

# Global Compliance Solutions for the Banking Industry



**First National Bank**

**2010**





## **This Presentation will Focus on:**

- **Banking Industry Compliance Issues Today**
- **Confirm Your Specific Needs**
- **Compliance Regulations & Key Issues**
- **Global Patriot™**
  - **Compliance Issues => Our Solutions**
  - **Functionality**
  - **Prototype Trial**
- **Realizable Benefits**
- **Way Forward**





# Banking Industry Compliance Issues Today

- **Global environment =>**
  - a synergistic compliance approach between government agencies, the banking industry and a host of other organizations, in order to effectively combat terrorism, money laundering and other illegal activities.
- **Increase in domestic and foreign governmental regulations and compliance requirements particularly for the banking industry.**
  - The banking industry is faced with mandatory participation to demonstrate and show proof of compliance with Anti-Money Laundering (AML), Anti-Terrorism, the USA PATRIOT Act, Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA), FinCEN 314(a) and other related domestic and foreign governmental regulatory requirements.
- **Requirements for a more comprehensive method of demonstrating compliance with a thorough audit trail for record keeping and review by examination.**
- **Non-compliance with these regulations can result in substantial civil penalties as well as substantial criminal penalties including fines and imprisonment ranging from 10 to 30 years for willful violations.**





## Confirm Your Specific Needs

- **Compliance Requirements – are they being fully met ?**
- **Technology Solutions – are they current; are they comprehensive enough to help you demonstrate compliance via a clear audit trail; are they utilized in-house or are your solutions outsourced for service and what are associated costs ?**
- **Are you confident your compliance procedures and processes are up-to-date and provide comprehensive data security levels ?**
- **Multiple locations – what are your management issues pertaining to ensuring compliance policies are standardized and adhered to universally ?**
- **Is there the necessity for additional due-diligence to manually prepare and search data and compile reports – productivity loss**
- **Costs of meeting compliance requirements – need to mix with other benefits**





# Compliance Regulations & Key Issues

## Compliance with Government Regulations

- Anti-Money Laundering (AML)
- Anti-Terrorism
- USA PATRIOT Act
- Office of Foreign Assets Control (OFAC)
- Bank Secrecy Act (BSA)
- FinCEN 314(a)
- other related global governmental regulatory requirements

## Key Issues

- Coverage of Global security lists (availability & up-to-date data)
- Efficient and complete process of searching data against client data files
- Solution compatibility with existing technology
- Reporting capabilities (comprehensive audit trail for examination purposes)
- User friendly, ease-of-use and understanding (administrative control)
- Cost effective, (program procurement pricing, savings on associated labor expenses to perform necessary due-diligence)





## Range of Compliance Solutions

- **Patriot Techcorp**

- Software applications to address compliance issues for the USA PATRIOT Act, Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA), FinCEN 314(a) and other related global governmental regulatory requirements
  - **FinCEN Patriot™, Global Patriot™, & OFAC Patriot™**
- Variety of versions available for different network & technology environments – whether in-house or outsourced for client resale as “private label products”
  - **Windows, Web, Multi-Batch, .dll**

- **Benefits**

- Advanced technology
- Ease-of-Use
- Scalability
- Performance
- Data Security
- Low Cost
- Future development





# Compliance Issues – Global Patriot™ Solution

## Global Patriot™ program

- Developed in order to address the global legislation issues for Anti-Money Laundering (AML), Anti-Terrorism, the USA PATRIOT Act, Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA), FinCEN 314(a) and other related global governmental regulatory requirements.

## Benefits

- The Global Patriot™ program is unique as the market provides limited resources to obtain, format, and utilize the vast amount of provided data
- The Global Patriot™ program is cost-effective
- Full technical support is available via email or telephone
- The Global Patriot™ program is scalable to add or change functionality and can be customized to meet your needs
- The program is network ready and can be installed on a server along with multiple workstations on a network or individually on single workstations
- Provides data link and integration with transaction processing AML systems such as SAS





## Global Patriot™ Functionality

- Overview
- Global Data List Coverage
- Global Patriot Data Capture & Conversion
- How It Works
- Single Search
- Batch Search
- Accept List
- Reporting
- Admin Facilities
- AML Transaction System Data Link
- Source Data Customization Option
- Deployment







## **Global Patriot™ Functionality**

**Update the Global Patriot™ program data files with a simple click of the Update button. Intelligence is gathered from the pertinent sources and the data is correlated into a structured file database located within a central repository that is securely managed by Patriot Techcorp.**

**Share common client data files, accept lists, updated data lists, and output search result report files across a network environment.**

**Search single name entries and transactions against the Global Patriot™ database.**

**Search an entire database of client data information files against the Global Patriot™ database by simply uploading a file (*file format is an ASCII text file*).**

**Provide comprehensive search result & review reports online to assist with the compliance of the laws which can then be printed or archived electronically.**





## Global Patriot™ Data List Coverage

### Data Source

### Data Status

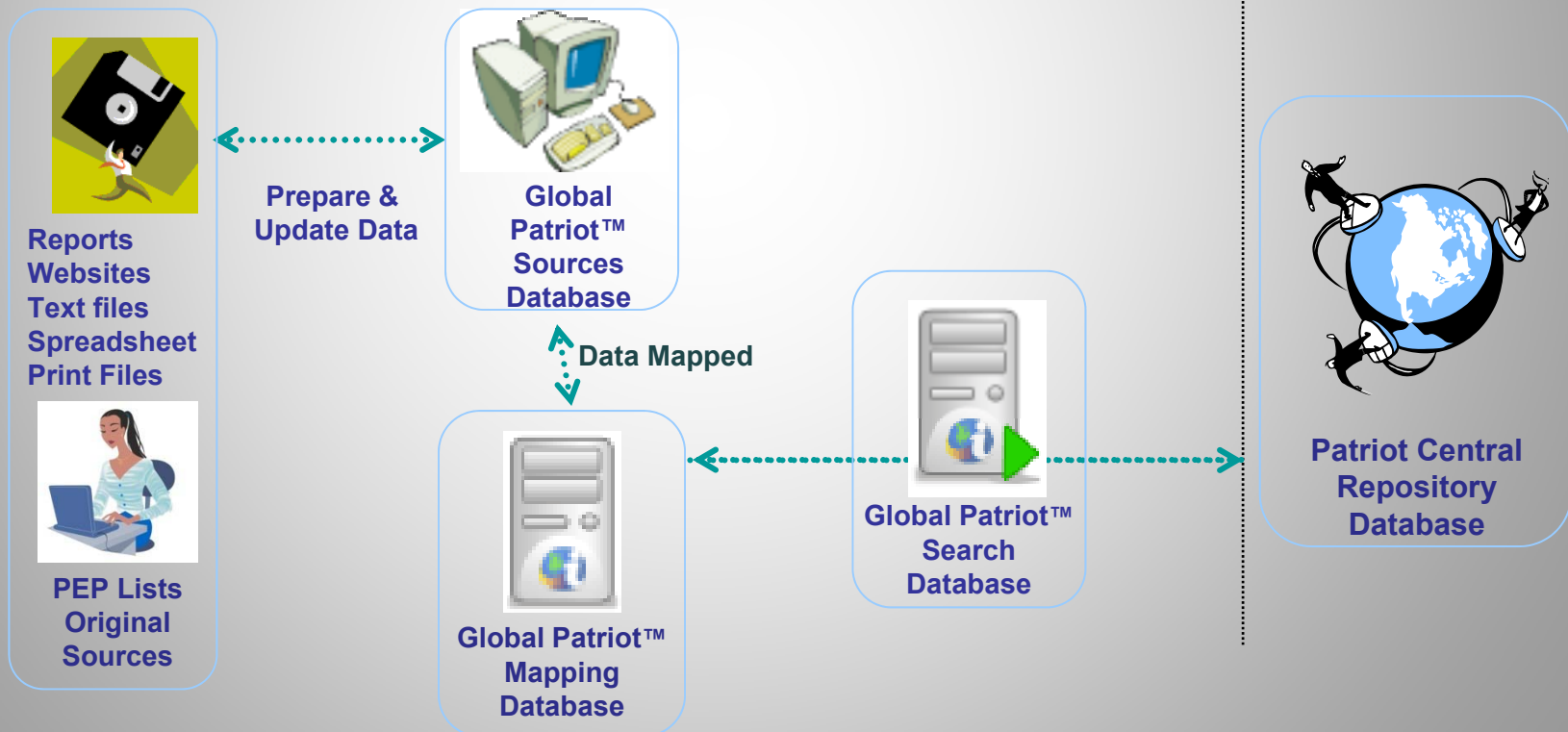
1.	Bank of England Consolidated List	Formatted data available
2.	Bureau of Industry and Security Lists* (Denied Persons List for Exporting; Unverified List; EAR Entity List)	Formatted data available
3.	CIA - Chiefs of State and Cabinet Members of Foreign Governments	Report only unformatted data
4.	FBI Lists (Most Wanted; Most Wanted Terrorists; Seeking Information; 10 Most Wanted; CID (NCMEC) "Innocence Lost")	Report only unformatted data
5.	Consolidated List - Australia*	Formatted data available
6.	Consolidated List - Canada* (Terrorism Watch List) for individuals	Formatted data available
7.	DTC Debarred Parties (Debarred Individuals and Entities) U.S. Dept of State	Formatted data available
8.	European Union Terrorism List*	Report only unformatted data
9.	Interpol Most Wanted	Report only unformatted data
10.	FATF Non-Cooperative Countries and Territories*	Report only unformatted data
11.	OFAC PLC Program*	Formatted data available
12.	OFAC (SDN) Specially Designated and Blocked Persons*	Formatted data available
13.	Money Services Businesses List (MSB)	Formatted data available
14.	Primary Money Laundering Concern (Jurisdictions)	Report only unformatted data
15.	United Nations Consolidated List* - list of individuals and entities	Report only unformatted data
16.	World Bank Debarred Firms & Individuals	Report only unformatted data
17.	OECD Non-cooperative Tax-Havens	Report only unformatted data
18.	Monetary Authority of Singapore (MAS)	Report only unformatted data
19.	Hong Kong Monetary Authority (HKMA)	Report only unformatted data





## How Global Patriot™ Works – Source Data

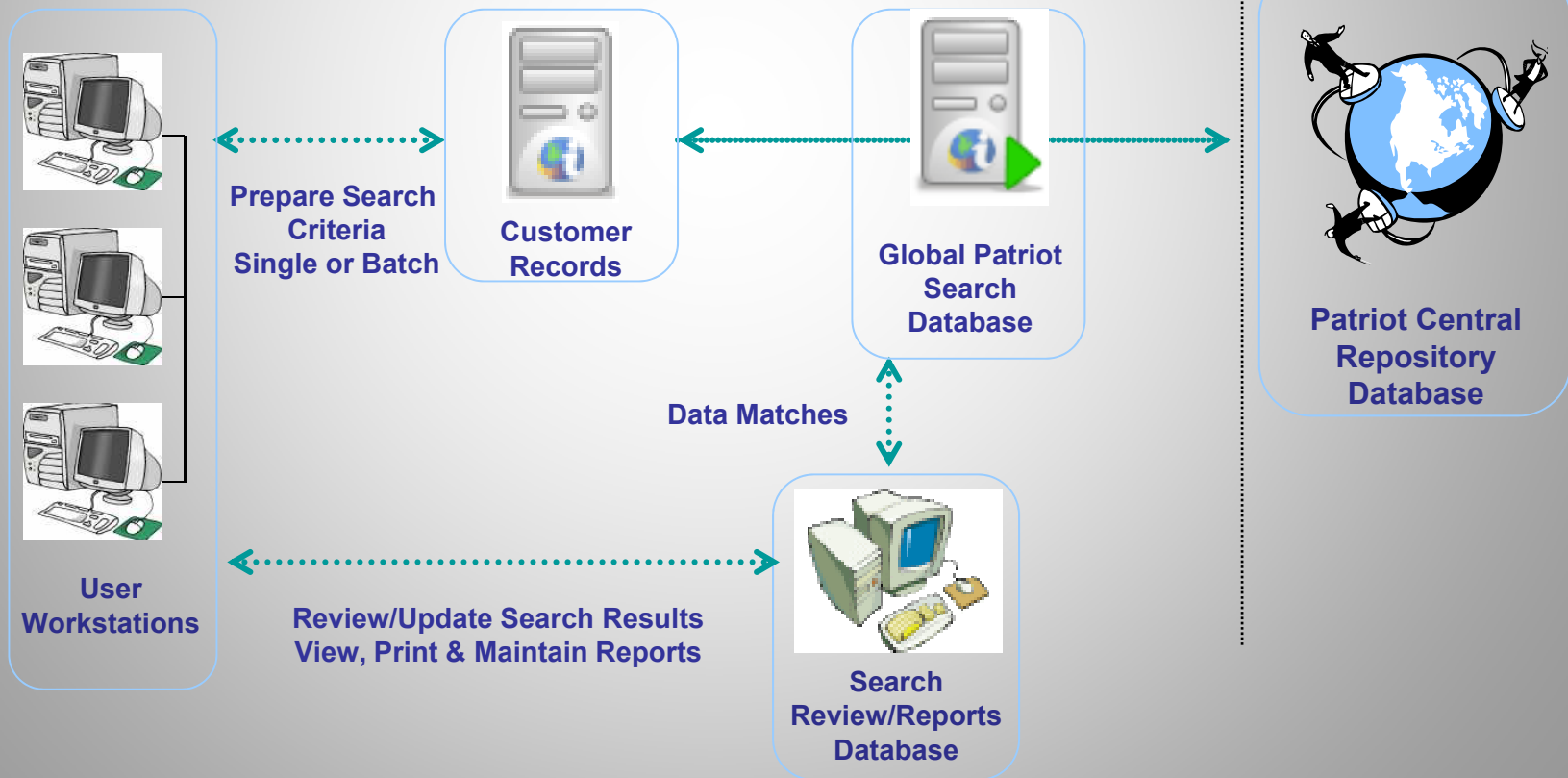
- Data lists come from a myriad of sources in many formats
- Each list must be converted to a GP database format
- Each new database file must be mapped to the search criteria
- The mapped data is then converted to a search database with special indexing
- The results are maintained in a central repository for downloading





## How Global Patriot™ Works – Search Data

- Central repository database downloaded to local server
- Updates from central repository available regularly
- Users prepare single or batch search criteria from customer records
- Search results available immediately in review database
- Search results printed and maintained in reports database





## Key Global Patriot™ Functions - Single Search

Search | Review | Reports | Accept List

New Search

☒ Interpol Most Wanted

☒ Consolidated List - Australia

☒ Bank of England Consolidated List

☒ Bureau of Industry and Security (Denied Persons List)

☒ CIA (Chiefs of State & Cabinet Members of Foreign Govt)

☒ OFAC (SDN) Specially Designated Nationals & Blocked P

☒ OECD Non-cooperative Tax Havens

Single Search Parameters

SearchMode

Name Only

ID

123456

Name

SMITH

Address

City

State

Country

PostCode

Identity

DateOfBirth

SearchMode

Select the type of search to perform from the list

Save Search Profile

Save in: Profiles

My Recent Documents

Desktop

My Documents

My Computer

My Network Places

batch-all.gpp

batch-all-v5.gpp

Batch-selectall.gpp

Batch-selectall-@.gpp

OFACOnly-Watts.gpp

selectall.gpp

Single-all.gpp

Single-selectall.gpp

File name:

Single-all.gpp

Save as type:

Global Patriot Profiles







# PATRIOT TECHCORP, INC.

## Global Compliance & Technology Solutions



# Key Global Patriot™ Functions - Batch Search

Search

Review

Reports

Accept List

New Search

☒ Consolidated List - Australia

☒ Bank of England Consolidated List

☒ Bureau of Industry and Security (Denied Persons List)

☒ CIA (Chiefs of State & Cabinet Members of Foreign Gove

☒ OFAC (SDN) Specially Designated Nationals & Blocked P

☒ OECD Non-cooperative Tax Havens

☒ OFAC (PLC) Palestinian Legislative Council

Batch Search Parameters

Configuration

SearchMode	Name Only
InputFile	C:\Program Files\Patriot T
Delimiter	TAB

Fields

ID	1
Name	2
Address	3
City	4
State	5
Country	6

Name

The column in the Batch Input file containing the Name.  
Enter 0 to ignore this field.

Search

Save Search Profile

Save in:

Profiles

batch-all.gpp

batch-all-v5.gpp

Batch-selectall.gpp

Batch-selectall-@.gpp

OFACOnly-Watts.gpp

selectall.gpp

Single-all.gpp

Single-selectall.gpp

File name:

batch-all.gpp

Save as type:

Global Patriot Profiles





# Key Global Patriot™ Functions – Search Review

Search

Review

Reports

Accept List

28-FEB-06 Search 007 [B]

Open Review

X

February

27

28

Search 001

Search 002

Batch

2006

February

27

28

Search 001

Search 002

Search 003

Search 004

Search 005

Search 006

Search 007

Search 008

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000000.xml

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000000.xml

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000001.XML

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000002.XML

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000003.XML


C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000004.XML

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000005.XML

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000006.XML

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Batch\280206007\GPSR0000007.XML

Search Type	Or
Batch Input Source	C:\Program Files\Patriot Techcorp\Global Patriot\Batch\SampleBatchInput-withclientId-TABv4.txt
Batch Input Records	35
Customer Matches	33
Total Number of Matches	3052
Accept List Matches	2





## Key Global Patriot™ Functions – Search Review

C:\Program Files\Patriot Techcorp\Global Patriot\Results\Single\300406001\GPSR0000001.XML

Account Number	123456
Account / Trans Type	Checking
Amount	10,000.00
Reviewed By	George Adama
Comments	suspicious
Action	<div style="border: 1px solid black; padding: 5px;"> Account Blocked  Account Frozen  Should be Blocked  False Positive  Added to Accept List  Undetermined </div>

**Matches**

Title	
Records	405
Matches	4

[Fields]  
Name;Street\_Address;City;State;Country;Postal\_Code;Effective\_Date;Expiration\_Date;Standa

[1]  
PRIDMORE-SMITH, BRAMWELL J., MALABAR FIELDS, DAVENTRY, , GB, , 12/14/1984, , Y,


[2]


Reset
Previous
Next
Save As Report








## Key Global Patriot™ Functions –Reports


 Search


 Review


 Reports


 Accept List



 New Report







Report Name	Date
batchall-accept26feb06.htm	26/02/2006 2:26 PM
batchall26feb06.htm	26/02/2006 2:22 PM
singleall26feb06.htm	26/02/2006 2:16 PM

**New Accumulative Report**

Report Period

Period From: Sunday , 1 January 2006

Period To: Tuesday , 31 January 2006

Report Scope

☐ Single Search Results Only

☐ Batch Search Results Only

☒ Both

OK Cancel

**New Report**

Report Setup

Report Type: Audit

Period From: Saturday , 1 April 2006

Period To: Sunday , 30 April 2006

Report Scope

☐ Single Search Results Only

☐ Batch Search Results Only

☒ Both

OK Cancel







# Key Global Patriot™ Functions – Single Search Report

Global Patriot :: C:\Program Files\Patriot Techcorp\Global Patriot\Reports\single-osama-24mar06.htm

Close Window

Global Patriot™

Single Search Summary

Search Date	24/03/2006 12:18:20 PM
Search Type	Name Only
Customer Matches	1
Total Number of Matches	7
Accept List Matches	0

Search Criteria

ID	
Name	OSAMA
Address	
City	
State	
Country	
Post Code	
Identity No.	
Date of Birth	

Customer Information

Account Number	124845201
Account / Trans Type	Letter of Credit
Amount	782783
Action	Account Blocked
Reviewed By	mfe
Comments	test







# Key Global Patriot™ Functions – Batch Search Report

Global Patriot :: C:\Program Files\Patriot Techcorp\Global Patriot\Reports\Batch-TestReport.htm

Close Window

Global Patriot™

Batch Search Summary

Search Date	31/05/2006 8:14:38 AM
Search Type	Name Only
Batch Input Source	C:\Program Files\Patriot Techcorp\Global Patriot\Batch\names-out.txt
Batch Input Records	2900000
Customer Matches	978
Total Number of Matches	2102
Accept List Matches	0

Search Criteria

ID	0000000085
Name	JOE DALE
Address	
City	
State	
Country	
Post Code	
Identity No.	
Date of Birth	

Customer Information

Account Number	
Account / Trans Type	





## Key Global Patriot™ Functions – Accept List

Search

Review

Reports

Accept List

Import Names

X

Customer Name	ID
ABBATE, JAMES	127977
ABERLE, GINA	100941
ACKLEY, TODD	119016
GONZALEZ, JUAN	185386
JUAN GONZALEZ	123456
ORONA, PARIS	160168

Date Added

23 March 2006

Officer Name

MFE

Comments

test2

Import to Accept List

What delimiter separates your fields? Select the appropriate delimiter and see how you text is affected in the preview below:

Choose the deliminitor that seperates the fields:

☒ Tab
 ☐ Semicolon
 ☐ Comma
 ☐ Other

Field1	Field2	Field3	Field4	Field5
160168	ORONA, PARIS	23 March 2006	MFE	test1
185386	GONZALEZ, JUAN	23 March 2006	MFE	test2
127977	ABBATE, JAMES	23 March 2006	MFE	test3
100941	ABERLE, GINA	23 March 2006	MFE	test4

Map the Columns above to the required Accept List format:

Customer ID:

1

Customer Name:

2

Date Added:

3

Officer Name:

4

Comments:

5

Officer Name:

Import

Cancel





## Key Global Patriot™ Functions – Admin Facilities

Admin Help

Login...

Logout...

Change Password...

Live Update...

Update License Key...

Options...

File Admin Help

### Global Patriot™

#### Administrator Login

Enter Password:

\*\*\*\*\*

OK

Cancel

#### GlobalPatriot



A new update is available for your Subscription Level. Download Now?

Yes

No

#### Global Patriot Options

General File Locations

Name	Folder Location
Package Files	C:\Program Files\Patriot Techcorp\Global Patriot\Package
Search Results	C:\Program Files\Patriot Techcorp\Global Patriot\Results
Generated Reports	C:\Program Files\Patriot Techcorp\Global Patriot\Reports
Batch Input Files	C:\Program Files\Patriot Techcorp\Global Patriot\Batch
Search Profiles	C:\Program Files\Patriot Techcorp\Global Patriot\Profiles

#### Global Patriot Options

General File Locations

Default Search Mode

- ☒ Single Search View
- ☐ Batch Search View

Default Search Type

- ☒ Name Only
- ☐ And
- ☐ Or

Batch Defaults

- ID: 1
- Name: 2
- Address: 3
- City: 4
- State: 5
- Country: 6
- Post Code: 7
- ID No.: 8
- Date of Birth: 9
- Delimiter: TAB

Review Defaults

Review Window Automatically Expands:

- ☒ Single Search Results
- ☐ Batch Search Results
- ☒ Highlight search keywords in Review Window

OK

Cancel





# Key Global Patriot™ Functions – Source Data & AML Link

**Source Data List Properties**

General

Title: OFAC (SDN) Specially Designated Nationals Blocked Persons

Last Updated: Thursday 27, April 2006 09:46:11 PM

Total Records: 16,161

Description: The Office of Foreign Assets Control (OFAC) administers a series of laws that impose economic sanctions against hostile targets to further U.S. foreign policy and national security objectives.

As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also

Fields: sdnEntry\_id; Publish\_Date; sdn\_uid; sdnType; firstName; lastName; address1; address2; address3; city; country; postalCode; stateOrProvince; address\_uid; aka\_category; aka\_firstName; aka\_lastName; aka\_type; aka\_uid; citizenship\_country; citizenship\_uid; dateOfBirth; dateOfBirth\_uid; id\_expirationDate; idCountry; idNumber; idType; id\_issueDate; id\_uid; nationality\_country; nationality\_uid; placeOfBirth; placeOfBirthItem\_uid; program; remarks; title; vessel\_callSign; vessel\_grossRegTonnage; vessel\_tonnage; vesselFlag; v

Close

**Source Data List**

General | Support

Source Data List Title: OFAC (SDN) Specially Designated Nationals & Blocked Persons

Last Updated: Wednesday, 31 May 2006

Description (Used by Global Patriot):

The Office of Foreign Assets Control (OFAC) administers a series of laws that impose economic sanctions against hostile targets to further U.S. foreign policy and national security objectives.

As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDN". Their assets are blocked and U.S. persons are generally prohibited from dealing

☒ Include List in Generated Packages

☒ Export to AML / SAS Export

Configure

OK Cancel





## **Source Data – Customization Option**

- **“Custom Denied Persons List” Facility**
  - **Would your bank like to create its own or share a custom denied persons list?**
  - **Can be based on any criteria. Eg: bad check writers, individuals that pose a credit risk, etc.**
  - **Core information provided regularly to Patriot Techcorp to update on secure data source server**
  - **Client update occurs with “Live Update” to local system**





## **Global Patriot™ - Fast Deployment**

- **Simple and easy to install**
- **Minimal network changes**
- **Low overhead**
- **Multiple versions for Single User, across Networks and soon via Web interface**
- **Small footprint**
  - **Scales easily from Small to Large Corporate Environments as well as for outsourcing**
- **Proof of Concept available**





# Global Patriot™ – Trial Version

## ▪ Objectives

- Show multiple PEP data sources in one system
- Validate multiple data source search & report capability
- Show all key functionality – look & feel available in the screens

## ▪ Key Functions

- Automated installation
- Pre-selected 5 key data sources – select individual or multiple sources
- Live Update of data sources
- Single/Batch Search of all sources – ONLY, AND, OR criteria options
- Results – review on-screen, add comments, update to review files, create print files as required, view & print files
- Special Print Files – individual and/or accumulated search reports; audit list of searches
- Accept List – full maintenance – part of search routine

## ▪ What functions will only work in Licensed version

- Full list of data sources to subscribe to
- Flexible batch creation
- Full administrative options – password protected
- Full security facilities re user rights and access
- Accept list creation from file





## **Solution Proof of Concept - Onsite**

- **Agree objectives & timing**
- **Understand your network environment**
- **Establish setup requirements**
- **Determine user coverage**
- **Minimal installation time at your site**
- **Train on usage**
- **Review, Decision, Training, Live-running**





## Ongoing Review

- **Analysis of Security Risks**
- **Analysis of Employee Usage**
- **Analysis of Data Coverage**
- **Monitor for User Enhancement**
- **Reporting Capabilities**
- **Review of Improvement Potential**
- **Need for Controls and/or Changes**







## For More Information:

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**Or visit the Patriot Techcorp website at:**

**[www.patriottechcorp.com](http://www.patriottechcorp.com)**

