



# Financial Crimes Enforcement Network

June 5, 2019



# Lead AML Supervisor – Supervised Financial Sectors

## Estimated Total Number of:

### Entities:

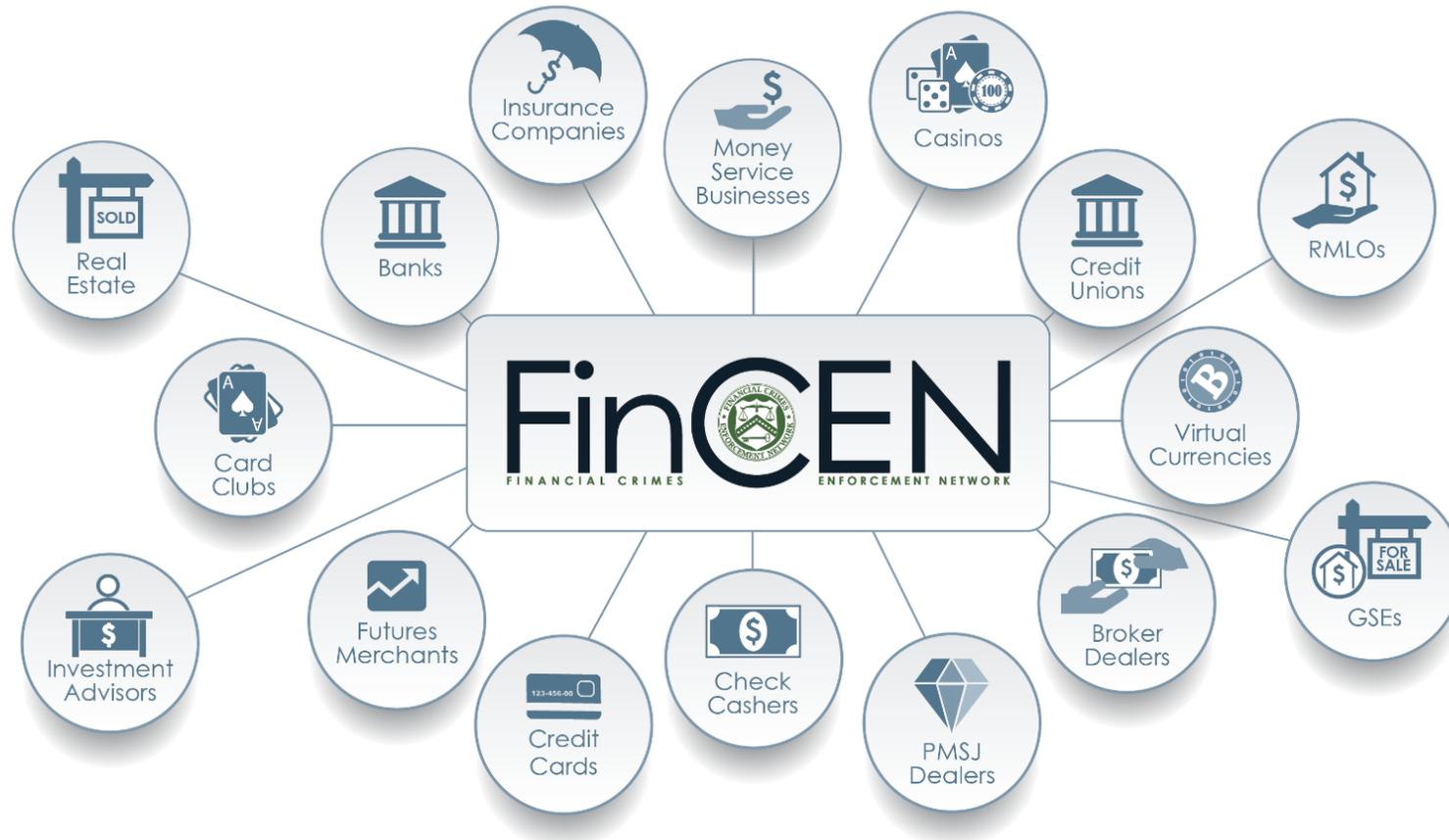
Over 400,000 entities across 16 different sectors

### Financial Activity:

Over \$33 trillion in financial services provided (e.g. assets under management, value of transactions, money-in-play)

### SARs:

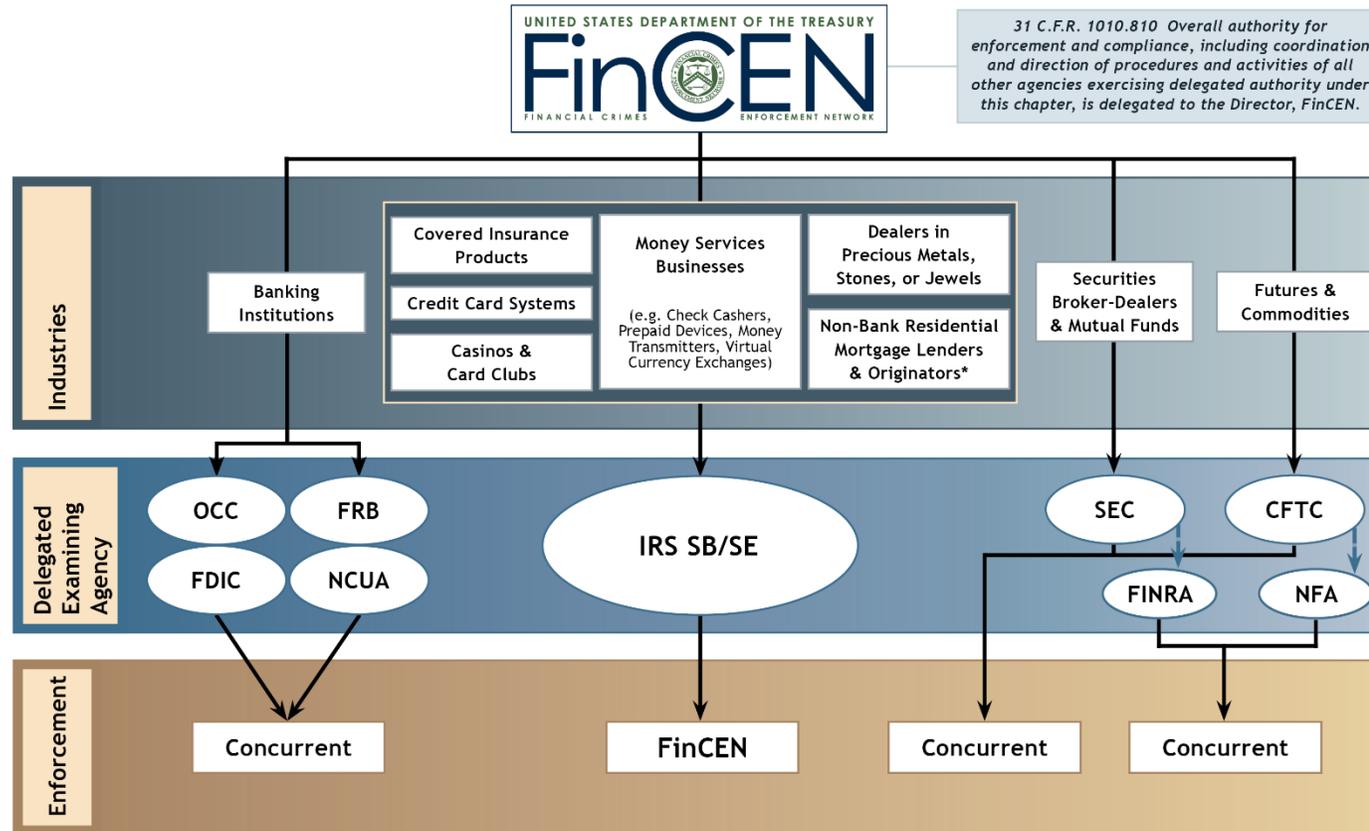
Approximately 2 million SARs filed per year





# FinCEN's Key Roles – Lead AML Supervisor

FinCEN's responsibility as the lead AML supervisor for the United States and part of our mission to safeguard the U.S. financial system from illicit use and combat money laundering.



U.S. AML Supervision Structure – Federal, State, and Tribal Supervisors



# Risk Mitigation and Market Balance

- U.S. Department of the Treasury and Federal Banking Agencies Joint Fact Sheet on Foreign Correspondent Banking. - August 30, 2016
- Reviews of referrals of significant BSA deficiencies – Banks referred to FinCEN for significant BSA deficiencies in foreign correspondent banking also had deficiencies in several other areas.
- Determining the entity best suited to understand and manage client risk
  - North Dade Federal Credit Union
  - Merchants Bank of California



# Protecting the U.S. Financial System

## Section 311 Investigations

- Determination that a foreign financial institution or jurisdiction is “of primary money laundering concern.”
- Imposes a range of “special measures” for domestic financial institutions that limit or prevent the concerning foreign financial institution from accessing the U.S. financial system.
- Investigation leads to publication in the Federal Register through a regulatory rule making process which invites public comment.



# Section 311 Case Example – Banca Privada D’Andorra



- In March 2015, FinCEN issued a notice of proposed rulemaking (NPRM) finding Banca Privada D’Andorra (BPA) to be of primary money laundering concern under Section 311 of the USA PATRIOT Act.
  - FinCEN identified that BPA catered to a number of third-party money launderers and that high-level officials at the bank knowingly facilitated these transactions.
  - Immediately following the 311 proposal, Andorran authorities investigated and arrested the CEO and other bank management for laundering funds on behalf of ex-officials of Venezuela. Andorran authorities also took over the institution to liquidate its assets.
  - FinCEN did not finalize the rule as a result of the proactive actions by the Andorran government that mitigated the money laundering risks.
- In December of 2016, following the action against BPA, Andorra committed to limit bank secrecy protections that had previously impacted their investigations.