

Anti-Money Laundering / Counter Terrorist Financing Compliance:

Bringing Risk to the Forefront



12th Annual

Money Laundering in Canada 2014

September 28 - 30, 2014

Sheraton Hotel Newfoundland St. John's, Newfoundland, Canada



Who Should Attend?

- Banks
- Credit Unions
- Caisses Populaires
- Securities & Investment Dealers
- Mutual Fund Companies
- Precious Metal/Gem Dealers
- Credit Card Suppliers
- Life Insurers
- Foreign Exchange Dealers
- Money Service Businesses
- Law Enforcement
- Regulatory Officials
- Real Estate Developers
- ATM & SVC Providers
- Lawyers
- Accountants
- Real Estate Professionals
- Financial Planners
- Casinos & Gaming
- Trusts & Loans
- Security Officers



Reporting entities have seen the regulatory compliance expectations in Canada evolve from a generalized application of a reporting, record keeping, and training checklist to a detailed, business-specific regime that is driven by a comprehensive risk assessment program that provides the foundation on which all compliance practices and controls are based.

The Money Laundering in Canada 2014 Conference agenda will examine ML/TF risk from a variety of perspectives, including: sector-specific risk typologies; risk measurement practices; both current and new risk management tools and services; testing effectiveness; and regulatory expectations and standards concerning risk programs.

Conference Sponsors:



Overlooking St. John's historic harbour, Sheraton Hotel Newfoundland is at the centre of a thriving community, and offers travelers a wealth of amenities all within easy reach of the historic city's myriad attractions.



Agenda at a Glance

	Sunday, September 28
6:00 - 8:15 PM	Registration
7:00 - 8:30 PM	Reception

Monday, September 29		
7:45 - 9:00 AM	Registration, Breakfast & Networking	
9:00 - 9:15 AM	Welcome & Opening Remarks	
9:15 - 10:15 AM	Plenary Session A	PA
10:15 - 10:45 AM	Coffee & Networking Break	
10:45 - 11:45 AM	Customer Monitoring to Manage Risk Identifying and Managing Business Relationships in the MSB Sector Inherent Risk: Introducer/Broker Network Issues	WS1 WS2 WS3
12:00 - 1:00 PM	Luncheon	
1:15 - 2:15 PM	Managing Risk Includes Fixing the Compliance Deficiencies Customer Relationships: Not Just a Marketing Focus Record Keeping & Client Identification: Emerging Tools	WS4 WS5 WS6
2:30 - 3:30 PM	Online Criminal Attacks Against Banking Accounts New CRA Reporting Regulations: What, Why, When & How Current Money Laundering Risks: Real Estate and Precious Metals/Gems	WS7 WS8 WS9
3:30 - 4:00 PM	Coffee & Networking Break	
4:00 - 5:00 PM	Plenary Session B - HSBC, Money Laundering & Organizational Pathology: A Cautionary Tale for AML Compliance Departments	PB
5:00 - 5:45 PM	Special Interest Sessions	
5:30 - 7:00 PM	Reception	

Tuesday, September 30		
7:45 - 9:00 AM	Registration, Breakfast & Networking	
8:00 - 8:45 AM	Special Interest Sessions	
9:00 - 9:15 AM	Announcements	
9:15 - 10:15 AM	Plenary Session C - FINTRAC	PC
10:15 - 10:45 AM	Coffee & Networking Break	
10:45 - 11:45 AM	Current Money Laundering Risks: The MSB Sector Online Criminal Attacks Against Banking Accounts (Repeat of WS7) Customer Monitoring to Manage Risk (Repeat of WS1)	WS10 WS11 WS12
12:00 - 1:00 PM	Luncheon	
1:15 - 2:15 PM	Record Keeping & Client Identification: Emerging Tools (Repeat of WS6) Effective Risk-Based Suspicious Activity Monitoring Lessons from the Gaming Industry: Managing Risk & Compliance	WS13 WS14 WS15
2:30 - 3:30 PM	Plenary Session D - AML Risk Going Forward: Responding to an Ever-Changing Landscape	PD
3:30 - 3:45 PM	Conference Wrap-Up	

September 29, 2014



PLENARY A

Opening Address

TBA

9:15 - 10:15 AM

The opening address of Money Laundering in Canada 2014.

WORKSHOP 1

Customer Monitoring to Manage Risk

Kevin Lo

Froese Forensic Partners

Toronto, ON

10:45 - 11:45 AM

Today's Compliance Regimes are becoming increasingly dynamic in nature, particularly when it comes to getting to know your customer. Regulatory requirements are setting standards for identifying, risk-rating, and monitoring business customers. Reasonable measures for such things as identifying individuals undertaking suspicious transactions require the reporting entity to make more than a nominal effort to identify the customer being reported. These information requirements are not always readily available. Nonetheless, efforts need to be made and the value-added nature of the Internet as an information resource can help. Drawing on his experience with using public data sources, the workshop leader will explore and demonstrate how these can assist with enhanced KYC requirements.

WORKSHOP 2

Identifying and Managing Business Relationships in the MSB Sector

Ken Saul

AML Consultant

Toronto, ON

10:45 - 11:45 AM

Managing business relationships in the money service business sector can create a significant degree of ongoing customer due diligence. The requirement to now define each eligible customer's business practices; set their risk rating based on those business practices; record and monitor their transaction activities; and adjust compliance controls and risk ratings when those opening business practices increase in complexity has pushed some businesses to close their doors and others to re-configure their compliance management model to effectively handle these regulatory requirements. This session will look at the challenges facing MSB owners in this monitoring environment and discuss strategies to respond both efficiently and effectively.

September 29, 2014



WORKSHOP 3

Inherent Risk: Introducer/Broker Network Issues

10:45 - 11:45 AM

**Stephen Ellis
Canadian First Financial
Oakville, ON**

Despite the ongoing efforts of financial, investment, and life insurance providers to standardize and enhance sound customer due diligence requirements for independent introducer and broker representatives who market their legislated products, some providers are now assessing and reviewing the degree to which greater due diligence is also required when affirming that the individual introducer/broker is not a risk as well. Introducer/broker risk is one of the inherent risks reporting entities must manage and that risk not only applies to the customer referral process but also to the individual making the referral. Consequently, requiring a greater degree of due diligence for those advisors wanting to refer business should be as standard as the increasing diligence required when approving a customer. This workshop will discuss the various issues and propose options for managing this concern.

WORKSHOP 4

Managing Risk Includes Fixing the Compliance Deficiencies

1:15 - 2:15 PM

**Jeremy Pico
The PRA Group
Vancouver, BC**

Reporting entities have legislated requirements to measure for compliance regime mistakes every two years. Poorly functioning compliance regimes add to the inherent risk of a reporting entity and compound the potential for regulatory sanctions in the form of fines or referrals to law enforcement for criminal charges. This workshop will explore a number of the more common deficiencies found in effectiveness reviews and regulatory audits. Often, the same deficiencies repeatedly show up review after review suggesting that reporting entities are not dealing with a solution effectively; possibly do not understand how to fix the problem; or have not secured management buy-in to fix the problem. Regardless of the reason, change is critical to lower risk and manage control. Options for managing these risks will be discussed.

WORKSHOP 5

Customer Relationships: Not Just a Marketing Focus

1:15 - 2:15 PM

**Ana Roccia
Servus Credit Union
Edmonton, AB**

Regulatory enhancements have significantly increased the degree of customer due diligence. The new business relationship requirements for reporting sectors have established new thresholds for monitoring customers. Shifts in customer account activities; variance in transaction practices; complex business models; and suspicious transaction alerts are all pushing compliance officers to revisit customer risk ratings and implement remediation responses to keep risk within acceptable limits. In cases where the risk has become unacceptable, reporting entities have implemented de-marketing strategies to remove customers who step outside the business relationship comfort zone. This workshop will examine successful strategies for maintaining risk control and suggest options for de-marketing customers when all other options have been exhausted.

September 29, 2014



WORKSHOP 6

Record Keeping & Client Identification: Emerging Tools

1:15 - 2:15 PM

**TBA
Equifax
Toronto, ON**

“Know Your Customer” is a well-known anti-money laundering compliance requirement across all reporting sectors governed by Canada’s AML legislation. Traditionally, it has come to mean the identity validation of a business’ customers. However, with ever-evolving risk management processes, it pays for reporting entities of all kinds to consider pushing beyond the basic verification processes to acquire a deeper understanding of the background associated with their customers and the business relationship that exists between both sides. This session will focus on how organizations can increase confidence in their ability to verify identities, prevent fraud, control for both inherent and relationship risk, all while helping the organization remain compliant.

WORKSHOP 7

Online Criminal Attacks Against Banking Accounts

2:30 - 3:30 PM

**Dr. Charles Robertson
Verafin
St. John’s, NL**

Financial institutions and their customers are under attack from criminal hackers who are compromising customers' computers to obtain banking credentials. Stolen funds are sent to money mules who then facilitate the movement to the original perpetrators. In this workshop, Dr. Robertson will review how compromises are taking place and how the criminals steal money via electronic transfers. We will assess the risks of money laundering, the potential impact on AML compliance, and how detection analytics can help mitigate those risks by stopping the crimes before the money is gone.

WORKSHOP 8

New CRA Reporting Regulations: What, Why, When & How

2:30 - 3:30 PM

**Gina Jelmini
Canada Revenue Agency
Ottawa, ON**

The reporting of EFTs to the Canada Revenue Agency was one of several measures announced in the Federal Government’s Economic Action Plan 2013 to combat international tax evasion and aggressive tax avoidance. The Offshore Compliance Division within the Compliance Programs Branch was established to implement a number of the measures announced in EAP 2013 including the new Offshore Tax Informant Program and the requirement for certain financial intermediaries, including banks, to begin reporting international EFTs over \$10,000 to the CRA beginning in January 2015. The speaker is the Director of the Division, who will explain the work that will be undertaken, focusing on the new reporting requirements and proposed processes for the EFTs. She will also discuss how the EFT data will assist CRA in detecting offshore transactions associated to tax evasion and aggressive tax avoidance.

September 29, 2014



WORKSHOP 9

Current Money Laundering Risks: Real Estate & Precious Metals/Gems

2:30 - 3:30 PM

**Rachael Donovan
Donovan & Associates
Ottawa, ON**

Putting their dirty money into property and precious metals and stones has been a common practice across the money laundering crowd for as long as one can remember. Such purchases have been a simple way to disguise the funds at the same time as creating the perfect medium for redeeming their investment through selling the goods in the legitimate marketplace. Businesses from both sectors have been designated as reporting entities and have a legislated requirement to report customer transactions that suggest money laundering at work. At the same time, other reporting sectors that provide services to real estate and precious metals and stones sectors (i.e. banks, credit unions, accountants and various money service businesses) find themselves having to recognize money laundering risk areas within these sectors in order to manage their own risk exposure. This workshop has been designed to explore how money launderers have used the real estate and precious metals and stones sectors to hide and move their proceeds of crime with ease, with special attention paid to those risk factors that require closer attention and greater controls.

PLENARY B

HSBC, Money Laundering & Organizational Pathology: A Cautionary Tale for AML Compliance Departments

4:00 - 5:00 PM

**Dr. Stephen Schneider
St. Mary's University
Halifax, NS**

In recent years, numerous multinational financial service corporations have been penalized for non-compliance with AML laws and regulations. This presentation will discuss what may be the most notable of these cases. In 2012, the global banking giant HSBC agreed to pay \$1.9 billion in fines levied by the U.S. Department of Justice after admitting to violating the *Bank Secrecy Act* and *Trading With the Enemy Act*. These violations stemmed from the services it provided to correspondent banks that handled cash for Mexican drug cartels and Middle Eastern terrorist groups. HSBC was accused of multiple counts of failing to comply with AML laws and regulations, which in turn was the result of a dysfunctional and marginalized AML compliance system. Dr. Schneider's presentation will highlight how this organizational pathology places large multinational financial service providers at risk of facilitating money laundering and terrorist financing, in part by marginalizing the important role played by compliance policies and personnel in minimizing such risks and protecting both the corporation and the public from internal malfeasance.

September 30, 2014



PLENARY C

9:15 - 10:15 AM

**Bernard Gagne
FINTRAC
Ottawa, ON**

Topic to be announced

WORKSHOP 10

Current Money Laundering Risks: The MSB Sector

10:45 - 11:45 AM

**Ken Saul
AML Consultant
Toronto, ON**

The MSB sector is viewed by various AML organizations as a prime risk for money laundering and terrorist financing activity. As such, governments and MSB service providers have established both legislative and customer compliance requirements to control for such risks. Identifying and responding to such risks continues to be an ongoing challenge as money launderers constantly diversify their methods and tactics for getting their proceeds of crime into the legitimate economy. Ken Saul is considered one of Canada's compliance experts in recognizing and responding to MSB-focused risks. Ken will examine some of the ongoing and emerging trends in money laundering practices used/emerging in Canada today. He will discuss effective approaches for identifying and controlling those activities and highlight his discussion with case studies. This workshop will benefit those compliance officials working in the industry as well as those working with service providers who have MSBs as clients.

WORKSHOP 11

Online Criminal Attacks Against Banking Accounts

10:45 - 11:45 PM

**Dr. Charles Robertson
Verafin
St. John's, NL**

Repeat of Workshop 7

Financial institutions and their customers are under attack from criminal hackers who are compromising customers' computers to obtain banking credentials. Stolen funds are sent to money mules who then facilitate the movement to the original perpetrators. In this workshop, Dr. Robertson will review how compromises are taking place and how the criminals steal money via electronic transfers. We will assess the risks of money laundering, the potential impact on AML compliance, and how detection analytics can help mitigate those risks by stopping the crimes before the money is gone.

September 30, 2014



WORKSHOP 12

Customer Monitoring to Manage Risk

10:45 - 11:45 AM

**Kevin Lo
Froese Forensic Partners
Toronto, ON**

Repeat of Workshop 1

Today's Compliance Regimes are becoming increasingly dynamic in nature, particularly when it comes to getting to know your customer. Regulatory requirements are setting standards for identifying, risk-rating, and monitoring business customers. Reasonable measures for such things as identifying individuals undertaking suspicious transactions require the reporting entity to make more than a nominal effort to identify the customer being reported. These information requirements are not always readily available. Nonetheless, efforts need to be made and the value-added nature of the Internet as an information resource can help. Drawing on his experience with using public data sources, the workshop leader will explore and demonstrate how these can assist with enhanced KYC requirements.

WORKSHOP 13

Record Keeping & Client Identification: Emerging Tools

1:15 - 2:15 PM

**TBA
Equifax
Toronto, ON**

Repeat of Workshop 6

"Know Your Customer" is a well-known anti-money laundering compliance requirement across all reporting sectors governed by Canada's AML legislation. Traditionally, it has come to mean the identity validation of a business' customers. However, with ever-evolving risk management processes, it pays for reporting entities of all kinds to consider pushing beyond the basic verification processes to acquire a deeper understanding of the background associated with their customers and the business relationship that exists between both sides. This session will focus on how organizations can increase confidence in their ability to verify identities, prevent fraud, control for both inherent and relationship risk, all while helping the organization remain compliant.

WORKSHOP 14

Effective Risk-Based Suspicious Activity Monitoring

1:15 - 2:15 PM

**Ana Roccia
Servus Credit Union
Edmonton, AB**

Know Your Customer is a pillar of an effective compliance program. The *AML Know Your Customer Compliance Framework* establishes the minimum standards to be followed by employee/agents with respect to client identification, customer due diligence and enhanced due diligence, including high risk client/transaction types and politically exposed foreign persons. It is designed to facilitate the identification of potentially suspicious activity and to prevent products and services from being used for illicit purposes. This workshop will outline effective risk-based suspicious activity monitoring strategies that have been used during account analysis/investigations that have warranted regulatory reporting to FINTRAC.

September 30, 2014



WORKSHOP 15

Lessons from the Gaming Industry: Managing Risk & Compliance

1:15 - 2:15 PM

**James Wasnick
Manitoba Liquor and Lotteries
Winnipeg, MB**

Casinos have some unique challenges in terms of AML compliance requirements, particularly in areas such as reporting. This workshop will examine some of the risks in the gaming industry and those practical methods that gaming professionals use to mitigate these risks. The presenter will discuss various tools and tips used to handle casino-based STR investigations, as well as some of strategies employed to prepare for a compliance exam. Conference delegates from various reporting sectors will benefit from the content in this workshop, especially the methods used to address common compliance requirements and the challenges faced from a fast-paced, customer-focused business environment.

PLENARY D

AML Risk Going Forward: Responding to an Ever-Changing Landscape

2:30 - 3:30 PM

**Rachael Donovan
Donovan & Associates
Ottawa, ON**

There is a growing expectation that reporting entities must develop comprehensive, defensible, and business-focused risk-based assessments. This must involve compliance managers making every effort to identify and understand what the risks are to their business sector in general, determining who and what is threatening their organizations' products and service lines, and what makes these products and service lines vulnerable and attractive to criminals. For those who take the time to research these risks, they will discover that there is a wealth of information available. As a result, there is no excuse for any one sector/business not to know how they can be exploited. Ms. Donovan will draw on her experience as a subject matter expert on AML risk management program development and her consulting work in risk identification to point conference delegates in the direction(s) they should be moving going forward.

General Information



Hotel/Travel

The Sheraton Hotel Newfoundland, in beautiful downtown St. John's will be the host venue for the 2014 instalment of our Money Laundering in Canada Conference. Attendees are encouraged to make use of the special rate at the Sheraton Hotel Newfoundland starting at \$239/night for all delegates. These rates apply from Thursday, September 25th through to Saturday, October 4th. While slightly lower rates may be found elsewhere in the city, the conference hotel, as part of their agreement with the Money Laundering in Canada conference organizers, provides meeting space and additional services that help keep the registration fees reasonable. All room reservations can be made in the following ways:

1. On line at <https://www.starwoodmeeting.com/StarGroupsWeb/res?id=1401223597&key=1C82A>
 2. Via Telephone: 1-888-870-3033 (toll-free in Canada and Continental USA) and indicate that you are with the Money Laundering in Canada Group
- Note: changes or cancellations for individual reservations must reach the Reservations Department 48 hours prior to the arrival date to avoid penalty of one night's room and tax.

Porter Airlines is proud to offer a 15% discount on available base fares (with the exception of the lowest class fare during a public seat sale) for travel to and from Money Laundering in Canada 2014. The discounted fares are available for booking from April 16, 2014 to October 3, 2014 and available for travel:

From: Anywhere in Canada/US	To: St. John's	From: 09/25/2014	To: 09/30/2014
From: St. John's	To: Anywhere in Canada/US	From: 09/28/2014	To: 10/03/2014

Please book online at www.flyporter.com or through your travel agent using promo code **MLC2014**.

Registration

The Money Laundering in Canada conferences are designed to provide maximum value, with additional savings for early bird registrations, multiple registrations from the same organization, and members of the Canadian Anti-Money Laundering Institute (CAMLI).

- Early Bird Special Rate with registration and payment received by June 30, 2014: **\$1200.00 + HST**
- Registering 3 or more delegates from the same organization at the same time and received by the early bird date: **\$1125 + HST per registrant**
- CAMLI member discount (if applicable): save \$75 on Early Bird or Full Registration rates
- Full Registration: **\$1350 + HST**
- Fee for registering 3 or more delegates from the same organization at the same time AFTER June 30, 2010: **\$1275 + HST per registrant**

Your Conference Fee Includes:

All keynote and plenary sessions and workshops; all morning and afternoon coffee breaks throughout the conference; breakfast and lunch on both days; and the networking receptions scheduled for Sunday and Monday evenings. Speakers are subject to change without notice; updated speaker assignments can be found at www.moneylaundering.ca and in our [LinkedIn group](#)

Continuing Education Credits

Participants who are eligible to earn credits for attending this conference should check with their credit granting organization to confirm what credits are available. Letters attesting to a delegate's attendance can be provided upon request after the conference.

Cancellations

Refunds, less an administrative fee of \$300.00, will be made for cancellations received in writing by June 30, 2014. No refunds will be given after that date but delegate substitutions are permitted up to and including September 28, 2014.

Conference Dress

Casual business attire is recommended for the conference sessions.

Conference Materials and Language

All sessions will be conducted in English only. Participants are invited to collect their conference materials at the Registration Desk on the ground floor of the Sheraton Hotel Newfoundland at any of the following times:

- Sunday, September 28th, 2014 6:00 pm - 8:15 pm
- Monday, September 29th, 2014 7:30 am - 5:00 pm
- Tuesday, September 30th, 2014 7:30 am - 1:00 pm

Contacts

For additional information on the conference program, please contact About Business Crime Solutions, Inc.; Telephone: 613-269-3447; Fax: 613-269-9201 or; e-mail: info@moneylaundering.ca



REGISTRATION FORM

Delegates are entitled to **Early Bird pricing** for the conference registration fee if their registration and payment is received by June 30, 2014. A further savings of \$75 applies to current Canadian Anti-Money Laundering Institute members. If three or more registrants are from the same organization, registering at the same time, each will receive a \$75 discount off the early or regular registration price. Each multiple registrant must submit a separate Registration Form and indicate on the Company/Org. line that they are part of a team of three or more.

Delegate Name _____ **First Name for Badge:** _____

Title _____ **CAMLI Member # (if applicable):** _____

Company/Org. _____

Address _____

City _____ **Province/State:** _____ **Postal/ZIP Code:** _____

Telephone _____ **E-Mail:** _____

Prices are per delegate and include 13%HST	Early Bird -paid in full by June 30th	Full Registration
Regular Delegate	\$1356.00	\$1525.50
CAMLI Member	\$1271.25	\$1440.75
Multi registration *3 or more	\$1271.25	\$1440.75
Multi registrant price for CAMLI Member	\$1186.50	\$1356.00

Food Allergies

YES (please specify):

Plenary/Workshop Selections

To ensure your conference experience is tailored to your needs and interests, please review the conference agenda and make your desired choice from each grouping.

Monday, September 29

Sunday Reception 7:00 – 8:30 pm Attending: YES NO

Monday Reception 5:30 – 7:00 pm Attending: YES NO

Workshop 10:45 - 11:45 pm

WS1 WS2 WS3

Workshop 1:15 - 2:15 pm

WS4 WS5 WS6

Workshop 2:30 - 3:30 pm

WS7 WS8 WS9

Tuesday, September 30

Workshop 10:45 - 11:45 am

WS10 WS11 WS12

Workshop 1:15 - 2:15 pm

WS13 WS14 WS15

**4 Plenary Sessions
All Delegates Attend**

Payment Options

- Cheque payable to About Business Crime Solutions Inc.
- Please charge my/our American Express, Mastercard, Visa, or Discover account

Total Payment Amount **	Please Include Guest Reception Ticket cost	
Card Number	Exp. Date	/
Name on Card		
Signature		

**For multiple registrants, please submit a separate registration form for each delegate from the same organization.

The conference has two receptions planned and delegates who would like to bring a guest to the reception(s) can purchase an additional ticket for \$40/ guest. Please identify how many guest tickets you would like in the space below and add that amount to your payment.

I am requesting the following number of guest tickets to the conference receptions:

Evening Reception, Sunday, Sept 28: _____ @ \$40.00 per ticket \$_____

Evening Reception, Monday, Sept 29: _____ @ \$40.00 per ticket \$_____

Total Additional Charges (includes taxes) \$_____

Register by FAX, telephone, or mail

Please copy this form to register multiple participants from the same organization separately

FAX: 613- 269-9201 **Mail:** ABCsolutions
PO Box 427
Merrickville, ON
K0G 1N0

Phone: 613-269-3447

Email: info@moneylaundering.ca