Director Kenneth Blanco called on a virtual audience at an anti-money laundering conference to increase specificity in Suspicious Activity Reports regarding potential COVID relief fraud, which he said helps FinCEN's increasing focus on pandemic-related issues.

Financial Crimes Enforcement Network Director Kenneth Blanco provided a number of updates on COVID-19 anti-fraud work, in remarks made at a virtual conference of the Association of Certified Anti-Money Laundering Specialists (ACAMS), including claims that FinCEN had helped recover $325 million in money from COVID-related fraud since the start of the pandemic. "Since March alone, we have trained more than 5,000 law enforcement colleagues on the effective use of [Bank Secrecy Act] data in COVID-19 investigation," Blanco added.

Moving forward, Blanco called on participants to "please be as specific as possible" when submitting Suspicious Activity Reports (SARs) related to COVID fraud. Reports, he said, go to specialized teams, and the increased details, through both the narrative and checkbox "34Z" of the SAR, will help speed up assignment and response. Since February, FinCEN had received over 91,000 COVID-related SARs, according to Blanco, with roughly 88 percent filed by banks and credit unions.

Blanco also used the opportunity to tout the closure of an anti-money laundering (AML) "gap" from financial institutions previously subject to lax federal oversight. He said the new rule, published September 15, adds minimum AML standards for state-chartered, non-depository trust companies, non-federally insured credit unions, private banks, non-federally insured state banks and savings associations, and international banking entities.

"This rulemaking will help reduce the temptation for criminals to seek out and exploit banks subject to less rigorous AML requirements and will help keep our nation, communities, and families safe from harm," he said.

Additionally, the FinCEN director told the virtual audience he was "really excited" about an advanced notice of proposed rulemaking (ANPR) published September 17. Blanco characterized the ANPR as an invitation to weigh in on questions exploring how AML goals are communicated and measured, and whether an explicit measure of AML policy "effectiveness" helps financial institutions allocate resources. While Blanco said he could not comment on whether the ANPR was a precursor to "any" regulation around these issues, he pointed to a number of joint statements published in the last year to highlight FinCEN's increasing focus on clarifying its mission. This latest effort, he said, was designed to be a "national conversation starter" on a wide range of AML reform topics.

Blanco also took some time to discuss cyber threats, particularly in the virtual currency realm, warning that crypto exposure is something financial institutions will be increasingly asked about. "These risks are not unique to money services businesses or virtual currency exchangers; banks must be thinking about their crypto exposure as well," He said. "If banks are not thinking about these issues, it will be apparent when examiners visit."

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