

COMPASS

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Chartwell Compliance delivers powerful solutions to complex regulatory, licensing, and compliance challenges experienced by fintech and financial services companies. Chartwell has served nearly 500 firms ranging from Fortune 50 to fintech's biggest unicorns throughout the world.

- 2** **The Trend to Lend**
By Sherry Tomac
- 3** **A Peek into Consumer Lending Regulation**
By Julieta Garay and Kayla Burke
- 5** **Your Business Activities**
By Andrea Thomas
- 6** **Home or Office**
By Sherry Tomac and Trish Lagodzinski
- 7** **First of its Kind**
By Monica Morales
- 9** **Banking Higher Risk & Complex Industries**
By Angela Lucas
- 12** **When is the Right Time to Automate**
By Jamon Whitehead
- 13** **Casual Talk with Andrea LaMothe—
Financial Institution Manager**
MI Department of Insurance and Financial Services
- 14** **Why Trust is the Key to Open Banking**
By Steve Maloney
- 15** **Crypto Crime Crackdown**
By Omar Magana
- 17** **NMLS Corner**
- 19** **Chartwell Announcements**
- 22** **Chartwell Shows You the Way**
- 24** **Services**
- 25** **Strategic Alliances**

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The Trend is to Lend

By Sherry Tomac

CRYPTO-BACKED LOANS ARE QUICK, FLEXIBLE, AND CONVENIENT

Many crypto platforms are seeking state lending licenses in order to offer fiat loans to their customers. Like Money Transmitter licenses, each state has different lending regulations. State licenses are usually based on some combination of the loan amount, the interest rate, and/or repayment period. To avoid usurious lending practices, some states allow companies charging low interest rates to operate without an additional license.¹ Customers can check their crypto account platforms to see if loans are offered in their state.

For those who do not want to part with their cryptocurrency, using it as collateral for fiat loans provides money needed for other investments, large expenditures like home or car, financing big events like a wedding or vacation, or just managing existing loans or credit card debt. Various fintech companies allow their customers to borrow against their cryptocurrency assets at reasonable interest rates. Each fintech determines which cryptocurrencies they accept as collateral. For example, a fintech may accept cryptocurrencies BTC, ETC an LTC as collateral for fiat loans. Others may loan against a dozen different cryptocurrencies. The interest rates charged for crypto collateralized loans generally start at about 5.9%. The loan to value (LTV) ratio is often 50% but may change depending on the type of cryptocurrency used to back the fiat loan.

Crypto-backed loans are very flexible. Minimum loan amounts can range from \$100 to \$5,000. Although there may be a minimum loan amount of say, \$5000, some loan terms offered may be very flexible. For example, the customer may be able to select an LTV ratio between 30 and 90% and a repayment period between 3 – 12 months. To receive \$10,000 for instance, at a 50% LTV, you

would have to deposit .58 BTC based on the value of BTC at the time of this writing. Short-term loans between \$2 - \$20 may even be available through some apps.

Obtaining cryptocurrency backed fiat loans is simple and quick compared to bank loans. Customers will need to fill out a brief application but won't have to go through a credit check. Borrowers will be able to receive their loans in two to three days. Some crypto lenders allow customers to borrow in as many as 40 fiat currencies.

Obtaining cryptocurrency backed fiat loans is simple and quick compared to bank loans.

Chartwell Compliance can assist crypto companies obtain state lending licenses in states where they are required. For more information, contact Chartwell Compliance at info@chartwell-compliance.com.

¹ <https://www.coindesk.com/coinbase-to-offer-bitcoin-backed-loans-to-us-customers>



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A Peek into Consumer Lending Requirements

By Julieta Garay and Kayla Burke

Non-traditional Financial Institutions are providing a variety of financial products and services that not only focus on the transmission of money but also on offering consumer finance services.

As these entities try to expand into consumer finance, they are required to comply with state and federal regulations which starts with identifying the type of license the applicant requires based on their business model, followed by the acquisition of the license and maintenance.

Applicants seeking to offer consumer lending services as part of their consumer financing services within selected states will be required to file an application, notification or may even be exempt from obtaining a license in the selected state. So, when should a

Policies, procedures, and programs should be formulated to keep the consumer informed while ensuring they can fairly access the financial products and services being offered.

consumer lender consider if a license or notification is required? The answer to this question seems like it should be straight forward but, there are many factors that play into the appropriate answer to this question. Various factors such as interest rate, maximum and minimum loan amounts, etc. are a few examples of factors that go into this determination. It is recommended to work with legal counsel to make a proper determination based on the specific business model that is to be offered.

Consumer lending can generally be defined as financing centered on individual and household consumers; however, this definition varies per state. Some states refer to consumer lending

as small loans, supervised loans, credit services, regulated loans, pay day loans as well as many others.

A consumer loan provider will need to go through a process to obtain authorization to offer loans to consumers. Such authorizations can be done through the Nationwide Multistate Licensing System & Registry (NMLS) and via paper applications. While both submission methods require the applicant to provide information about the entity and control persons, currently consumer lending application requirements are not as intricate as the requirements of other licenses such as money transmission.

One application item required across all license application types are Applicant financial statements. The two types of financial statements various states will accept are Applicant audited financial statements and unaudited financial statements of the Applicant. This is a requirement often seen on consumer lending applications. Many states do not specifically require audited financial statements to be submitted with the application, an unaudited financial statement showing the required net worth will suffice for several states. Another application item that can vary across license types on the state level are surety bond requirements. Surety bonds may not be required for Consumer Loans; however, the applicant must provide sufficient proof of unencumbered assets, letter of credit or satisfactory net worth on the financial statements.

Most regulatory agencies specifically call for the applicant and control person(s) to be experienced and knowledgeable on the regulation that governs consumer lending for that state, making this a requirement the applicant must comply with at the time of application. Regulators like to know that the applicant is also looking out for the consumer and that compliance with applicable laws will always be maintained. Equally important is the Applicant's compliance with BSA/AML requirements, standardized consumer disclosures, fair lending, and other practices of acts.

Policies, procedures, and programs should be formulated to keep the consumer informed while ensuring they can fairly access the financial products and services being offered. These policies and procedures will need to be maintained and updated accordingly as laws and regulations are ever changing. For example, an educational program for the consumer may be required as part of the license approval.

Lenders must provide disclosure statements that include information about the amount of the consumers loan, the annual percentage rate (APR), finance charges (including application fees, late charges, prepayment penalties), a payment schedule and the total repayment amount over the lifetime of the loan. These disclosures must be visible, eligible, and presented to the consumer when the loan agreement is signed, on the website as well as on the transaction receipt. Consumer disclosures are different for each state and entities looking to engage in consumer lending might be unaware of these requirements. These disclosures can be requested at the time of application and if they have not been drafted, this can cause delay in the approval process. During regulatory examinations, these disclosures will also be requested by regulators and if not kept compliant, adverse actions can be included on the final exam report. If you are not sure what disclosure notices are required per state, it is always important to obtain guidance from experts in the field.

The environment in consumer lending has been ever changing over the past few years but over the last year a drastic change has been seen as borrower's expectations change. Many consumers are opting for online interactions when it comes to getting a loan. However, there is still a percentage of the population that would like to get support through traditional lending. Unfortunately, there exist challenges when it comes to offering consumer loans over the internet and the use of a physical location. Some states have additional requirements for those applicants that strictly offer their services over the internet, while other states simply do not allow online lending without a physical location in their state. As consumer lenders adapt to changing times and borrower's expectations, the above should be considered for lenders to tailor their business models and expectations when applying for state licenses.

Lastly, when selecting the type of consumer lending license required in selected states it is important to know the correlation of the interest rates as well as minimum and maximum amounts being offered to the selected state's consumers. This is a highly important factor as in many cases it will help to define the license the Applicant will have to apply for. In some states, if the interest rate does not exceed a specific number, the lender will need to file a yearly notification to the state with a state selected fee. Most of these notifications do not involve lengthy and procedural processes for the approval but the lender does need to comply with the consumer credit code, if applicable in the selected state.

If the interest rate charged does not exceed a specific number outlined by the state, an exemption may be granted.

If during the application review or after the license is granted, the applicant or licensee incurs any material changes or changes in interest rates or amounts being loaned, it will be necessary to notify the states of such changes and if applicable, revisit the states laws and regulations to determine if the applicant or licensee holds the correct license.

The environment in consumer lending has been ever changing ... consumers are opting for online interactions ... however, there is still a percentage that would like support through traditional lending.

There are a lot of factors to consider when applying for authorization to provide consumer lending transactions in a state, however, if you are not sure of the requirements for consumer lending, seek proper legal advice. Once completed, Chartwell can aid and provide guidance in navigating any future consumer lending license acquisition projects that may result from said legal advice.



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Your Business Activities will Determine if You Need to Register with the Secretary of State

By Andrea Thomas

The Secretary of State acts as the record keeper of a wide range of documents, registers and authenticates business entities and trademarks, and records an entity's Good Standing within the state. Registration with the Secretary of State ('SoS') for your MSB is an important and required step in the process of licensure.

Whether your business is an LLC, corporation, partnership, or nonprofit corporation - your business activities will determine if you need to register with the Secretary of State. Typically, those activities include the following within the state - having a physical presence, your company receives revenue, there are company employees, or you often meet with clients in that state.

Registration with the SoS differs from state to state. Some states allow you to register online, while others require you or your Registered Agent to file paper documents in person or through the mail. Noteworthy - due to Covid-19 and office closures Chartwell has seen this change from time to time. Always refer to the state website for the latest submission requirements.

What is a foreign qualification? My business is operating in the U.S., it is not foreign...right? No. The state where the business is formed, the state of domicile, is considered to be domestic. Therefore,

every other state will view your business as foreign. It is imperative that you register your entity correctly, either Domestic or Foreign as each have different requirements and fees.

When registering, the difference between required information, submission and processing time vastly ranges from state to state. The approval time frame fluctuates. Some states provide immediate approval, while others can take weeks to months to approve. Some states offer an expedite option for an additional fee if your circumstances require faster registration.

Registering with the Secretary of State is not a once and done event. Following registration with the Secretary of State there are additional and on-going maintenance requirements such as amendments and annual reports. Failure to update your registration can put your company in a "Not Good Standing" status. Did



you know that SoS registration is public information? Most states have online business searches that will show the current SoS status of your company to anyone.

The Chartwell SoS Compliance Team specializes in state SoS registrations from start to finish and beyond. Contact us if you would like more information or need assistance with your SoS registrations.



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Home or Office

By Sherry Tomac and Trish Lodzinski

WILL YOUR COMPANY CONTINUE TO EMBRACE REMOTE WORK MOVING FORWARD?

With many employees receiving their COVID-19 vaccinations, companies are putting plans in place to reopen their offices. Prior to the COVID pandemic, "work where you want" was a concept practiced by fewer than 10 percent of companies.¹ Out of necessity, almost all companies were forced to function remotely. The question now is how much of that trend will continue.

It seems that the trend to work from anywhere may not stick. Some companies are mandating their employees to work 2 to 3 days per week in the office once they reopen. Although some jobs cannot be done remotely (think bank teller, landscaper, service industry worker, etc.), there is a large and growing group of people who do not need to be physically present in an office to do their jobs. These people are often referred to as knowledge workers. They produce work with their minds, not their bodies.

Knowledge worker is not a new concept. In 1959, Peter Drucker coined the term "Knowledge Work" in his book *The Landmarks of Tomorrow*, and then expanded on the concept "Knowledge Workers" in *The Effective Executive* a year later to describe this group.¹ Today businesses estimate the number of knowledge workers to be more than 1 billion people worldwide. How will these people be affected post epidemic?

Experts predict that only about 25 percent of companies will continue to embrace remote working. Some companies are polling their work staff to gain insight into what employees want. Do they want to continue to work 100 percent remote? Do they want to work 100 percent in the office again? Or do they prefer some hybrid situation that presents a flexible schedule, or I will work where I want to on a day-to-day scenario?

As mentioned, some jobs require people to be physically present and/or co-located with others to do their jobs effectively. This may also be the most efficient, productive method to accomplish work and may result in higher job satisfaction for many workers. Other workers may be more productive and have higher work satisfaction working from home. A Stanford University study published in 2015 reported that remote workers' satisfaction increased, and attrition rates fell by 50%.¹

Long before COVID, Chartwell Compliance (Chartwell) embraced

¹ Dr. Geoff Smart, "Don't Come Back to Work", July 2, 2021, https://geoffsmart.com/dont-come-back-to-work-3/?utm_source=rss%26utm_medium=rss%26utm_campaign=dont-come-back-to-work-3

a 100 percent remote workplace. In fact, remote working has always been an attractive recruiting and loyalty attribute for Chartwell. Through my experience as an employee and a supervisor at Chartwell, I have seen many of the typical myths about remote work busted.

CULTURE

Some organizational management professionals say you cannot build a good culture if people work remotely. However, in our experience, client projects, team meetings, and semi-annual retreats (pre-COVID) have provided Chartwell employees the opportunities to interact with one another and be part of Chartwell's family-like culture. Being in an office daily does not necessarily

Listening and doing what is in the **best interest** of employees and the company **builds [good work] culture**.

build a good culture. Listening and doing what is in the best interest of employees and the company builds culture. I for one appreciate the flexibility to work from home during a Denver snowstorm or work from Arizona to be able to see my aging in-laws.

PRODUCTIVITY

Some experts claim that employees do not work as hard remotely as they would in an office or that employees have more distractions at home. Douglas McGregor's Theory X Management would say that if you cannot be seen working, you probably are not working in his theory of human work motivation and management.

Theory X certainly has not been my experience. I believe that a work ethic comes from within an individual. Those who do not work as hard remotely most likely do not work hard or effectively in an office either. At Chartwell, I am surrounded by very hard-working team members that work together as a team to meet the needs of their clients. I have never worked with a more helpful customer-oriented team of people as those at Chartwell.

TRAINING

Other business organization advisors say that you must be in person to be trained by others. Chartwell has successfully trained new employees where both persons work 100 percent remotely. New people shadow more senior people and participate on project teams. The new employees are included in daily

"stand-up" meetings, client meetings, post meeting discussions, and copied on all correspondence to learn and gain knowledge. Zoom, Microsoft Teams, and other video technology are used regularly both internally and on client calls. In-person training at company retreats and industry conferences also provide additional learning opportunities.

SUMMARY

Companies that continue to embrace remote work are setting trends for the future that will give employees options to work where they work best. Whether it is working in the office, working from home or a hybrid of the two, both workers and companies will benefit in tangible ways. If there was one

positive outcome of COVID, it would be to prove to company management that people can successfully work remotely and that employees can be given the chance to learn and discover where they work best. I hope the trend to work remotely will continue at your company and allow you to work in the best and most effective environment that meets your needs.



SHERRY TOMAC, PMP, SERVES AS EXECUTIVE VICE PRESIDENT AT CHARTWELL COMPLIANCE and brings over 20 years of process improvement experience using Kaizen and lean six sigma tools in operational areas of Chartwell Compliance, Western Union, First Data, and Children's Hospital Colorado. Her experience includes documentation of current and future state processes, staff training, standardization of procedures, elimination of waste, and generation of cost savings. Sherry, manages a highly skilled group of compliance professionals who are skilled project managers and subject matter experts leading and/or working on high profile engagements, provides project oversight, coaching and training to the Chartwell staff and manages Kaizen process improvement activities within the organization. For more information, please contact Sherry at [✉ stomac@chartwellcompliance.com](mailto:stomac@chartwellcompliance.com).



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First of its Kind

FinCEN Issues the First-Ever National AML/CTF Priorities

By Monica Morales, CAMS, CFE

The passage of The Anti-Money Laundering Act of 2020 ("AML Act")¹ introduced the most profound changes to the anti-money laundering and counter-terrorism financing (CTF) legislative landscape since the US Patriot Act of 2001. The reforms brought on by the AML Act will impact financial institutions, non-bank financial institutions, and businesses outside of the financial sector.

Technological advances have the capability to "remove" jurisdictional borders, making it increasingly complex and difficult to investigate, apprehend, and prosecute individuals behind illicit activities. Given the volume of illicit funds flowing through the banking system along with the rapidly evolving methods used by criminals to move funds, determining how to allocate compliance resources to address the associated risks can be a daunting task. While FinCEN issued advisories on emerging AML/CTF activities, there was no formal alignment of national priorities to aid financial institutions in countering money laundering and terrorist financing.

The AML Act addressed this gap by mandating the issuance of the National AML/CTF Priorities ("Priorities")² by FinCEN, the first of its kind, which will be issued every three to four years: (1) corruption; (2) cyber-crime, including relevant cybersecurity and virtual currency considerations; (3) foreign and domestic terrorist financing; (4) fraud; (5) transnational criminal organization activity; (6) drug trafficking organization activity; (7) human trafficking and human smuggling; and (8) proliferation financing. While enforcement of the Priorities will not begin until

¹ <https://www.fincen.gov/anti-money-laundering-act-2020>

² <https://www.fincen.gov/news/news-releases/fincen-issues-first-national-amlctf-priorities-and-accompanying-statements>

the final rules have gone into effect, FinCEN is encouraging covered institutions to start considering how these Priorities will be incorporated into AML programs.

The introduction of these Priorities should create a more aligned, systemic approach in mitigating AML/CTF risk, improve the overall effectiveness of AML programs, and ensure that covered institutions meet AML/CTF regulatory obligations. Covered institutions are encouraged to start considering how to incorporate the underlying activities contained within the Priorities before the final rules go into effect.

Recent events and emerging AML/CTF trends have become the driving factors behind these Priorities noted with the guidance:

- ▶ Corruption risk posed by both domestic and foreign politically exposed persons (PEPs) with the heightened focus on foreign PEPs leading to new, increased AML penalties.
- ▶ The rise of extremism leading to increased domestic terrorist threats and lone offender attacks, with terrorist groups placing an increasing reliance on lone offender attacks versus funding and planning large-scale, complex attacks.
- ▶ Shifts noted in terrorist financing trends to include receiving funds from supporters through electronic methods and virtual currencies, often in small dollar amounts.³
- ▶ Cybercrime threats, such as economic espionage,⁴ influence campaigns,⁵ and an increase noted in frequency and scale of cyber-attacks,⁶ as seen with recent ransomware attacks on vulnerable sectors, along with the sanctions risk that comes with paying ransom demands to cybercriminals.
- ▶ Vulnerabilities exposed by the COVID-19

3 <https://www.ice.gov/news/releases/global-disruption-3-terror-finance-cyber-enabled-campaigns>

4 <https://www.fbi.gov/news/stories/economic-espionage>

5 https://www.dni.gov/files/documents/ICA_2017_01.pdf

6 <https://www.forbes.com/sites/chuck-brooks/2021/03/02/ alarming-cyber-security-stats-----what-you-need-to-know-for-2021/?sh=8193aed58d3d>

pandemic exploited by fraudsters.^{7,8}

- ▶ The rapidly increasing use of virtual currencies for both legitimate and illicit purposes. Significant increase in the use of virtual currencies, like cryptocurrency, was seen with drug trafficking, online trafficking and exploitation of children, purchase of tools and services used in ransomware, ransom payments to cybercriminals perpetrating an attack, and by criminals involved in the proliferation of weapons to advance nuclear weapons and ballistic missile programs along with weapons of mass destruction.
- ▶ Threats posed by foreign intelligence entities that conduct fraudulent activity to fund espionage activities and "influence campaigns."



- ▶ Organized criminal activities carried out by Mexican and Russian transnational criminal organizations (TCOs) in the U.S.
- ▶ The financial and trade nexus established primarily between Mexican drug trafficking organizations (DTOs) and China.
- ▶ The dramatic increase in human trafficking⁹ identified globally, which has been exacerbated by the

7 <https://www.justice.gov/usao-sdga/pr/two-felons-sentenced-prison-scheme-steal-thousands-covid-19-unemployment-insurance>

8 <https://www.fbi.gov/coronavirus>

9 <https://www.unodc.org/unodc/frontpage/2021/February/share-of-children-among-trafficking-victims-increases--boys-five-times-covid-19--seen-worsening-overall-trend-in-human-trafficking--says-unodc-report.html>

COVID-19 pandemic because of economic hardships and regional lockdowns leading to victims being cut off from support systems.

- ▶ Human smuggling activity, especially with situations like the one observed with the U.S.-Mexico border where there has been an overwhelming number of migrants attempting to cross the border due to political instability, economic conditions from devastation caused by two hurricanes in 2020 and from the COVID-19 pandemic.
- ▶ Continued proliferation financing threats, especially those posed by Iran, North Korea, and Syria.

Keeping abreast of emerging trends and understanding the impact from recent events will help covered institutions in evaluating and implementing changes aligned with the Priorities to build robust and comprehensive AML programs that subsequently enrich the SAR reporting process for use by law enforcement and government agencies. Improving the suspicious activity reporting (SAR) process is an important part of the legislative overhaul ushered in by the AML Act. The restart of the SAR Activity Review – Trends, Tips & Issues publication by FinCEN was incorporated into the AML legislative framework¹⁰ along with the establishment of a pilot program to test the sharing of SAR information,¹¹ which illustrates the importance Congress has placed on developing comprehensive, robust SAR filings to aid law enforcement and government agencies in the fight against money laundering and terrorist financing activities.

Overall, the issuance of the Priorities is a welcome change. Aligning AML programs with the Priorities will build stronger, comprehensive defenses in the global fight against money laundering and terrorist financing.

10 See SEC. 205. SHARING OF THREAT PATTERN AND TREND INFORMATION <https://www.congress.gov/bill/116th-congress/house-bill/2514/text> <https://www.congress.gov/116/crpt/hrpt247/CRPT-116hrpt247.pdf> <https://www.jonesday.com/en/insights/2020/12/congress-passes-major-us-antimoney-laundering-reforms>

11 See SEC. 201. PILOT PROGRAM ON SHARING OF SUSPICIOUS ACTIVITY REPORTS WITHIN A FINANCIAL GROUP. <https://www.congress.gov/bill/116th-congress/house-bill/2514/text>



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Banking Higher Risk and **Complex Industries**

By **Angela Lucas, CCBP**

You never know the path you may take, the circumstances that will lead you there, or the elements that will factor into your decision to take that next step or retreat into comfort and familiarity. The key is to "Pay attention to the things you are naturally drawn. They are often connected to your path, passion, and purpose in life. Have the courage to follow them." The path, the thing to which I have been naturally drawn, is solving for the seemingly impossible. From working with troubled institutions to building interpretive tools to address newly issued (and many times complex) legislation to laying the groundwork in emerging and higher risk industries, the tasks appear daunting. The risks and what must be done are not completely known, the roadmaps may not be completely written, and in some cases, you have to be comfortable leading the pack. However, the premise has been established, the foundation laid and if you rely upon those building blocks, the rest will naturally come.

Imagine a square segmented into nine equal parts. Each square within the larger square—the table—is made to **represent a critical element of safe and sound banking operations.**

As a regulator, I became very familiar with a tool that helped illustrate the concept of that groundwork, that foundation. The tool has been passed regulator to regulator. To this day, I am not entirely certain of its origin. Sounds like a thing of legend, right? A tale from a friend to a friend to a friend. The aura around this tool is not as

mysterious as it may seem. The tool goes by many names, but I came to know it as the Table of Nine. The Table of Nine was an illustration often presented to Bank Management and Boards of Directors when deficiencies had been identified through the examination process and the impact needed to be conveyed visually.

Imagine a square segmented into nine equal parts. Each square within the larger square – the table – was made to represent a critical element of safe and sound banking operations. From Board oversight to enterprise-wide accountability to effective risk management, each element needs to work in conjunction with the others to provide stability to the whole. The absence of one or more of these elements leaves the table wobbly and sugar packets are not going to Band-Aid that wobble. This table was rarely brought out for well-performing institutions; it was most often used to illustrate the impact of weaknesses and how those weaknesses, if left



unchecked, could lead to collapse. The areas of weakness would be highlighted in the table, discussions held around the root cause and necessary corrective actions presented. This is a simple concept, but one that resonates when you see it.

This is the foundation. This is how you build a sound operation, and this is how you can solve for the seemingly impossible: Change how you view the traditional banking model and expand into areas where others have not yet walked. chart your course into the blue ocean. Using the premise just discussed, let's look at how that traditional foundation can help build the path to new and exciting opportunities.

ASSESSING THE RISK

It should come as no surprise that the first order of business is to assess the risk of any opportunity. To do so effectively, the opportunity must be fully understood by all key stakeholders. What will this opportunity mean in terms of economic gain, your reputation, resource dedication and consumer impact? These are only a few of the considerations that must be weighed. Asking these questions,

1 Ruben Chavez

however, helps you to determine who should be in the room when initially discussing an opportunity. Tabletop discussion of an opportunity can help identify potential risks, operational considerations, and enterprise impact at the onsite. Use the building blocks you have been given. Look at key risks across the organization including, but not limited to credit risk, interest rate risk, liquidity risk, price risk, transaction risk, compliance risk, strategic risk, and reputation risk. Within compliance risk, be sure to address Bank Secrecy Act and Anti-Money Laundering risk evaluation. For each key risk category, start thinking through the components that can attribute to that risk. You will want to first identify the inherent risk of each: What is the level of risk in the absence of controls? Once you have determined the level of inherent risk, you get the opportunity to apply control: What do you have in place or what will you need to implement in order to appropriately and effectively manage that inherent risk? After you apply your control structure, you can then arrive at your residual risk: What is the risk level after your controls have been applied to the inherent risk? Is your residual risk lower, meaning that you have effective controls already in place? Or is your residual risk higher, meaning that you have some work to do in order to implement a sound control structure? This formula will also help you determine the direction of each risk: Increasing, Decreasing or Stable.

Through the risk assessment process, you can start to get a sense for where you inherently stand: Opportunities and structure that are acceptable in terms of risk and those you want to avoid, or those for which additional controls need to be implemented. This is key to building your program.

BUILDING THE PROGRAM

Now that the first layer of your foundation is laid, you can begin to build your program. Your program, or policy to which it may be referred, is your opportunity to provide a guide to your staff in terms of what is acceptable and what is not. Ultimately, oversight rests with the Board, and the Board needs to be comfortable that you have effectively identified relevant risks, presented a sound and methodical risk mitigation strategy, and can now convey those components enterprise-wide.

While program components will need to be tailored to each opportunity, there are elements that should be consistently addressed within every program or policy:

- ▶ **STRATEGY:** What is the strategy driving this opportunity?
- ▶ **GOVERNING STATUTE:** Which statutes or guidance primarily govern this opportunity?
- ▶ **POLICY POSITION:** What is the overall position in terms of how this opportunity will be pursued and managed within the organization?
- ▶ **OVERSIGHT AND ACCOUNTABILITY:** From the Board level through customer-facing staff, who has oversight and accountability for implementation of the program?
- ▶ **ESSENTIAL REGULATORY ELEMENTS:** What are the key components that will need to be addressed? For this opportunity, are there specific disclosure requirements, internal processes that must be followed in order to comply with statute, and/or compliance monitoring that will need to be implemented to meet regulatory requirements?
- ▶ **TRAINING:** How will you ensure that the opportunity and

responsibilities for compliance are communicated to applicable staff? How will you ensure that the Board receives sufficient education to make informed decisions about this opportunity now and in the future?

- ▶ **AUDIT:** How frequently will the program be subject to independent testing? Are there regulatory requirements for audit frequency and scope?

Once the program is built and is reflective of the risk assessment, the Board must review and approve these documents as they will facilitate the implementation of the opportunity and provide the Board and Senior Management a means to ensure accountability for compliance along the way.

ROLES AND RESPONSIBILITIES

When building the risk assessment and outlining your program, you should be evaluating current resources and determining whether additional resources, in terms of human capital or technology, may be needed to effectively administer and guide the program. The roles and responsibilities of each stakeholder, from the Board to Senior Management to departments and units who will be responsible for the program day-to-day should be outlined. Not only does this exercise ensure that each stakeholder understands his or her responsibility, but it also provides a means to determine where additional resources may be needed. Moreover, it will give you a sense for the skillset necessary for any resources that may need to be added to ensure the program is properly administered.

Banking higher risk or complex industries requires, in most cases, specialized skillsets that may not be readily attainable. Or, if you have not yet scaled the opportunity, this specialized skillset may not be necessary on a full-time basis. You have options that can not only provide you the expertise necessary to effectively implement your program, but also the opportunity gain additional perspective. Third-party subject matter experts or teams of experts can help you achieve this goal. These third parties can help you build the program, can assist in ongoing administration of the necessary components, and provide insight into what they have seen at other institutions as well as regulatory feedback across the industry. Utilizing third-party expertise can be invaluable, but it does not come without its own set of rules and requirements. Ensuring that you have appropriate third-party oversight is critical to ensuring that each third-party is complying with the terms of your agreement and with applicable laws and regulations and does not otherwise present elevated risk to your institution. Ultimately, you are responsible for performance of your program regardless of whether you have sought third-party expertise.

When engaging third parties, it is also critical that you outline the roles and responsibilities of that third party and how those elements may work in conjunction with those of your internal staff. When everyone has a clear expectation of the elements for which they are responsible, ongoing administration of the program should flow like a well-orchestrated dance. That's not to say that there won't be hiccups along the way, but when you have a solid map to follow, defined roles, and clearly outlined responsibilities, those hiccups will be just that, and will not develop into larger hurdles.

INITIAL AND ONGOING COMMUNICATION

With so many stakeholders involved, it is no secret that initial and ongoing communication is critical to the success of the

opportunity. When initially evaluating an opportunity, we mentioned having the right people in the room. This exercise is to ensure that each business unit that may be impacted by the opportunity has a voice. Talking through the opportunity as a team and determining, collectively and collaboratively, the best path forward will help lay a smooth foundation for the other steps we have covered. You will want to ensure, as you work through each step, meet with those who are presenting this opportunity to your organization and with any third parties that may assist in launch or ongoing administration, that communications are consistent. This means having consistent representation in meetings, ensuring well-defined agendas for each meeting to lay expectations, and limiting the volume of one-off or sidebar conversations that could impact that necessary consistency.

Effective communication does not stop once an opportunity is launched. It is critical to the ongoing success of your program that you maintain effective communication throughout your organization and with any third parties with which you may be working. Changes in program parameters, functionality or features may warrant changes in disclosures, customer notifications, adjustments in internal procedures or further Board consideration. You will want to ensure your communications are consistently and clearly conveyed to all relevant stakeholders.

STAYING INFORMED

No aspect of banking is a set-it-and-forget-it exercise. Regulatory examinations are ongoing. We learn along with our regulators as they evaluate the adequacy of financial institutions nationwide and communicate those findings by way of discussion, issued guidance, or enforcement actions. In the case of banking higher risk or more complex industries, we may be providing a level of education to our regulators. In all cases, it is critical that we take the time to stay informed of changes in our industry, newly issued guidance, and discussions around the industries we may be

banking. Thankfully, we are in an era where information is literally at our fingertips. The key is to make sure that you are weighing this information, sourcing accuracy, and actively communicating it to those who will need to be aware...circling back to our discussion of ongoing communication from internal staff all the way to the Board.

LOOKING IN THE MIRROR

Performing self-evaluation is never a comfortable thing, but it is essential for growth and maturity. You may be patting yourself on the back for successful execution and launch of your newest opportunity. Recognition for a job well done is deserved. However, complacency is your worst enemy. In higher risk or complex industries, complacency can be a death knell. Ongoing monitoring of your program is critical but taking it one step further to truly evaluate your performance over a sustained period of time is equally important. You need to review your program through the lens of a regulator. Where do you perceive your weaknesses to be? What are you doing to address those weaknesses? Can you take corrective action in the normal course of business, or will it be a larger project? What is the impact of these weaknesses on your risk profile? Are there any changes to the program that could present elevated risks now or in the next twelve months? How will you address those changes?

Self-evaluation does not need to wholly be about identifying weaknesses or areas for improvement. You also need to highlight the strengths of the program, providing for a holistic assessment of your program and performance. Further, by having a sound sense of your performance and that of your program, will give your regulators confidence that you are methodically and soundly pursuing non-traditional paths.

PREPARING FOR THE BIG EXAM

Thankfully, the regulators are required to provide us the study guide before the

test. They publish and share with our industry their examination guides and procedures. By reviewing these documents, we can get a sense for what they will be reviewing, the scope of transactional testing and how they may render an opinion of our programs and processes. The challenge in banking higher risk or more complex industries is that, in some cases, the study guide has not yet been written. The key to preparing for your exam is to document the roadmap that has brought you here. Demonstrate the process to your regulators. From showing them evidence of early discussions; identifying key stakeholders; building your risk assessment that served as the foundation for your program; providing documentation that supports initial and ongoing communication; ensuring you are actively staying informed on the industry; and, taking the time to truly evaluate your performance, your regulators should get a comfort level that this opportunity was well conceived.

IN CONCLUSION ...

All the building blocks we have discussed should not be foreign; they are the building blocks of any sound organization and the strategic pursuit of opportunities that may present complexities or greater sophistication. By relying upon what we know to be the recipe to successfully maintain the stability of our "table", we can demonstrate to our regulators that we have weaved those elements into our strategies for banking higher risk and more complex industries. Yes, you will need to ensure you have done your research, you understand the business model and you are proactively and continually researching these industries to ensure your program evolves accordingly. Yes, you will need to be comfortable with being uncomfortable, especially if there is a lack of or limited regulatory guidance to follow. However, you must also be confident that you have followed a sound path and you have applied the universal principals shown to support a stable infrastructure.



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When is the Right Time to Automate?

By Jamon Whitehead

Traditionally, merchants and financial organizations maintain a process by which inbound transactions are passed through a series of technology layers designed to assess potential risk and capture payment. During the risk assessment portion of the process, the vast majority of transactions are usually accepted, in other extremely risky scenarios or those associated with known fraudulent events the transaction will be outright rejected. A third category exists for many institutions whereby the automated risk assessment will identify transactions containing some risk indicators but not risky enough to automatically reject. These transactions will be deposited in a queue or list for manual screening by a human.

MANUAL SCREENING

This manual screening process involves fraud analysts attempting to provide a final decision on a transaction by verifying the purchaser's identity using multiple points of personal information. Historically, these points of personal information involve offline data such as that associated with physical address, phone numbers, banking details and (sometimes) social security numbers.

Fraud analysts will check to see if the person and email address being searched is connected to social media accounts.

Over time, these data elements have evolved to include more and more offline elements. Because these elements are built up over time and are more closely related to internet-based behavior that are increasingly difficult to fake or mimic. Increasingly, these elements have become heavily weighted on social media accounts. While there are a number of options Fraud analysts everywhere use people search engine tools to confirm an identity by **reverse-searching the email address** and/or phone number associated with an online order. Fraud analysts will also check to see if the person and email address being searched is connected to social media accounts on networks like Facebook, Twitter, and Instagram.

Manual screening can serve as an advanced layer of defense—against not only malicious users but also false positives. Social media accounts are a great resource for fraud analysts. For



example, in the case of business or vacation travel, there was a time when credit card holders would have to notify their card issuer prior to any overseas trip or seriously risk having all their transactions flagged and blocked for suspected fraud while they were overseas. This scenario is now largely avoidable thanks in part to people's habit of publicly announcing their trips on social media. Now fraud analysts can often determine if an overseas or out-of-area charges are due to a client visiting somewhere unusual or whether they are still at home and their card has been stolen.

AUTOMATED SCREENING VIA API

As organizations evolve their user verification approach, online and offline elements can be combined to achieve more streamlined verification through automated screening. This becomes incredibly important as organizations begin to scale their operation.

Unlike manual screening, this approach directly feeds data elements designed to enrich an existing platform to make better, more accurate decisions with reduced manual requirements.

For example, an automated solution might identify what social media networks a person is connected to and/or how many connections they have to help determine fraud risk.

STRIKING A BALANCE

As with all fraud mitigation strategy, a balance must be struck between risk, accuracy and cost effectiveness. Despite a more streamlined approach through automation there are often transactions and transaction elements that are very difficult to automatically identify. In these cases, it's often best to maintain some level of manual screening. Postmortem manual review is also a good idea in many cases. In these instances, merchants will rely on an increase in automation in attempts to streamline order decisions and fulfillment, followed by some manual review to determine which elements of automation work well and which don't. Based on this retroactive analysis, the automated system can be tuned appropriately.



JAMON WHITEHEAD, CO-FOUNDER OF PALADIN GROUP, has more than 15 years of experience in the card not present (CNP) payment and risk industry. Jamon has a background in strategic and tactical management of the complete payment and transactional risk life-cycle. This includes but is not limited to the technology assessment and implementation, user authentication and trust assessment, risk based data mining, automated and manual review management and chargeback processing and analysis. Jamon and his team offer an extensive and customizable suite of services for both merchants and vendors. For more information, please contact Richard Davis at [✉ rdavis@chartwellcompliance.com](mailto:rdavis@chartwellcompliance.com).



Casual Talk

Andrea LaMothe

Financial Institution Manager

Michigan Department of Insurance and Financial Services

10 Questions with a Regulator

What is your current position and how long have you been with the Department?

AL: My current position is Financial Institutions Manager. I have been with the Michigan Department of Insurance and Financial Services (DIFS) for about 13 years.

What do you find most rewarding in your current role?

AL: The money transmission industry in which Michigan regulates encompasses many different types of money transmission service providers and new/amended regulations. This type of landscape welcomes continuous learning which does not make for a dull moment.

I have the opportunity to build relationships with personnel who represent a regulated entity. Building these relationships creates collaboration where it is more than a licensee-regulatory relationship. Everyone brings forth their subject matter expertise and collective achieve an environment that fosters compliance. I cannot finish without saying traveling to different parts of the United States is a bonus.

What are the biggest challenges you face in your current role?

AL: The financial services industry has evolved greatly over the years. The evolution has proved fast paced. There are very innovated people and companies out there. I love seeing innovation. The challenge I feel comes with the regulations that oversee such industries. Regulations have the ability to become antiquated sooner rather than later and determining compliance is not always straightforward. Also, new regulations are entering the regulatory space. State agencies and personnel have to stay abreast of the financial industry, ongoing innovations, and the regulations that oversee the regulated entities.

Furthermore, examination framework used between state agencies need to be more uniform and consistent. This will foster more effective and efficient examinations. To agree with Michael Sabula, in the last Compass edition, we are heading the in the right direction.

From your experience, what do you feel are the biggest risks facing money transmitters in the current regulatory landscape?

AL: Companies utilize technology more than ever before. With that said, companies are collaborating with 3rd party service providers to perform needed services, and often for more than one area of the business. Risks I find facing money transmitters in the current regulatory landscape include: customer protection; data integrity, protection, and governance; operational continuity; and Information Technology and Cybersecurity. The use of technology and 3rd party service providers are often an effective solution; however, these governance and oversight and is must.

What do you feel are the biggest benefits of the MTRA Cooperative Agreement?

AL: The MTRA Cooperative Agreement promotes a framework of cooperation and coordination between state regulator agencies that have regulatory oversight over a regulated entity. State agencies are able to collectively share and utilize each others resources and knowledge to perform examinations. These actions ultimately minimizes the disruption of business operations and regulatory burden to a regulated entity.

During this pandemic, examinations are currently being conducted offsite. Do you see additional challenges in comparison to conducting onsite examinations?

AL: The pandemic affected state regulatory agencies and regulated entities alike. The preparation for an offsite examination may require more coordination and preparation than for an onsite review. However, the additional efforts taken on the front end often leads to a more streamlined offsite examination. State regulatory agencies and the regulated

entities are used to face-to-face interaction with regard to meetings and delivery of documentation. Adaptability to communication platforms (e.g., Teams, Zoom, Google Meet, etc.) may have posed challenges, especially if there were access restrictions. However, with the many platforms available, a useable platform was bound to found! In addition, the adability and/or increased use of secured file exchange site has been very efficient and beneficial.

What did you want to be when growing up?

AL: I grew up as a country girl and still have those roots. Growing up, I aspired to own a farm with my childhood best friend.

What's the weirdest thing you've ever eaten?

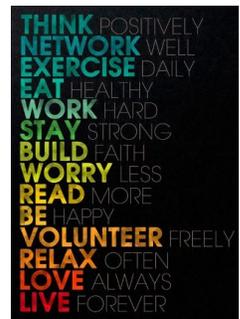
AL: The weirdest thing I have ever eaten... I can't say I am that adventurous! However, it took me quite some time to try seafood, shrimp in particular. I love it. I have then ventured out to other seafood, but I can't say I love all the other.

If there was a movie made about you, which actor would you want to play your role?

AL: If anyone knows me, I am terrible with actors/actresses! However, based upon the ones I do know, Mandy Moore or Anne Hathaway comes to mind.

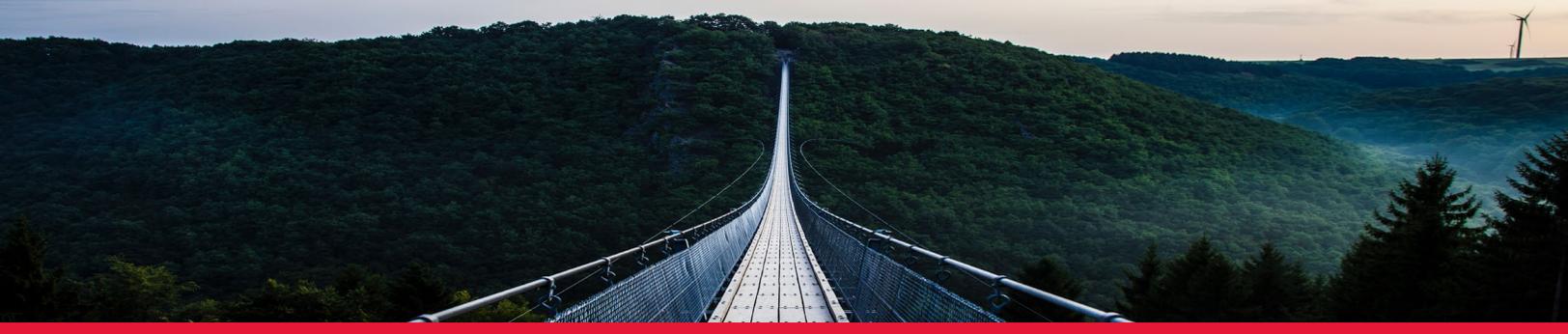
Can you offer our readers any words to live by?

AL: I saw this motivation saying and love it. It applies to many areas of one's life.



To the right is the color representation.

The interview was edited and condensed for readability and reflects the views of Ms. LaMothe and not those of the agency.



Why **Trust** is the **Key** to Open Banking

By Steve Maloney

Financial institutions have been told for years that the move toward an open banking ecosystem is all but inevitable, while it has taken off globally, it has failed to take hold in the US. While Open banking has the potential to provide many benefits for consumers and financial institutions alike, concerns over cybersecurity risks and the protection of personal data have been holding back adoption. For open banking to take off in the U.S. and deliver on its promises, we need one key ingredient that is currently lacking: *Trust*.

WHAT'S HOLDING BACK OPEN BANKING

The concept of open banking is designed to give consumers greater control over their data and the ability to decide who can access it. It allows third-party financial services providers to access consumer banking transactions and other financial data using application programming interfaces (APIs) that connect them directly to the bank's data. Though traditional banks in the U.S. initially viewed open banking negatively – seeing it as a means of introducing greater competition from disruptive FinTechs and neobanks – most have now come to realize the potential benefits it can provide.

For example, in the U.K., which has been an open banking leader since the implementation of its PSD2 (Payment Service Directive Two) in 2018, it's estimated to have unlocked a £72 billion revenue opportunity. Embracing open banking enables traditional financial institutions to create new revenue streams and service models, improve operational efficiencies and provide differentiated, tailored products to their customers. According to a survey conducted by Accenture, 90% of bankers now believe open banking will boost their organic growth by up to 10%.

Open banking will also provide many benefits for consumers by providing shared access to banking and financial data and putting the power to access multiple financial products and services from within one account in the hands of the consumer, enabling more personalized offers across institutions with providing the simplicity of having all their financial needs met under one roof. The COVID-19 pandemic fueled consumer demand for digital banking services as lockdowns around the globe prevented people from visiting bank branches and forced them to use new online and mobile services for their financial needs.

Yet, one major challenge remains to be overcome if we are to see open banking adoption truly take off, and that is the lack of trust. A recent, international survey of retail banking customers conducted by ING showed that only 30% of consumers are comfortable with their bank account data being shared with third-party providers. People are justifiably concerned about the security of their sensitive financial data and need to know that it is being properly protected by their bank and its partners. One only need look to examples like the third-party data breaches that exposed the personal information of 75 million customers of the neobank Dave, or 100 million customers of a leading bank to understand consumer's fears. When it comes to sharing access to sensitive financial data, trust is essential.

ESTABLISHING TRUST FROM THE START

So, how can banks ensure customers that their data is safe in an open banking ecosystem? It begins with adopting technologies that can prevent fraud and ensure strong data security from the very first interaction – during the new account opening and onboarding process. Without strong identity verification and fraud detection technologies in the account opening process, sophisticated fraudsters will use advanced methods such as synthetic identities and stolen identities to circumvent security measures and exploit vulnerabili-



ties throughout a bank's systems. Banks that proactively use identity proofing technologies including continuous "know your customer" (KYC) services, transaction monitoring, document authentication and biometrics as part of their onboarding process will ensure stronger security throughout the entire customer lifecycle. It also sets the tone for customer relationship, building trust and loyalty from the start and continuing that throughout the customer lifecycle.

Furthermore, by establishing transparency in their fulfillment of PSD2 requirements to their clients and implementing proper access controls and authentication to client's data, financial institutions can give peace of mind to their clients. The ability for clients to control their data and how it is accessible to third parties can incentivize their use of new services. Proper authentication and auditing mechanisms can bolster client confidence in the financial institution.

The identity verification and KYC process must be convenient and frictionless enough that people do not abandon the registration process or feel they are overexposing their data. To ensure this, banks should look for RegTech solutions that provide workflow orchestration and can integrate many different pieces of the identity proofing process – from identity document capture to identity attribute inputs, data-centric validation, and data scoring – together into a simple trust score that allows for quick, objective decisions. The availability for workflow management and orchestration of services allows for proper risk-based approach and adapt the user experience and the sharing of data to the adequate level of risk.

Unfortunately, too many banks today continue to use static identity verification approaches, that force the user through a common user experience regardless of the assessed risk and limited only to the onboarding event. By leveraging more modern technologies powered by machine learning and artificial intelligence, banks can gain actionable insights in real time to identify trusted users and detect fraud patterns throughout the entire customer journey.

THE FUTURE OF BANKING IS OPEN

- ▶ Ultimately, financial institutions today are operating in a very challenging business environment. They face increased competition from neobanks, FinTechs and all-digital startups. At the same time, they are fighting growing levels of fraud while trying to meet consumers' demanding customer experience expectations. Open banking provides an opportunity for banks to rise above these challenges by delivering the types of convenient digital services consumers today want. But this new type of data-sharing ecosystem will only work if customers feel confident that their accounts and data are secure. With the right technologies that are privacy minded and dynamically adaptive, banks can establish and maintain the trust that is necessary for open banking to take off. The future of financial services is wide open with possibilities, and the banks that embrace new, digital technologies and secure data-sharing methods will be positioned for success.



STEPHEN MALONEY, joined Acuant in May 2016 with the acquisition of AssureTec. Prior he was Co-founder, Director and President of SolutionPoint International, a diversified security and risk management company, and Chairman of Design2Launch, a pioneer in digital workflow software that was sold to Eastman Kodak Company (NYSE:EK). As EVP Chief Revenue Officer, a leader in explosive detection services, he was at one of the first companies to receive Safety Act certification by DHS. Earlier he co-founded and was CEO of i3 Mobile, a leader in wireless information leading the company to a successful IPO (NASDAQ:IIIM). He graduated from Fordham, has an M.B.A. and holds or has held TS clearance. For more information, please contact Richard Davis at [✉ rdavis@chartwellcompliance.com](mailto:rdavis@chartwellcompliance.com).



Crypto Crime Crackdown

By Omar Magana

Cryptocurrency and the Blockchain are technological innovations that have the potential to optimize the financial landscape, but are also creating new challenges for regulators who work to ensure agencies are responsive to the social, economic, and technical conditions surrounding the protection of consumers in this digital age.

In simple terms, Cryptocurrency ("Crypto") is digital unit of value that uses encryption techniques to control the creation of a record and verify the exchange of transactions. Blockchain is the technology that enables the existence of cryptocurrency and acts as a tamper-proof digital ledger that ensures the security, transparency, and decentralization of cryptocurrency transactions. The use of cash is diminishing more and more as consumers are increasingly using cryptocurrencies in exchange for goods and services, and navigating through what is becoming a digital world.

CRYPTO FRAUD

The technology that digitizes money, however, also enables criminals to abuse the financial system. According to the Federal Trade

Commission ("FTC"),¹ the US saw over 80,000 fraudulent crimes involving cryptocurrency, which represents an 24,000% increase since 2016. Some of the most common crypto-related crimes included:

- ▶ Initial Coin Offerings Scam – Scammers lure "investors" with an Initial Coin Offering ("ICO") for fabricated cryptocurrency;
- ▶ Pump and Dump Schemes – The price of a digital coin is driven high by large investors who then sell them at a higher price leaving new investors with a worthless asset;
- ▶ Phishing Scams – A criminal impersonates a credible authority in an attempt to obtain sensitive information or access to the cryptocurrency;
- ▶ Crypto Theft – A criminal hacks accounts and steals legitimate cryptocurrencies; and
- ▶ Other online hacks such as Account Takeover, Cryptojacking, and Cell Phone SIM Swap Attack.

While consumers benefit from the technological changes accelerating the speed of transactions, there are external threats that jeopardize their financial stability. Regulators are mindful of the risks that consumers face as they interact within this digital space and are actively monitoring and investigating how criminals illicitly acquire cryptocurrency and use it for criminal activity.

REGULATORY PRESSURE

Regulators are ramping up enforcement and making efforts to remain informed of the latest trends arising from this innovative technology. Over the last few years, regulatory agencies have made significant steps towards understanding cryptocurrency and blockchain technologies and continue to promote transparency and innovation within this space.

- ▶ In June 2018, the SEC appointed one

1 <https://www.ftc.gov/news-events/blogs/data-spotlight/2021/05/cryptocurrency-buzz-drives-record-investment-scam-losses>

of the agency's senior attorneys as the Senior Adviser for Digital Assets Innovation. Later in 2020,² the agency announced that the Strategic Hub for Innovation and Financial Technology ("FinHUB") would be a "stand-alone" office led by the same senior adviser reporting directly to the SEC Chairman.

- ▶ In March 2020, the OCC hired the former head of the legal team of one of the largest crypto exchanges in the world as the agency's Comptroller of the Currency. He departed in January 2021, but the agency continues to

"We will continue to use all of our resources to increase the cost and consequences of ransomware and other cyber-based attacks."

—DEPUTY ATTORNEY GENERAL
LISA MONACO

review cryptocurrency related rule making from the previous tenant.

- ▶ In June of this year, FinCEN³ announced the appointment of its "first ever Chief in Digital Currency Advisor," whose role will be to work with internal and external partners toward strategic and innovative

2 <https://www.sec.gov/news/press-release/2020-303>

3 [https://www.fincen.gov/sites/default/files/shared/AML_CFT%20Priorities%20\(June%2030%2C%202021\).pdf](https://www.fincen.gov/sites/default/files/shared/AML_CFT%20Priorities%20(June%2030%2C%202021).pdf)

solutions to prevent and mitigate illicit financial practices and exploitation.

These efforts made by regulators and law enforcement are paying off. Early this year, the FBI⁴ announced the recovery of 63.7 of 75 (85%) of bitcoins valued at 2.3 million USD paid to hackers by the Colonial Pipeline Co after it was attacked by a ransomware. A month after the attack and recovery of the bitcoins, Deputy Attorney General Lisa Monaco said at a news conference "we will continue to use all of our resources to increase the cost and consequences of ransomware and other cyber-based attacks."

The private sector is also making significant contributions in deterring this type of crime through development of monitoring tools. According to the Chainalysis 2021 Crypto Crime report,⁵ cryptocurrency related crime decreased in 2020. Another report published by CypherTrace,⁶ also saw a 57% decrease in crypto-related crime between 2019 and 2020 "dropping from \$4.5 billion to \$1.9 billion."

BRIGHTER CRYPTO FUTURE

The sophisticated nature of crypto technologies presents new challenges to consumers who want the benefits of using cryptocurrency but lack the technological background to safeguard themselves against bad actors. As criminals move into this space, consumers want security, controls, and choice. In response, regulatory agencies are attempting to harmonize existing practices and implement formal policies into the cryptocurrency environment.

Cryptocurrency will continue to be a popular vector for cyber criminals, so here at Chartwell we continuously monitor what regulators and agencies are doing to develop coherent guidelines. Contact us if you would like to learn more.

4 <https://www.justice.gov/opa/pr/department-justice-seizes-23-million-cryptocurrency-paid-ransomware-extortionists-darkside>

5 <https://blog.chainalysis.com/reports/2021-crypto-crime-report-intro-ransomware-scams-darknet-markets>

6 <https://ciphertrace.com/2020-year-end-cryptocurrency-crime-and-anti-money-laundering-report/>



OMAR MAGANA, CAMS, SERVES AS VICE PRESIDENT OF FEDERAL COMPLIANCE AT CHARTWELL and is a subject matter expert in anti-money laundering, OFAC, money transmission, and prepaid access as well as other regulatory requirements specific to financial services. Omar offers clients the benefit of a veteran compliance officer with over 15 years of experience in domestic and foreign regulatory environments. Additionally, Omar has worked in the Money Services Business industry for over 10 years. For more information, please contact Omar at [✉ omarmagana@chartwellcompliance.com](mailto:omarmagana@chartwellcompliance.com).

2021 NMLS Annual Conference & Training



CSBS Seeks Comment on MSB Business-Specific Requirements Proposal

The Conference of State Bank Supervisors (CSBS) is inviting comment on the Nationwide Multistate Licensing System (NMLS) Modernization (Money Services Business) MSB Business-Specific Requirements Proposal available at the [NMLS Resource Center](#). Comments are due July 23. An NMLS Modernization Town Hall was held on Wednesday, June 30, from 3:30 – 5:00 p.m. ET to provide an overview of the proposal.

The proposed structure for MSB Business-Specific Requirements is based on a single set of nationwide requirements reviewed by a lead state agency. Any remaining state-specific requirements would be limited to items not covered by the national standards. The uniform national standards for MSBs include both core requirements for all applicants in all industries and the MSB industry-specific requirements included in this proposal.

Public comments will be accepted at comments@csbs.org until July 23, 2021 and will be published on the at The full proposal is available at the [NMLS Resource Center](#). The final nationwide requirements will be built into the modernized NMLS.

Key aspects of the proposal include:

- ▶ An overview of MSB business-specific requirements and how they apply to companies, key individuals (formerly referred to as control persons) and business locations
- ▶ Proposed changes to the license application process for the MSB industry
- ▶ These new requirements will significantly streamline the licensing process as part of state regulators' efforts to increase uniformity in state regulation through a strategy known as Networked Supervision.

"Creating a standardized licensing process will improve supervision for both industry and regulators," said Ryan. "Industry input is critical for this effort and for ensuring that the system remains responsive to the wide range of business models under state supervision."

The nationwide proposal builds on the Multistate MSB Licensing Agreement, which currently includes 29 states.

As of the end of April, 49 state agencies were using NMLS to manage MSB licenses for over 2,800 companies. MSB activities include electronic money transmission, check cashing, bill paying, virtual currency exchanging and trading services, and more.

This MSB-specific proposal follows closely behind the broader Networked Licensing Model, Requirements Framework, Core Requirements & Identify Verification Proposal on May 31. The Networked Licensing Model (the Model) is the foundation of the NMLS Launch Product. The Model was inspired by and modeled after the Multistate MSB Licensing Agreement Program (MMLA).

The goal of these modernization proposals is to develop a next generation nationwide multistate licensing and supervisory technology system to anticipate and accommodate the evolving needs of the state system of financial regulation. The goal is to build a new system to:

- ▶ Streamline the license application process
- ▶ Create an optimized user experience
- ▶ Empower state authority through data-driven solutions
- ▶ Promote efficient operations and networked supervision among regulators

More information can be found on all current proposals can be found at [NMLS Resource Center](#).

"Industry input is critical for this effort and for ensuring that the system remains responsive to the wide range of business models under state supervision."

—JOHN RYAN, CEO
CSBS

State News

Virginia Adds Qualified Education Loan Servicer-Federal Contractor to NMLS June 1, 2021

NMLS is now receiving new application and transition filings for the Virginia Bureau of Financial Institutions Qualified Education Loan Servicer-Federal Contractor. New applicants are now able to submit these records through NMLS.

- ▶ Qualified Education Loan Servicer-Federal Contractor

Massachusetts Adds Student Loan Servicer License & Automatic Federal Student Loan Servicer License to NMLS June 1, 2021

NMLS is now receiving new applications for the following Massachusetts Division of Banks licenses. New applicants and existing licensees are now able to submit these records through NMLS. Additionally, for each branch holding the Student Loan Servicer License, companies are required to complete and submit a Branch Form (MU3).

- ▶ Student Loan Servicer License
- ▶ Automatic Federal Student Loan Servicer License

Indiana Department of Financial Institutions Adds Consumer Loan License to NMLS, Effective April 1, 2021

NMLS will begin receiving new application and transition filings for the Indiana Department of Financial Institution's Consumer Loan License. New applicants and existing licensees will be able to submit these records through NMLS.

- ▶ Consumer Loan License

Virginia Adds Qualified Education Loan Servicer License to NMLS, Effective March 1, 2021

NMLS will begin receiving new application and transition filings for the Virginia Bureau of Financial Institutions Qualified Education Loan Servicer License. New applicants will be able to submit these records through NMLS. The agency will also begin receiving new and converted electronic surety bonds through NMLS for this registration type.

- ▶ Qualified Education Loan Servicer License

Other News

NMLS Ombudsman Meeting

Get Highlights from the Spring 2021 NMLS Ombudsman Meeting

The Spring NMLS Ombudsman Meeting was held April 1, 2021. A video recording of the meeting is available [here](#). Additional information on the Ombudsman Meetings can be found on the [NMLS Ombudsman page](#).

The NMLS Ombudsman provides industry users of NMLS and other interested parties a neutral venue to discuss issues or concerns regarding NMLS use and policies governing the System.



The objective of the NMLS Ombudsman is to foster constructive dialogue between industry users of NMLS and state regulators to mutually work toward the goal of modern and efficient financial services regulation.

The NMLS Ombudsman is a resource for System users with the goal of assisting in the resolution of NMLS policy and operational issues. In addition, the NMLS Ombudsman is available to discuss matters in a confidential manner and to help assist with the resolution of these matters by identifying options for resolving the issue and/or by directing the issue to the appropriate party or office.

The Ombudsman hosts open meetings twice a year with industry representatives. In addition to these regularly scheduled meetings, the NMLS Ombudsman is available to meet on an ad hoc basis throughout the year as needed. The NMLS Ombudsman sits on the NMLS Policy Committee and reports directly to the Board of Managers of the State Regulatory Registry LLC.

The current Ombudsman is Jim Payne, Director of Examinations and Assistant Deputy Commissioner for the Consumer and Mortgage Lending Division of the Kansas Office of the State Bank Commissioner.

Comments concerning NMLS, state agencies use of NMLS, or other relevant matters can be sent to the Ombudsman at: ombudsman@nmls.org.

Next NMLS Ombudsman Meeting:

The NMLS Ombudsman Meeting will be held virtually in the fall of 2021.

Please provide the agenda item and any relevant information on your company's letterhead. Although the meeting will be live, the meeting will only cover submitted topics. As a result, individuals MUST submit topics ahead of time. Please note that topics discussed will be limited due to time constraints, however, all topics submitted will be reviewed. Individuals chosen to discuss submitted topics must attend the virtual meeting to present their submission and are required to participate in a logistics preparation meeting.

Chartwell New Hires & Promotions

Congratulations to the following individuals in their new roles at Chartwell

JONATHAN ABRATT

President & Chief Operating Officer

Over 19 years of experience in fintech, payday lending, alternative/mobile payments, and gaming industries at 888, Pariplay, Zapper, and Wonga. Served as Ernst and Young IT/IS auditor. [Read more](#)



PETRA HRACHOVA CRM, CAMS

Vice President - Banking Compliance

Over 15 years of experience in compliance and AML for fintech and banks, including serving as a former Federal Reserve Bank examiner and bank compliance officer. [Read more](#)



LILY SAYERS

Compliance & Training Director - Licensing

Expert in BSA and money transmitter licenses. Extensive experience as a former community banker, including treasury management, online banking, and training program development. [Read more](#)



SHERRY TOMAC PMP

Executive Vice President

Over 20 years of experience in audit, operations, and compliance consulting for First Data, Western Union, and Ernst & Young. Kaizen expert, Six Sigma Black Belt, and certified project management professional. [Read more](#)



MALESSA ARIAS-BABINEAUX CAMS

Vice President - Global Outsourced Compliance

Over 20 years of experience in BSA/AML compliance at Noventis, Transnetwork, FTGlobalPay, Bancomer, and Telecheck. Expert in AML and consumer compliance in the U.S. and Latin America. Fluent in English and Spanish. [Read more](#)



KC GINGRAS

Assistant Compliance Director - Banking Compliance

Over 20 years of experience in compliance, including serving on Advance America's compliance team. Expert in money transmission license maintenance and requirements and state and federal compliance. [Read more](#)



CHRISTA FAZZI

Senior Compliance Professional - Licensing

Served as a Licensing Paralegal with the gaming industry's leading provider of cash access to service casinos, Everi. Over eight years of professional experience in acquiring, managing, and maintaining MT licenses. [Read more](#)



We welcome the following individuals to the Chartwell family

DIRECTORS

JESUS TORRES

Senior Compliance Director - Licensing

Over 20 years of experience managing and maintaining money transmitter licenses and ensuring compliance with government rules and regulations in BSA, AML, OFAC, USA Patriot Act as the Director of Regulatory Affairs and Licensing at Intermex Wire Transfers LLC. [Read more](#)



MARTIN PATTERSON CAMS

Compliance Director - Global Outsourced Compliance

Over 15 years of experience in US financial services compliance and operations oversight, corporate client due diligence, risk assessments, and transaction monitoring, with a strong focus on implementing new processes and platforms at Travelex Currency Services and Sum Up. [Read more](#)



XAZEL GARCIA

Assistant Director - Licensing

Over 20 years of combined regulatory and financial institution experience in money services businesses, banks and trust companies. Former Texas Department of Banking regulator and member of MTRA Licensing and Emerging Issues Committee. [Read more](#)



MARK WASYLECHKO CAMS, CBP, CAIA

Compliance Director - Fintech Compliance

Over 20 years of tech and banking experience focused on AML operations, program development and execution. Significant experience interfacing with central banks related to AML and sanctions compliance in NA, EU and APAC. Formerly of Mazars USA, Ernst & Young, ABN AMRO and CLS Bank. [Read more](#)



R. A. MATTHEWS

Assistant Compliance Director - Banking Compliance

R.A. brings more than 12 years of experience in banking compliance, loan services, risk management, non-US regulatory controls, QA/QC, transaction monitoring and investigative research. [Read more](#)



Chartwell New Hires & Promotions

COMPLIANCE PROFESSIONALS

TRISHA L. SHIREY CBAP

Senior Compliance Professional - Banking Compliance

Over 10 years of BSA/AML experience in financial services, deposit operations, transaction monitoring and fraud detection. An expert in Verafin software and served as AVP AML Systems Administrator at MVB Bank. [Read more](#)



MEAGAN MOSSLIH

Senior Compliance Professional - Banking Compliance

Over 12 years of experience in retail banking, deposit operations, and BSA/AML Compliance. Extensive experience in risk management, fraud prevention, transaction monitoring, and project management. [Read more](#)



MICHELLE HATHCOCK

Senior Compliance Professional - Licensing

Over 20 years of experience in managing large and mid-scale licensing projects for firms such as Alston & Bird, Dentons US, Thacher Proffitt & Wood, and Sidley Austin Brown & Wood. B.A. in English and Associates Degree in Paralegal Studies. [Read more](#)



MONICA MORALES CFE, CAMS

Senior Compliance Professional - Global Outsourced Compliance

Eighteen years of public and private sector experience at BP Energy, Harris County District Attorney, Collabera and JP Morgan Chase. Expertise in financialcrime investigations, transaction monitoring, risk management related to BSA, AML, Anti-Bribery & Corruption, and fraud. [Read more](#)



LAUREN CENIVIVA

Compliance Professional - Fintech Compliance

Over 10 years of banking and consumer compliance experience at Cenlar FSB and Meridian Bank. Expertise focusing on consumer compliance regulations, origination and servicing of mortgage loans, loan reviews, transaction testing, HDMA LAR reporting and training facilitator. [Read more](#)



BENJAMIN KAREM

Compliance Professional - Licensing

Experienced MSB licensing professional, with deep experience in MTL maintenance for Travelex and Intuit as well as BSA/AML and PPP consulting experience for US banks and Intuit. [Read more](#)



PATRICIA LEWIS

Compliance Professional - Global Outsourced Compliance

Over 10 years of BSA/AML, auditing, investigative and data analysis experience related to financial crimes in the gaming, virtual currency, money service business, financial and fintech industries. [Read more](#)



KENNEDY PURVIS CFE

Compliance Analyst - Banking Compliance

Eight years of investigative and data analysis experience related to financial crimes, BSA/AML, risk mitigation and securities fraud in a number of U.S. banks. Served as a Market Intelligence Fraud Analyst for the U.S. Securities and Exchange Commission in D.C. [Read more](#)



MARK HARDIN

Compliance Analyst - Banking Compliance

Over 5 years of experience in community banks with focus on transaction monitoring, alerts handling, watchlist monitoring and SAR reporting. Former lead bank teller at WesBanco bank. [Read more](#)



JEB CLIBER

Compliance Analyst - Banking Compliance

Over 5 years of experience as a consultant in the banking compliance industry at Cliber Compliance, focusing on financial modeling, database monitoring, third-party vendor management, and due diligence reviews and reporting. [Read more](#)



MARIA E. PADILLA

Compliance Analyst - Global Outsourced Compliance

More than 7 years of compliance experience with MSBs AFEX and Sigue Corporation. Focus on customer onboarding, due diligence, OFAC, transaction monitoring, risk management, compliance policy and program development and review. [Read more](#)



GENEVIE LANG-THACKHAM

Compliance Assistant - Licensing

Over 9 years of paralegal experience covering state licensing (debt and lending) administration and maintenance with NCB Management Services and Stradley Ronon Stevens & Young LLP. [Read more](#)



SEAN MCCORMICK CAMS

Compliance Analyst - Banking Compliance

Over nine years of AML experience and more than 16 years of financial services experience. Sean has extensive knowledge and expertise with suspicious activity quality assurance, EDD, transaction monitoring, and complex compliance investigations with Capital One and Wells Fargo. [Read more](#)



IVAN WYRSTA CAMS

Compliance Analyst - Banking Compliance

Over six years of experience in various AML activities with Dominion Advisory and AML RightSource LLC including BSA/AML compliance, SAR reporting, transaction monitoring, enhanced due diligence, investigations, internal audit and quality control. [Read more](#)



PRABHA JAGANNATHAN CAMS

Compliance Analyst - Banking Compliance

Over 7 years of experience in the Financial Services industry with MVB Bank and PNC Bank, a seasoned compliance operator focused on analyzing customer transactions, creating SARs, acknowledgement alerts, identifying fraud and unusual behavior and driving overall operational improvements. [Read more](#)



BEVERLY HUFFMAN PMP

Compliance Analyst - Banking Compliance

Over 20 years of experience in project management, continuous improvement, data analysis and process improvement spanning a variety of industries and business units at MVB Bank, Atlantic Union Bank and Habitat for Humanity International. [Read more](#)



Chartwell New Hires & Promotions

COMPLIANCE PROFESSIONALS

SAMUEL KRAUS

Compliance Analyst - Banking Compliance

Over three years of experience in different areas of the AML world having previously working at AML RightSource, LLC, performing transaction monitoring and SAR reporting across multiple client landscapes. [Read more](#)



TREVOR KAZEN

Compliance Analyst - Banking Compliance

Five years of AML consulting experience, at AML Rightsource LLC, performing transaction monitoring, KYC, EDD, Alerts, Cases, and filing SARs for both large and small traditional financial institutions and Fintech companies. In addition, Trevor has experience in process improvement initiatives, reporting, and ensuring adherence to compliance procedures. [Read more](#)



JAVIER SEPÚLVEDA

Compliance Analyst - Banking Compliance

Over 8 years of professional experience, with 2 in financial services, including MVB Bank, Rondout Savings Bank, H&R Block, Hudson Heritage Federal Credit Union analyzing customer transactions, creating SAR reports, acknowledgement alerts, identifying fraudulent transactions and driving overall operational improvements. [Read more](#)



ERIK KEMME

Compliance Analyst - Banking Compliance

Over 4 years of experience in BSA/AML Compliance focusing on KYC, EDD, transaction monitoring, fraud detection, and quality control as a senior analyst at AML Rightsource LLC. Erik worked with domestic and international technology startups in the consumer banking space. [Read more](#)



PROFESSIONAL STAFF

ANDREA SEPÚLVEDA MBA

Administrative Assistant

Several years of communication and planning experience to deliver efficiencies in vendor management and coordination for corporate functions, event planning, and communications scheduling. Skilled in public speaking, operational design, and routine management experience. Andrea also holds an MBA. [Read more](#)



CAREERS

Chartwell Compliance understands that great work means continuously making improvements not just within the company, but also within ourselves. Our staff members:

- ▶ Work every day with experts in regulatory compliance and financial crimes prevention.
- ▶ Assist some of the most innovative companies in the financial services industry.
- ▶ Thrive in a fast-paced, entrepreneurial environment with upward mobility.
- ▶ Improve their skillsets and knowledgebases through relevant certificates, courses, or workshops that advance their careers and leadership.
- ▶ Receive Kaizen training, the Japanese principle that aims to create a work environment that is as efficient as it is productive and successful.

Chartwell is always looking for full-time skilled professionals in compliance and risk management, operations, corporate development, and consulting management. Please email

careers@chartwellcompliance.com to apply for a position with Chartwell Compliance.

[VIEW CURRENT OPEN POSITIONS](#)

“Career development is at the forefront of Chartwell’s initiatives and we place a lot of focus on providing quality opportunities for our team to grow and thrive.”

—DANIEL WEISS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, CHARTWELL COMPLIANCE



Chartwell Shows You the Way

Founded in 2011, Chartwell Compliance delivers powerful solutions to complex regulatory, licensing, and compliance challenges experienced by fintech and financial services companies. Chartwell has served nearly 500 firms ranging from Fortune 50 to fintech's biggest unicorns throughout the world.

VALUE PROPOSITION

ONE-STOP SOLUTION

Complete outsourcing of worldwide license acquisition and maintenance and many day-to-day compliance and AML staff functions. Flex talent and variable fee structure that are superior to direct hiring or other service provider options.

SATISFIED CLIENTS

Nearly 500 satisfied clients, including some of the most prominent multinationals in their respective industries and many firms within the Fortune 1000.

"WALKS THE TALK" ON COMPLIANCE

Chartwell is proud to be an entity of MVB Bank, a regulated, publicly traded financial institution which Chartwell supports on compliance.

STABLE, HIGHLY QUALIFIED WORKFORCE

Nearly all employees possess over 20 years of experience as practitioners or regulators, and are employees, not contractors. Chartwell is proud of its low employee turnover rate and the many awards it has received for a unique and revolutionary corporate culture and approach to staff development.

EXCEPTIONAL PROJECT MANAGEMENT

Chartwell staff members practice a Kaizen methodology and use proprietary project management techniques that sustain a high level of quality.



Chartwell brings to bear the breadth of its experience with the various state regulators, including knowledge of the preferences and personalities of the various staff working for the various regulatory bodies. Where there are gray areas (often in a changing landscape), Chartwell's experience enables their personnel to make recommendations as to how to respond to a variety of requirements (e.g., reporting and license renewal requirements). In addition, as our Company has become licensed over the last 3 years, we continue to engage Chartwell for support with ongoing license maintenance and renewals (an effort not to be underestimated). This includes support with managing "advance change notifications" when the licensed entity proposes to appoint new officers (a surprisingly involved process that takes several weeks).

In short, we have been pleased with the quality of Chartwell's support from day one. And, although we certainly rely on outside counsel from time to time for legal issues and legal interactions with regulators, we have found that Chartwell offers the most cost-effective approach for supporting management of the nuts and bolts of filing license applications and supporting ongoing license maintenance and renewals.

**Suzan S. Rowland, Deputy General Counsel
Yapstone Holdings, Inc.**



Chartwell Consultants



Chartwell's team members are cross-certified in regulatory compliance, anti-money laundering, testing, information technology and security, and fraud. The diversified experience of our consultants provides our clients with access to seasoned examiners, operators, and regulatory policy makers in the banking, non-banking, and emerging payments compliance segments of the financial services industry.

CONSULTANTS AVERAGE 22 YEARS OF EXPERIENCE

We use this vast experience to design and implement effective compliance and risk management programs properly calibrated to address both the current and prospective regulatory environment.

EXTENSIVE EXPERIENCE AT THE INDUSTRY'S BEST ORGANIZATIONS

Chartwell's staff members have served in:

- Internationally prominent U.S. payments licensing and compliance advisory outsourcing practice
- Regulatory experience with the California Department of Business Oversight and Texas Department of Banking (DOB)
- MSBs such as Western Union, First Data, and Sigue
- State and nationally chartered banks
- The Federal Bureau of Investigation's Financial Crimes and Terrorist Financial Crimes and Terrorist Financing
- Assistant director at the Office of the Comptroller of the Currency (OCC) Assistant Director of Enforcement

CROSS-CERTIFIED STAFF MEMBERS

- Certified AML (CAMS)
- Regulatory manager certifications CRCM and PMP



Chartwell Services

Fintech Licensing

With its large team of long-time licensing officers and former regulators, Chartwell has centuries of collective experience obtaining and maintaining thousands of regulatory licenses for fintech companies in areas like money transmission, cryptocurrency, prepaid access, currency exchange, lending, and gaming. The firm provides a fully outsourced solution in all key component parts of getting and staying licensed. Chartwell's emphasis on excellent project management and Kaizen methodology help ensure timely results. Chartwell and its staff have serviced, worked at, or supervised a statistically significant portion of all licensed U.S. money transmitters.

Fintech Compliance

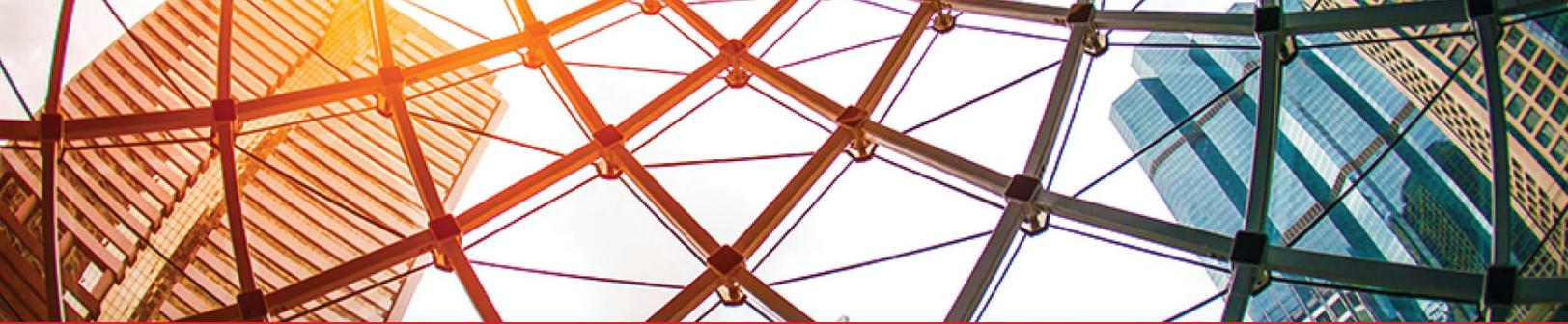
Chartwell is one of the world's preeminent providers of AML/CFT, fraud prevention, and regulatory compliance services to the fintech industry. Comprised of an incredibly deep bench of long-time practitioners from all corners of the fintech industry, the firm builds, localizes, enhances, and audits compliance programs. It has served many of the industry's leading fintechs, hundreds of companies overall throughout the world.

Banking Compliance

Chartwell has well-credentialed former bank compliance officers and regulators who serve all types of banks as well as challenger/neo/digital banks in most areas of bank regulatory compliance. Numerous clients come from the fintech industry and several of the fintech banking market leaders have worked with Chartwell. Chartwell brings a unique, first-hand experience to its work, with its own parent company being a publicly traded fintech bank and a client of Chartwell.

Global Outsourced Compliance

Chartwell's team of veteran compliance officers, regulators and analysts are positioned as an outsourced resource for compliance program execution with many financial services businesses. The firm handles many of the day-to-day functions required to maintain an effective compliance program, including transaction monitoring and reporting; sanctions screening; KYC and customer due diligence; onboarding and enhanced due diligence; fraud prevention; consumer compliance; and taking overall leadership of the program. Providing flex talent at variable cost, with excellent bench depth and quality assurance, Chartwell is a strong alternative to hiring directly in many cases.



Chartwell's Strategic Alliances



Fiserv, a global leader in payments and financial technology, helps clients achieve best-in-class results in account processing and digital banking solutions; card-issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale solution.



Thomson Reuters is a leading provider of business information services. Our products include highly specialized information-enabled software and tools for legal, tax, accounting and compliance professionals combined with the world's most global news service – Reuters.



NICE Actimize uses innovative technology to protect institutions and safeguard consumers and investors by identifying financial crimes, preventing fraud and providing regulatory compliance.



Accuity offers a suite of innovative solutions for payments and compliance professionals, from comprehensive data and software that manage risk and compliance, to flexible tools that optimize payments pathways.



Acuant Compliance's Trusted Identity Platform provides identity verification, regulatory compliance (AML/KYC) and digital identity solutions leveraging AI and human-assisted machine learning to deliver unparalleled accuracy and efficiency.



Through its subsidiary, MVB Bank, Inc., and the Bank's subsidiaries, MVB Community Development Corporation, Chartwell Compliance and Paladin, MVB provides financial services to individuals and corporate clients in the Mid-Atlantic region and beyond.



Chartwell's Culture and Honors

Chartwell has been recognized not only for its superior services and dedication to client relationships but also for its commitment to investing in and developing a unique workplace. The backbone of Chartwell success is its expert team that truly embody the Chartwell brand. The photos below show corporate events in Japan, Gettysburg, PA, and Washington, DC.



Chartwell is honored to be recognized by the following organizations:





Get your complimentary subscription today

COMPASS

The latest on financial regulatory compliance, crime prevention, and risk management

compass@chartwellcompliance.com

Chartwell Compass is intended to provide education and general information on regulatory compliance, reasonable management practices and corresponding legal issues. This publication does not attempt to offer solutions to individual problems and the content is not offered as legal advice. Questions concerning individual legal issues should be addressed to the attorney of your choice.
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