. Depository Institution: name and address of any depository institution at which the agent maintains a transaction account for any funds received in or for the MSB services the agent provides on behalf of the MSB maintaining the list, whether in the agent's or business principle's name
7. Year became Agent of the MSB filing the report
8. Branches: the number of branches and sub-agents the MSB has, if any

Supporting Documentation, including a copy of the filed registration form, an estimate of business volume, information regarding ownership and control as well as the agent's information, must be maintained by the MSB for five years.

A branch is a place of operation that is owned by the issuer of the MSB products or services. An issuer may have numerous branches (that are owned by the issuer) through which the issuer sells its products or services or transfers funds. An MSB is not required to register each of its branches separately. A person who is only an employee of the MSB is not an agent of the MSB and should not be included in this report.

Common compliance errors

1. Failure to have a written/adequate AML compliance program
2. Failure to implement the AML compliance program
3. Lack of Suspicious Activity Reviews and Reports
4. No independent review of the AML compliance program
5. Failure to renew registration
6. Filing Currency Transaction Reports for $10,000 or less
7. No records of check cashing activity
8. Sending in attachments when submitting an SAR. Don't include them. If the regulators want them, they will ask you for them later.

Section III: Requirements of MSB/AML Program

Subtitle B – Bank Secrecy Act: Amendments and Related Improvements
U.S.A. Patriot Act Amendments – Section 352 AML Programs:

In General – Section 5318(h) of title 31 Chapter X, United States Code, is amended to read as follows, Anti-money laundering programs:

In General – In order to guard against money laundering through financial institutions, Money Services Businesses and their agents shall establish anti-money laundering programs **in writing**, which are to include:

1. A written AML Policies, Procedures and Controls Plan
2. A designated Compliance Officer
3. Annual and On-going training
4. A review function to test the program

A written AML Policies, Procedures and Controls Plan

1. You are required to fully comply with all laws and regulations regarding money laundering.
2. You are not to be used to facilitate money laundering or the funding of terrorist or criminal activities.
3. All employees and agents have a responsibility to follow the firm's written anti-money laundering policies, procedures and controls and to abide by all applicable AML rules and regulations.
4. Your firm's AML policy statement should also discuss the consequences (including possible dismissal) for those who do not follow the AML rules.
5. Risk assessment must be an integral part of the MSB's AML Program.

The MSB must designate a Compliance Officer, a partial list of whose duties include (The Walsh Agency assists the Compliance Officer with some of these responsibilities*):

1. keep current with Federal MSB/AML laws; *
2. carry out the firm's AML Policies, Procedures and Controls Program;
3. update the firm's AML program as necessary;
4. provide, document and keep records of annual and on-going training of employees, branches and agents; *
5. ensure compliance with the Office Foreign Assets Control (OFAC) regarding business with Specially Designated Nationals (SDNs) and Watch List countries
6. receive and review Suspicious Activity (SARs);
7. gather necessary information to evaluate and investigate SARs;
8. ensure Suspicious Activity Reports (SARs) are filed in consultation with the Compliance Officer and determine if they should be reported to the authorities;
9. ensure other appropriate reports (Section IV) are filed in consultation with the Compliance Officer and determine if they should be reported to the authorities;
10. make sure the AML Program is reviewed periodically to test the Program; note: the person(s) conducting the 'review' may not be the Compliance Officer;
11. correct and report in writing any deficiencies found in the firm's 'review';
12. verify required information is recorded, filed and maintained for five years; and
13. co-operate with legal entities on all appropriate and required AML matters.

Annual and On-going training

Another important component of the AML regulations is the requirement that MSBs provide annual and on-going training for employees and agents. This course fulfills the annual requirement. We send you periodic compliance updates for your on-going training.

MSB/AML training should include at a minimum:

1. ensure employees and agents take AML training before conducting any money services business;
2. ensure employees and agents get on-going training in all updates and new AML laws;
3. how to identify red flags and suspicious activity of money laundering;
4. what forms to complete and submit (i.e. SARs) once the risk is identified;
5. employees' and agents' roles in the firm's AML efforts and how to perform them;
6. the firm's record making and retention policy;
7. the disciplinary consequences (including dismissal and/or civil and criminal penalties) for non-compliance with the U.S.A. Patriot Act's AML rules and regulations; and
8. make and maintain training records including attendees, content, updates, revisions, trainer, trainer's qualifications, dates, frequency and signed attestations.

Periodically, we send you any new MSB/AML compliance rules, regulations and revisions from the IRS and FinCEN…as well as general reminders and compliance advice. This periodic service, along with this annual course, fulfills the 'On-going' part of your compliance training requirement.

A review function to test the Program

The MSB is required to provide for an independent review to test the adequacy of its anti-money laundering plan and confirm it is being followed.

Firms may satisfy this requirement with their personnel, except the Compliance Officer may not conduct the review. Or firms may hire an outside party with experience in this type of review.

In either circumstance, the review function should test all affected areas to ensure that personnel understand and are complying with the anti-money laundering policies, procedures and controls and that they meet all the necessary requirements.

The results of any review should be documented and reported to the AML Compliance Officer, the firm's senior management or an internal review committee or department. Follow-up should take place to ensure how deficiencies, if any, in the firm's anti-money laundering program are addressed and corrected. The confirmation of the correction of these deficiencies is to be verified in writing.

Section IV: Suspicious Activity and other Reports

To print a Suspicious Activity Report (form 109) and Instructions (form 109a) go to the final page.

Suspicious Activity Report (SAR)

1. What to report
2. Narrative
3. Red Flags
4. Common SAR errors

A Suspicious Activity Report (SAR) is the form you fill out and send in when you believe or have reason to believe a customer has broken or attempted to break an AML rule or regulation such as those covered in this course.

Many of the rules and regulations in this section came from various government AML compliance publications and seminars and webinars conducted by the IRS and FinCEN.

What to Report

- You have knowledge or suspect a transaction:
  1. involves funds derived from an illegal activity;
  2. is designated to evade Bank Secrecy Act requirements;
  3. serves no business or apparent lawful purpose;
  4. involves use of an MSB to facilitate criminal activity.
- Transaction thresholds have been exceeded:
  1. an MSB must report any suspicious transaction
  2. if it involves $2,000 or more or…
  3. $5,000 or more if discovered in the MSB's review of daily clearance records for Money Orders or Traveler's checks.

Report Suspicious Activity on SAR form 109. Collect supporting documentation. Do not include this documentation when submitting the SAR. If needed, the regulators will ask you for it. Retain this documentation for a minimum of five years. An SAR must be filed within thirty days of detection of suspicious activity.

Narrative

In a suspicious activity report there is a section called 'Narrative'. This is where you describe the suspicious activity. Write what was unusual, irregular or suspicious.

1. What was the conduct that raised suspicion?
2. Was the transaction attempted or completed?
3. Who benefited from the transaction and why?
4. What explanation did the customer give?
5. Describe the subject: such as, but not limited to, gender, race, tattoos, height, weight, age, clothing, jewelry, unusual mannerisms, video surveillance, time of day, vehicle (car, truck) and license plate number if possible.

To ensure a quality SAR:

1. Always complete the entire report
2. Complete critical items which have an asterisk (*)
3. Indicate 'unknown' or 'not applicable' critical items (*) with XX
4. Non-asterisk fields should be left blank if the information is 'unknown' or 'not applicable'

Structuring

One common way money launderers avoid reporting and record keeping requirements is by 'structuring' transactions, or by attempting to coerce or bribe employees (such as MSB employees or agents) to not file proper reports or complete required records, or by establishing apparently legitimate 'front' businesses to open accounts or stablish preferred customer relationships.

Structuring occurs when one or more persons break a large transaction into two or more transactions to avoid a reporting threshold. **Structuring is a federal crime.**

Red Flags

Customer:

1. Appears nervous
2. Avoids eye contact
3. Asks about reporting rules
4. Asks that rules be 'bent'
5. Acts guilty
6. 'Forgot' driver's license, lost due to drunk driving, had wallet (purse) stolen, etc.
7. Driver's license is outdated or picture is smudged beyond recognition
8. Address on driver's license is different from one on MSB form
9. Comes in just before closing and asks for 'paper work' to be skipped
10. Is in a hurry and tries to hurry you
11. Offer a cash bonus (bribe) for you to skip required information
12. Pretends to be sick or very tired and just 'wants to get this over with'
13. Provides incomplete or suspicious information
14. Transaction seems inconsistent or illogical with normal business practices
15. Changes normal and regular way of doing business
16. Claims transaction is for a friend and does not have the required information
17. Your intuition tells you something is not quite right

Employee (fellow worker):

1. Never or almost never takes a vacation
2. Always tries to wait on the same suspicious customer
3. Does not want you to see or be aware of transactions with a suspicious customer
4. Behavior changes to secretive with a certain customer
5. Acts guilty
6. Whispers with a certain customer
7. Asks a certain customer to come back later
8. Does more MSB business when working alone
9. Lives beyond apparent means (receiving bribes?)
10. Employee accepting tips or bribes for 'overlooking' MSB/AML rules
11. Your intuition tells you something is not quite right

Confidentiality

Never tell a customer a Suspicious Activity Report (SAR) has been filed about them. You may only tell those entities who are legally entitled to know about the SAR. **It's against the law to tell others.**

Safe Harbor

The SARs rules also provide MSBs and their owners, principles, officers, directors, employees and agents with a statutory safe harbor against private civil claims brought by customers or others for any disclosures contained in form SAR-MSB or for failure to disclose that a report has been filed, providing the regulatory requirements are met. This safe harbor applies equally to filings that are made on a voluntary basis.

Send the SAR to:
Electronic Computing Center – Detroit
Attention: SAR-MSB
P.O. Box 33117
Detroit, MI 48232-5980

Common SAR errors

1. Critical fields (those marked with an *) left empty
2. Incomplete Narrative. What's missing: who, what, when, where, why, how?
3. Empty narrative field. Please answer why the transaction was suspicious.
4. Supporting documents are attached. **This is prohibited.** They are often used (incorrectly) as a replacement for a narrative. Supporting documents are to be kept for five years and made available upon request.
5. Inadequate narrative. Narrative that simply restates the information from the form's required fields is not adequate.
6. Not responding to fields of critical importance (those marked with an *) or responding with inaccurate or incomplete information
7. Missing or incomplete filer or Employer Identification Number (EIN). Fill in the nine-digit number accurately. Do not use hyphens or dashes.
8. Missing filer phone number
9. Missing transaction location
10. Invalid Social Security Number: 000000000 or 999999999 are invalid.
11. Incomplete subject information: government issued identification such as driver's license or passport should be as complete as possible. Provide both the number and issuer of the ID card or document.

Currency Transaction Report (CTR)

To print a Currency Transaction Report with instructions (form 104) go to the final page.

A Currency Transaction Report (CTR) is to be filed for all transactions (in or out) larger than $10,000 in cash (bills or coins, U.S. or foreign) conducted in one business day by any person(s) or on behalf of another person(s).

If the transaction is being conducted on behalf of another person(s), you must obtain all the required information for all parties. Multiple cash transactions are considered to be one transaction about which a CTR must be filed if the MSB has knowledge that: they are by or on behalf of the same customer during one business day, and they are conducted at one or more branches or agents of the same MSB and they total more than $10,000 in either cash-in or cash-out. The CTR must be filed within fifteen days of the date of the transaction or twenty-five days if filed electronically. You must keep a copy of the CTR for a minimum of five years.

Send the CTR to:
IRS Detroit Computing Center
Attention: CTR, P.O. Box 33604
Detroit, MI 48232-5604

Cash payments over $10,000

To print a 'Cash payments over $10,000', form 8300 with instructions, go to the final page.

Each person engaged in a trade or business who, in the course of that trade or business, receives more than $10,000 in cash in one transaction or in two or more related transactions, must file form 8300. Any transactions conducted between a payer (or its agent) and the recipient in a 24-hour period are related transactions.

Transactions are considered related even if they occur over a period of more than twenty-four hours if the recipient knows, or has reason to know, that each transaction is one of a series of transactions. You must keep a copy of each form 8300 for five years from the date you file it.

International Transportation of Currency or Monetary Instruments (CMIR)

To print the form (with instructions) for this report go to the final page.

Each person who physically transports, mails, or ships, or causes to be physically transported, mailed or shipped, currency or other monetary instruments in an aggregate amount exceeding $10,000 at one time from the United States to any place outside the United States or into the United States from any place outside the United States must file this report.

Each person who receives in the United States currency or other monetary instruments in an aggregate amount exceeding $10,000 at one time which have been transported, mailed or shipped to the person from any place outside the United States must file this report.

This report must be made and then maintained for a minimum of five years.

Report of Foreign Bank and Financial Accounts (FBAR)

To print this form (with instructions) for this report go to the final page.

A United States person that has a financial interest in or signatory authority over foreign financial accounts must file an FBAR if the aggregate value of the foreign financial accounts exceeds $10,000 at any time during the calendar year. The FBAR must be maintained on file for a minimum of five years.

Consult your MSB's Compliance Officer about 1. your firm's Office of Foreign Assets Control (OFAC) policies and procedures and 2. your State's AML Rules and Regulations if different from those of the Federal Government.

Section V: Printable Forms and Instructions

All the forms (with instructions) listed here may be downloaded by clicking on the appropriate link found on the last page and then printed. These forms are official and may be used for your reporting requirements.

You may print as many copies as you would like.

1. Suspicious Activity Report (SAR), forms 109, 109a (instructions)
2. Currency Transaction Report (CTRs), form 104
3. Cash payments over $10,000, form 8300
4. International Transportation of Currency or Monetary Instruments (CMIR), form 105
5. Report of Foreign Bank and Financial Accounts (FBAR), form TD F 90-22.1
6. MSB Registration, forms 107, 107a (instructions)

Section VI: Customer Identification Program (CIP) Record keeping requirements

To print these 2 pages of these requirements, click 'Data for Records' on the final page.

Customer Identification records for these transactions must be made and kept for 5 years.

Money Orders and Traveler's Checks

MSBs that sell Money Orders or Traveler's Checks are required to record cash purchases involving $3,000 up to and including $10,000. Multiple cash purchases of monetary instruments totaling $3,000 or more must be treated as one purchase which must be recorded if they are made at the same time, or if the MSB has knowledge that such purchases occurred during one business day.

Information to be recorded and maintained for five years:

1. Name
2. Date of Birth
3. Address
4. Government issued photo ID
5. Social Security Number or Tax Identification Number (if buyer is a U.S. citizen)
6. Type of Instrument purchased
7. Transaction date, amount and serial # for each Money Order or Traveler's Check

Money Transfers of $3,000 or more

A money transmitter is a person who provides money transmission services. The term 'money transmission services' means the acceptance of currency, funds or other value that substitutes for currency from one location or person the of currency, funds or other value that substitutes for currency to another location or person by any means.

MSBs that provide money transfer services must obtain and record specific information for each money transfer of 3,000 or more, regardless of method of payment.

How to record a money transfer of $3,000 or more for senders and receivers:

1. Sender's Name
2. Date of Birth
3. Address
4. Government issued photo ID or an alien identification card (record number)
5. Social Security Number or Tax Identification Number (if buyer is a U.S. citizen)
6. Any payment instructions from the sender
7. Any information about the recipient
8. Transaction date, amount and any identifying number(s)
9. If customer is conducting the transaction on behalf of another person(s), the information must be recorded for said person(s).

Information must be recorded and maintained for five years.

Foreign Exchange of more than $1,000

Foreign exchangers must keep a record of each exchange totaling more than $1,000 in either domestic or foreign currency.

Information to be recorded and maintained for five years:

1. Customer's name
2. Date of Birth
3. Address
4. Government issued photo ID
5. Social Security Number or Tax Identification Number (if buyer is a U.S. citizen)
6. Transaction date
7. Currency name, country and total amount

Check Cashers

A check casher's records are to include:

1. Daily cash reconciliation (log)
2. Daily sales sheet
3. Cancelled money orders/traveler's checks
4. Daily bank deposit slips
5. Bank statements
6. Transaction account detailing an individual's record of checks cashed, including copies of checks cashed

Prepaid Access of more than $1,000

1. Name
2. Date of Birth
3. Address
4. Government issued photo ID or an alien identification card (record number)
5. Social Security Number or Tax Identification Number (if buyer is a U.S. citizen)
6. Transaction date, amount and any identifying number(s) of purchase instruments
7. If customer is conducting the transaction on behalf of another person(s), the information must be recorded for all person(s).
8. For more information, click the Prepaid Access link on the final page.

CIP Red Flags

1. The customer exhibits unusual concern for secrecy, particularly with respect to his/her identity, or refuses to disclose required information.
2. The customer exhibits unusual concern regarding compliance with government reporting requirements.
3. Upon request, the customer refuses to identify or fails to indicate a legitimate source for his/her funds and or identifies a source that is fictitious, false, misleading or substantially incorrect.
4. The customer appears to operate as an agent for an undisclosed principal but is reluctant to provide information regarding the principal or the nature of their relationship.
5. The customer presents unusual or suspicious identification documents that cannot be readily identified.
6. The information provided by the customer appears to be fictitious, false, misleading and/or substantially incorrect.
7. The customer appears anxious or nervous when transacting business.

That's the end of this list. If you know of any CIP Red Flags that are not included here, we would appreciate it if you would tell us about them. Reason? So we may include them in a future update of this course. Email: WalshAMLEthics@gmail.com Thanks.

Section VII: Non-compliance Fines and Penalties

Civil & criminal penalties for operating an unregistered Money Transmitting Business:

1. Any person who fails to comply with any requirement of 31 U.S.C. 5330 or 31 CFR 103.41 shall be liable for a civil penalty of $5,000 for each violation in an amount up to $5,000 for each day a registration violation continues.
2. Whoever knowingly conducts, controls, manages, supervises, directs or owns all or part of an unlicensed money transmitting business, shall be fined in accordance with this title or imprisoned not more than five years or both. 18 U.S.C. 1960 (a).
3. A money transmitting business which affects interstate or foreign commerce in any manner or degree and fails to comply with the money transmitting business registration requirements under section 5330 of title 31 Chapter X, United States Code, or regulations prescribed under such section, shall be fined in accordance with this title or imprisoned not more than five years or both
4. Violations of Currency Transaction Rules could result in a fine of up to $500,000 and ten years in jail.

Violations and fines by Money Services Businesses (MSBs) as reported by the Financial Crimes Enforcement Network.

1. Food Mart, Tampa, Florida. Failure to establish and implement an anti-money laundering program. Fine: $10,000
2. Phone card and Grocery, Ann Arbor, Michigan. Failure to register as an MSB, structuring to avoid filing a CTR. Fine: $25,000.
3. Money Transmitter, Montclair, New Jersey. Failure to register as an MSB. Fine $12,000.
4. Check casher, wire transfer and money order service, Tampa, Florida. Failure to establish and implement an anti-money laundering program. Failure to file required CTRs. Fine: $12,000.
5. Money transmitter with 7,500 agents. San Fernando, California. Failure to establish and implement an anti-money laundering program. Structuring. Failure to control and supervise agents. Failure to report Suspicious Transactions (SARs). Fine $12,000,000.
6. Money transmitter, Marietta, Georgia. Failure to renew registration in a timely manner. Failure to file SARs and CTRs. Fine: $6,000 (Georgia), $5,000 (FinCEN).
7. Grocery store, Wyoming, Michigan. Failure to register as an MSB and other non-compliance issues. Fine: $40,000 and five years in prison.
8. Money transmitter, Tigard, Oregon. Failure to register as an MSB. Failure to establish and implement an anti-money laundering program. Failure to file required SARs. Fine: $25,000.
9. MSB, Greenwood Village, Colorado. Failure to file 662 SARs for structuring. Fine: $3,000,000.

Penalties for conducting transactions with prohibited individuals or entities include civil penalties of up to $250,000 per violation, fines as high as $1,000,000 and/or jail sentences of up to twelve years.

Section VIII: Whom to call to answer your Qs

To print this page of sources to answer any questions, go to the final page and click Phone Numbers for Qs.

- Financial Crimes Enforcement Network (FinCEN) helpline: 1-800-949-2732
- Financial Crimes Enforcement Network (FinCEN) hotline to report terrorist related financial activity: 1-866-556-3974
- 314 Information Sharing Program helpline: 1-866-326-8314
- Office of Foreign Assets Control (OFAC): 1-800-540-6322
- For registration information for MSBs: 1-866-270-0733
- For the status of MSB registration acknowledgment letters: 1-866-270-0733
- For instructions how to complete and file MSB forms: 1-866-270-0733
- To order free MSB materials: 1-866-270-0733
- Title 31 helpline: 1-866-270-0733 (outside the U.S. 1-313-234-6146)
- E-filing information for MSBs: 1-866-346-9478 (select option #1)
- IRS Forms Distribution Center: 1-800-829-3676 (i.e. form 8300)

Sources for additional information:

If you would like more information about the MSB reporting and record keeping requirements, please call the BSA/MSB/IRS help line in your area.

ME, NH, VT, MA, CT, RI, NY, PA, NJ, DE, MD, WASHINGTON D.C.:
(803) 253-3960

WV, OH, KY, MI, IN, IL, MN, WI, IA, MO: (630) 493-5190

Los Angeles, Southern CA, UT, CO, AK, MT, WY: (213) 833-1228

Northern CA, ID, WA, OR, HI, NM, AZ, NV: (510) 637-2621

OK, LA, KS, NE, TX, ND, SD: (281) 721-7976

VA, NC, SC, GA, FL, AL, MS, TN, AR, Puerto Rico: (954) 423-7781

State contact information for Money Services Businesses

"This list of state regulators is provided for informational purposes only. The accuracy of the information contained in this list is updated periodically. However, it is advised that the current accuracy of this information be confirmed prior to its use. The types of MSBs regulated by each state are not specified. FinCEN does not endorse, approve, certify or control the information contained on external websites and does not guarantee the accuracy, completeness, efficacy or timeliness of the information contained on external websites." FinCEN

Alabama
Securities Commission
(334)242-2984
(800)222-1253
E-mail: asc@asc.alabama.gov

Alaska
Department of Commerce, Community and Economic Development
Division of Banking and Securities
Money Service Businesses
(907)269-4594
E-mail: moneytransmitters@alaska.gov

Arizona
Department of Financial Institutions
(602)771-2777
E-mail: licensing@azdfi.gov

Arkansas
Securities Department
Heritage West Building, Suite 300
(501)324-9260
E-mail: info@securities.arkansas.gov

California
Department of Financial Institutions
(415)263-8500
E-mail: licensing@dfi.ca.gov
Attorney General's Office
California Department of Justice
Check Casher Permit Program (CCPP)
(916)227-6409
E-mail: chkcashpermit@doj.ca.gov

Colorado
Department of Regulatory Agencies
Division of Banking
(303)894-7575
E-mail: banking@dora.state.co.us

Connecticut
Department of Banking
Consumer Credit Division
(860)240-8200
(800)831-7225

Delaware
Office of the State Banking Commissioner
(302)739-4235
(302)577-6722

District of Columbia
Department of Insurance, Securities and Banking
(202)727-8000
E-mail: disb@dc.gov

Florida
Office of Financial Regulation
(850)410-9805

Georgia
Department of Banking and Finance
(770)986-1633
(888)986-1633

Hawaii
Division of Financial Institutions
Department of Commerce and Consumer Affairs
(808)586-2820
E-mail: dfi@dcca.hawaii.gov

Idaho
Department of Finance
Securities Bureau
(208)332-8000
E-mail: securities@finance.idaho.gov

Illinois
Department of Financial and Professional Regulation
Division of Financial Institutions
(312)814-2000
(217)782-2831

Indiana
Department of Financial Institutions
(317)232-3955
(800)382-4880

Iowa
Division of Banking
Finance Bureau
(515)281-4014

Kansas
Office of the State Bank Commissioner
(785)296-2266

Kentucky
Department of Financial Institutions
(502)573-3390
(800)223-2579
E-mail: kfi@ky.gov

Louisiana
Office of Financial Institutions
(225)925-4660
E-mail: ofila@ofi.la.gov

Maine
Department of Professional & Financial Regulation
Bureau of Consumer Credit Protection
(207)624-8527
(800)332-8529
(in-state only)

Maryland
Department of Labor, Licensing and Regulation
Office of the Commissioner of Financial Regulation
(410)230-6100
(888)784-0136
E-mail: finreg@dllr.state.md.us

Massachusetts
Office of Consumer Affairs & Business Regulation
Division of Banks
(617)956-1500
(800)495-2265
(in-state only)

Michigan
Department of Energy, Labor & Economic Growth
Office of Financial and Insurance Regulation
(517)373-0220
(877)999-6442
E-mail: ofir-info@michigan.gov

Minnesota
Department of Commerce
Division of Financial Services
(651)296-2135
E-mail: financial.commerce@state.mn.us

Mississippi
Department of Banking and Consumer Finance
(601)359-1031

Missouri
Division of Finance
(573)751-3242
E-mail: finance@dof.mo.gov

Montana
Division of Banking & Financial Institutions
(406)841-2920

Nebraska
Department of Banking & Finance
(402)471-2171

Nevada
Department of Business and Industry
Division of Financial Institutions
(702)486-4120
E-mail: FIDMaster@fid.state.nv.us

New Hampshire
Banking Department
Consumer Credit Division
http://www.nh.gov/banking/consumer.html
E-mail: NHBD@banking.state.nh.us

New Jersey
Department of Banking & Insurance
Office of Consumer Finance
(609)292-7272

New Mexico
Regulation & Licensing Department
Financial Institutions Division
(505)476-4885

New York
Banking Department
(212)709-3530
(877)226-5697

North Carolina
Commissioner of Banks
(888)384-3811

North Dakota
Department of Financial Institutions
(701)328-9933
E-mail: dfi@nd.gov

Ohio
Department of Commerce
Division of Financial Institutions
(614)728-8400
E-mail: webdfi@dfi.com.state.oh.us

Oklahoma
State Banking Department
(405)521-2782

Oregon
Department of Consumer & Business Services
Division of Finance and Corporate Securities
(503)378-4140
(503)378-4387
(866)814-9710
(in-state only)
E-mail: dcbs.dfcsmail@state.or.us

Pennsylvania
Department of Banking
(717)787-2665
www.banking.state.pa.us

Puerto Rico
Office of the Commissioner of Financial Institutions
(787)723-3131

Rhode Island
Department of Business Regulation
Division of Banking
(401)462-9500
E-mail: BankInquiry@dbr.state.ri.us

South Carolina
State Board of Financial Institutions
Consumer Finance Division
(803)734-2020

South Dakota
Department of Revenue & Regulation
Division of Banking
(605)773-3421
E-mail: drr.banking.info@state.sd.us

Tennessee
Department of Financial Institutions
(615)741-2236
http://www.tennessee.gov/tdfi/

Texas
Department of Banking
(512)475-1300
(877)276-5554
E-mail: msb@dob.texas.gov

Utah
Department of Financial Institutions
(801)538-8830

Vermont
Department of Banking, Insurance, Securities & Health Care
Administration
(802)828-3301
E-mail: BISHCA-BnkConsumer@state.vt.us

Virginia
State Corporation Commission
Bureau of Financial Institutions
(804)371-9657
(800)552-7945
(in-state only)
E-mail: bfiquestions@scc.virginia.gov

Washington
Department of Financial Institutions
Division of Consumer Services
(360)902-8703
(877)746-4334
E-mail: dcs@dfi.wa.gov

West Virginia
Division of Banking
(304)558-2294

Wisconsin
Department of Financial Institutions
Division of Banking
Licensed Financial Services Bureau
(608)261-7578

Wyoming
Department of Audit
Division of Banking
(307)777-7797

Section IX: Bibliography

Everything in this AML Compliance Training Course for Money Services Businesses is based on facts. Our course material comes from our interviews with the regulators and the following sources:

- FinCEN's Money Services Businesses – Final Rule: Federal Register
- Final Rule for MSB Customer I. D. Programs (CIP): Federal Register
- Final Rule for MSB Suspicious Activity Reports (SARs): Federal Register
- FinCEN's Money Laundering Prevention, a Money Services Business Guide
- The IRS's Q. and A. report on AML Compliance Programs
- IRS's SARs Report: MSBs can help fight money laundering
- National Commissions on Terrorist Attacks upon the United States
- Terrorist Financing – Wikipedia
- FinCEN and IRS Seminars and Webinars for MSBs and their Agents
- FinCEN's Reporting Suspicious Activity booklet
- Terrorist Financing Staff Monograph
- Office of Foreign Assets Control (OFAC)
- Financial Action Task Force on Money Laundering (FATF)
- The USA Patriot Act
- The Department of the Treasury: SAR Confidentiality
- Federal Register: SARs and other reports and statements
- Effective AML Programs to Comply with the Bank Secrecy Act, a presentation by Kevin McCarthy, IRS acting director, Fraud/BSA
- Bank Secrecy Act Anti-Money Laundering Examination Manual for MSBs
- Report on Outreach to Money Services Businesses
- FinCEN's Prepaid Access Final Rule
- FinCEN Outreach to Prepaid Providers
- IRS/FinCEN's MSB/AML Seminars and Webinars
- FinCEN Administrative Relief for Sellers and Providers of Prepaid Access
- Compliance emails from FinCEN and on-going monitoring of their website for new rules, regulations, notices, directives, updates and any changes in the MSB/AML laws. We send our clients this information within three business days of when we learn of it.

Section X: Last page. Congratulations you're finished.

You have completed your MSB/AML Annual Training!

Print your Sworn Declaration worksheet (link below). Complete it, including the Invoice Section, sign it, fax, snail mail or email it to us. When we receive it, we'll register and record your certification and fax or email you a copy of your AML Certificate within three business days. Snail mail takes a little longer.

Your certificate **(not your Sworn Declaration)** is your proof to the regulators and your company you have successfully completed this course. It is good for one year from the date you completed it which is printed on your Certificate.

Please print carefully. We want your certificate to have the correct spelling of your name and other data for our records.

Walsh Agency Inc. maintains all required records for five years including: trainer's name and qualifications, course content, a detailed outline of all required subjects covered, persons certified, date of birth, date course completed, copies of Sworn Declaration Worksheets and all other training materials and a signed attestation you read the required AML material and will comply with the MSB/AML rules and regulations therein.

CLICK the Sworn Declaration link below to go to your Sworn Declaration Form. Complete it and click submit to send it to the Walsh Agency.

Click below on the name of the document(s) or forms you want to download and print.

Arizona and Oklahoma MSBs, including Agents, click your link for additional rules.

SAR	CTR	Cash $10,000+(8300)
Data for Records	Prepaid Access	International Transportation
FBAR	MSB registration	Phone Numbers for Qs

Arizona MSBs Oklahoma MSBs

Walsh Agency, Inc., 3019 Pebble Beach Drive Ellicott City, MD 21042
Email: Rcounts@walshagencyinc.com
Phone: (410) 207-0134

Good-bye and best wishes,
The Walsh AML Team

Continue to Sworn Declaration

Contact Us

Walsh Agency, Inc
Telephone: (410)-207-0134
Email: rcounts@walshagencyinc.com
Address: 3019 Pebble Beach Drive
Ellicott City, MD 20142