

ANTI-MONEY LAUNDERING & COMBATING THE FINANCING OF TERRORISM

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AML and CFT in the U.S.

- The United States Federal Government has ultimate authority over AML and CFT activities:
 - Agency:
 - Financial Crimes Enforcement Network (FinCEN) of the US Department of Treasury
 - Laws:
 - The Bank Secrecy Act (BSA) of 1970
 - The Money Laundering Control Act of 1986
 - The Suspicious Activity Report Act of 1996
 - The USA PATRIOT Act of 2001

Individual States and AML Activities

- Many states also have individual AML laws
- State attorneys general typically prosecute these cases
- States will also work with the United States Attorney, Department of Justice or Federal Bureau of Investigation on AML cases

1033 / 1034: Insurance Fraud Prevention Act

- Enacted in 1994
- Federal criminalization of insurance fraud
- Increased participation from Organized Crime
- Persons convicted of a felony crime of dishonesty or breach of trust cannot participate in the business of insurance without Commissioner's permission

NAIC Financial Examination Handbook

- Used by all states in their examination of companies.
- Recommends notification to FinCEN and/or federal authorities of AML concerns.

US Department of Treasury

- Financial Crimes Enforcement Network
 - *Memorandum of Understanding (MOU)*
 - *Information Sharing MOU document requirements*
 - Administration of the federal Bank Secrecy Act (“BSA”) compliance
 - State responsibilities
 - FinCEN responsibilities

ICP 22 and the U.S.

- NAIC members answered ICP 22 during our FSAP to the best of our abilities.
- The U.S. Treasury Department is the recognized authority for AML, not the insurance regulators.
- U.S. advocated for recognition of the split in jurisdiction in this area.
- U.S. indicated FATF compliance.

ICP 22 and the U.S.

- Look seriously at all of the recommendations from our FSAP
- Working with FinCEN to update NAIC Financial Examination Handbook
- Will coordinate our efforts with Federal authorities
- Provide support as best we can



Thank You