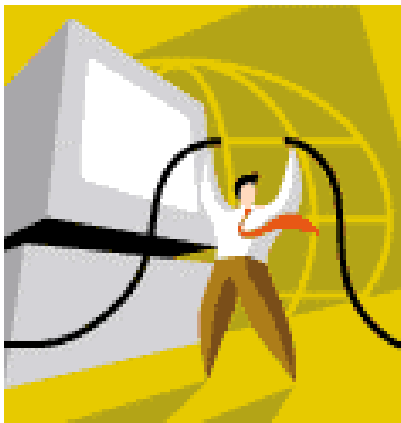


The USA PATRIOT Act

314(a) Information Requests
Procedural Training
Prepared by Financial Solutions

Section 314 Info Requests



- Section 314 authorizes law enforcement authorities to communicate with banks and others about suspected money launderers and terrorists (a) AND for banks to communicate among themselves about such matters (b)

Section 314 (a)

- Regulations establish a mechanism for law enforcement authorities to communicate names of suspected terrorists and money launderers to financial institutions
- Financial institutions search account records and report any matches



Control List

- FBI discontinued use of the "Control List" and instead will use Section 314(a) process to communicate and request information
- Gave banks a "breather" and prepared additional guidance on how the process is to work





FinCEN 314(a) Info Requests

- Moratorium lifted 2/18/03
- Standard Cover Letter
 - Form C
- Request Attachment containing known identifying information
 - Form B
 - Name and/or aliases
 - Addresses
 - Date of birth



Bank One-Time Search Responsibilities

- Current account maintained by or on behalf of named suspect
- Prior account within the last 12 months for named suspect
- Transactions not conducted through an account which involves named suspect (wire transmitter or recipient, purchaser, etc.) during the past 6 months that you are required to record or maintain electronically



Ongoing Responsibility?



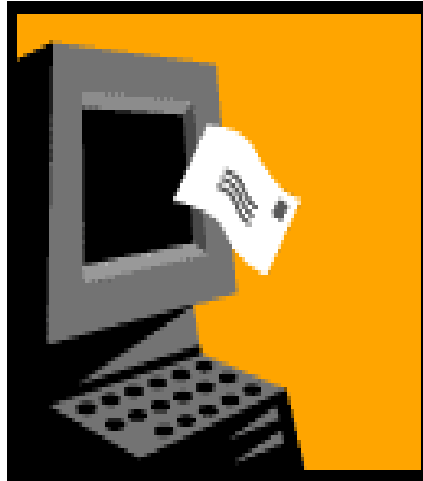
- Not required to verify accounts against the names continually unless specifically noted
- Not required to decline any action requested by someone on the list
- Don't treat the suspects as government suspects under the Customer Identification Program unless clearly specified

Notify FinCEN of Positive Match

- Send only the information as noted on previous slide
- Hold all supporting documentation until notified by FinCEN – then follow rules under RFPA and obtain a subpoena or court order
- Respond within 2 weeks to FinCEN by email
 - Sys314a@fincen.treas.gov
 - Tel 703-905-3660
- Identify your bank and the person designated as your contact and use FinCEN tracking number found in the Upper right hand corner and begins with "Fin 314a"

Communication Method

- Currently communicating via fax or e-mail
- FinCEN may decide to use the highly secure PATRIOT Act Communication system required under Section 362 of the Act
 - PACS



More Specific Info Requests



- If law enforcement agencies want more information, they will notify you officially
- All federal agency requests must follow the guidelines established by the RFPA
- Respond only to proper written requests!
- Involve bank attorney

Confidentiality

- Handling these information requests should be done with great confidentiality!!
- Use this information ONLY for purposes of 314(a) compliance!
- Don't disclose to others except to the extent to comply with the request



USA PATRIOT Act Section 314(a)

- Posted on FinCEN's web site:
- USA PATRIOT Act Section 314(a) information requests resumed on Tuesday, February 18, 2003. Information relevant to the operation of the system will be disseminated directly to participating financial institutions prior to that date. Financial institutions should refer questions on system operation to their primary regulator or to FinCEN (Regulatory Help Line 800-949-2732).

Are You on the List?

- If your bank hasn't received requests from FinCEN via email or fax since 11/4/02, contact your regulator to be added to the contact list:
 - FRB: email patriotact@frb.gov
 - FDIC: email fdicadvisory@fdic.gov
 - OCC: email nationalbankinfo@occ.treas.gov
 - OTS: usap.contact@ots.treas.gov
 - NCUA: www.ncua.gov/cuaddress
 - FinCEN: sys314a@fincen.treas.gov



God Bless America!

Be safe and be strong!
Long will she wave!
Cheerfully comply with the
USA PATRIOT Act and
related laws!
If you ever forget where
our leadership should
come from, just look at
a coin or a bill, it still
says, "In God We Trust!"





Financial Solutions



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Drop us a line sometime!

Section 314(a) Compliance Review Checklist

Section 314(a) of the USA PATRIOT Act required Treasury to implement regulations to facilitate communications between banks and law enforcement authorities regarding suspected money launderers and terrorists. FinCEN has structured the information request process to be more clearly defined, the specific records and/or transactions subject to search have been more clearly specified, and the timing of requests has been altered to provide for a smoother workload. FinCEN Regulatory Helpline can be reached at (800) 949-2732. In highlighting the significant changes that have been made to the process, FinCEN noted the following:

- 314(a) requests will be batched and issued every two weeks, unless otherwise indicated by the request.
- After receiving a 314(a) request, financial institutions will have two weeks, rather than one week, to complete their searches and respond with any matches unless specifically notified of need to expedite.
- Searches will be limited to specific records and, unless otherwise noted, will be a one-time search, and,
- If a financial institution identifies a match for a named subject, the institution need only respond to FinCEN that it has a match and provide point-of-contact information for the requesting law enforcement agency to follow-up directly with the institution.

FinCEN's general instructions and Frequently Asked Questions (FAQs) to aid financial institutions are available at the FinCEN website at www.fincen.gov.

1. Does the bank have procedures in place to search appropriate records to determine whether bank maintains or has maintained accounts for, or have engaged in transactions with, any individual, entity, or organization ("named subject") listed in the 314(a) request?
2. Has the bank named an appropriate individual as the person responsible for prompt completion of the search?
3. Has the need for confidentiality of all such requests been clearly outlined in procedures?

4. Do procedures indicate that searches should begin immediately upon receiving the request?

5. Do procedures include all appropriate areas of the bank in the records search?
 - a. Deposit account records to determine if a named subject is or was (within the last 12 months) an accountholder;
 - b. Loan records to determine whether a named subject is or was (within the last 12 months) a borrower;
 - c. Safe deposit box records to determine whether a named subject maintains or maintained (within the last 12 months) or has had authorized access to, a safe deposit box. You are obligated to search safe deposit records, however, **ONLY** if the records are searchable electronically;
 - d. Trust department records for current accounts and accounts closed within the last 12 months to determine whether a named subject matches the name in which an account is titled;
 - e. Records of accounts to purchase, sell, lend, hold, or maintain custody of securities to determine whether a named subject is or was (within the last 12 months) an accountholder;
 - f. Records of commodity futures, options, or other derivative accounts to determine if a named subject is or was (within the last 12 months) an accountholder;
 - g. Funds transfer records maintained pursuant to the Bank Secrecy Act (for the past 6 months) to determine whether a named subject was an originator/transmitter of funds for outgoing funds transfers, or a beneficiary/recipient of a funds transfer for incoming transfers; and
 - h. Records of the sale of monetary instruments maintained pursuant to the Bank Secrecy Act (for the last 6 months) to determine whether a named subject purchased a monetary instrument.

6. Do procedures indicate that the bank is **not** required to search any other record, including the following:
 - a. Checks processed to determine whether a named subject was a payee on a check;
 - b. Monetary instruments issued by the bank to determine if the named subject was a payee on the instrument;
 - c. Signature cards to determine if a named subject is a signer on an account; and,
 - d. Reports filed (such as CTRs and SARs) that you previously filed with FinCEN.

7. Do procedures define the process to confirm a positive match?
- a. *Note: If you have questions concerning a possible match with any named subject, you can contact the requesting federal law enforcement agency directly to determine if you do or do not have a match.*
8. Do procedures define response method if a match with a named subject, is found?
- a. *Note: The match must be reported to FinCEN. Unless the request states otherwise, you must complete your search of all subjects on the 314(a) request and respond with any matches no later than fourteen (14) calendar days after receiving the request.*
- i. *"Hits" are reported to FinCEN by completing the Subject Information Form received with the 314(a) request (one form per request) and submitting it to FinCEN.*
- ii. *The Subject Information Form only requires you to place an "X" next to the particular named subject for which a match was found, and to provide point-of-contact information.*
- iii. *The Subject Information Form and Responses must contain FinCEN's Tracking Number found in the upper right-hand corner of the Subject Information Form. Include the number in the subject line of the e-mail or on the fax cover sheet.*
- iv. *Send response to FinCEN by electronic mail to sys314a@fincen.treas.gov. If you do not have e-mail, you can send it via facsimile transmission to 703-905-3660.*
9. Do procedures define the actions required if no matches are found?
- a. *Note: If you complete your search for matches on all subjects included in a 314(a) request and find no matches, there is no communication with FinCEN required.*
10. Do record retention procedures require that all requests be kept for 5 years in accordance with general BSA guidelines?

Review Completed by: _____

Date of Review _____ Date of Board Report _____