



Compliance & Legal Sections Annual Meeting



July 10–12, 2017

THE COEUR D'ALENE GOLF & SPA RESORT
Coeur D'Alene, ID

NEW TRENDS IN FRAUD AND MONEY LAUNDERING LEADING AML PRACTICES

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Agenda

- Introduction: AXA and American-Amicable
- Lookback: 2015 - 2016
- Fraud, Money Laundering, Cyber Trends
- Regulatory Environment
- Relevant Actions
- Leading Practices
- Reading the Tea Leaves



Introduction – AXA and American-Amicable



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Lookback: 2015 - 2016

- Panama Papers released
- Growth of cybercrime
- Increasing penalties against non-bank financial institutions and individual AMLCOs
- Increase in insurers' SAR filings
- No BSA/AML violations or penalties against life industry



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Fraud, Money Laundering, and Cyber Trends in 2017

- Increasing expectation by FinCEN to report cybercrime and fraud via SAR / STR
- Cybercrime
- Fraud
- Money laundering



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Regulatory Environment

- FATF MER on US and Canada
- OSFI Cyber Security Self-Assessment Guide
- U.S. federal regulators
 - CDD Rule for financial institutions with CIP regs
 - DOJ Evaluation Guidance
 - Focus of regulators
 - RIAs
 - 314(a)
 - Findings
 - Cybersecurity
- State regulators



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Relevant Actions

- Sanctions and third party reliance
- MoneyGram
- Western Union
- Raymond James
- Pacific National Bank



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Leading Practices

- Current, accurate assessment of risks, and policies/processes/controls to mitigate each
- Independent AML reviews/audits with capable auditors and appropriate scope
- Due diligence with third parties
- Leveraging investment across the enterprise in data, and in fraud and AML tools
- Increasing scrutiny on beneficial owners
- Discussions / coordination with investment areas
- Focus on elder financial exploitation



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Reading the Tea Leaves

1. CDD rule
2. NYDFS and other states more assertive
3. State requirements for cybersecurity program certification
4. Increased board engagement
5. Data management: *the* focal point of compliance
6. Fast payments and evolving FinTech
7. Elder Financial Exploitation



Key Takeaways, Questions and Discussion

1. Review/strengthen risk assessment and AML program
2. Partner in AML obligations for cybersecurity
3. Leverage fraud, AML and IT resources
4. Conduct due diligence on TPAs





Questions?

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