

**BSA, CTR, GLBA, MSB, OFAC, SAR, TILA ...
LEARNING YOUR REGULATORY ALPHABET**

Community Currency Exchange Association of Illinois
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Federal laws that apply to **Check Cashers**, what they are for, and what you have to do to comply with them.

- a) **U.S.A. Patriot Act** - Turns check cashers into policemen, and requires significant expenditures on implementing and monitoring anti-money-laundering activities.
 - 1. Implement formal written compliance program
 - 2. Appoint a compliance officer
 - 3. Provide employee training (at least annually, and for all new hires)
 - 4. Provide annual independent audit of the compliance program

- b) **Bank Secrecy Act (BSA)** – Not a new law, but expanded to include a requirement to file Suspicious Activity Reports (SARs).
 - 1. File CTRs for cash transactions over \$10,000
 - 2. Record identifying information on money order sales from \$3,000 - \$10,000
 - 3. Record identifying information on wire transaction > \$3,000
 - 4. File SARs on suspicious transactions >\$2,000
 - 5. Keep records for 5 years

- c) **MSB Registration** – This is not new, but MSBs have to re-register every two years, which is coming up again this year for many MSBs who first registered in 2001.
 - 1. Register as MSB within 90 days of formation
 - 2. Re-register every two years

d) **OFAC – Office of Foreign Assets Control** - requires financial institutions to check customers against the government’s list of bad guys before conducting certain transactions. FiSCA’s proposed position on this, although not yet official, is that check cashers should conduct OFAC checks when conducting the following types of transactions:

1. Transactions with “Foreign Nationals”
2. Transactions involving checks drawn on foreign banks
3. Transactions involving checks payable to foreign corporations
4. Transactions in excess of \$10,000

The OFAC checks can be done manually, by checking the government’s websites; through integrated software provided by some software companies; or through other independent third party providers.

e) **Gramm-Leach-Bliley Act (GLBA)** – requires notification to customers of “Privacy Policy”. Not new, but expanded in 2003 to require that companies ensure that their vendors have proper safeguards for handling customer information.

1. Adopt a written policy
1. Designate a compliance officer
2. Identify and assess risks
3. Design and implement a safeguard program; monitor and test it
4. Evaluate and adjust as conditions warrant
5. Provide privacy notice to new customers
6. Provide privacy notice annually
7. Determine that others with whom you share information (vendors and suppliers included) have sufficient security measures
8. Ensure confidentiality of customer information

For additional information, or if there are any questions pertaining to the above, contact Larry Slonina at 847-724-8360.