

---

Credit Union League of Connecticut



# Compliance School

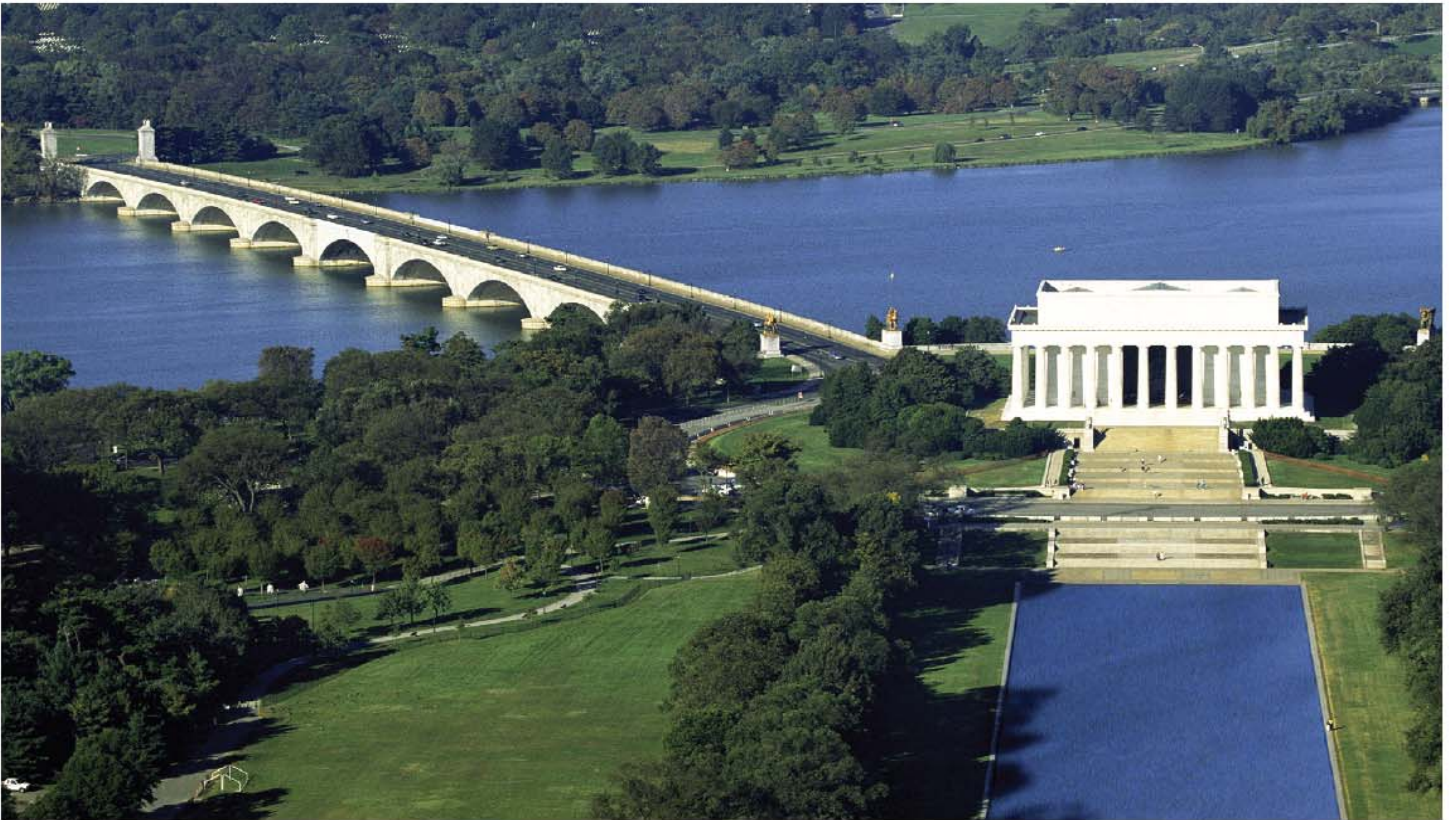
March–October 2012



*Providing Exceptional Value Through Cooperative Support*

---

# The Corporate Sponsor



## Building bridges to support our common purpose

Helping your members reach financial milestones hasn't always been easy, given competitive threats and legislative proposals that challenge your financial future. As always, CUNA Mutual Group stands with you and other industry partners, fully committed to protecting your interests.

Whether the issue is unrelated business income tax (UBIT), plastic card fraud, Reg Z or the formation of the Consumer Financial Protection Bureau, we're at your side, not on the sidelines.

Whatever lies ahead, we'll be there, building bridges to help ensure credit unions continue to help members attain financial security.

---

### WE ARE CONNECTED TO YOU.

In 2010 CUNA Mutual helped educate more than 7,600 credit union employees on the impact of the new Reg Z compliance requirements.\*

---



For more information on our commitment, contact your CUNA Mutual sales executive today at **800.356.2644** or visit [www.cunamutual.com](http://www.cunamutual.com) for details.

\*Source: Review of 2010 CUNA Mutual event records.



## Foreword

**W**HEN we launched our first multi-session education program in 2010, we were confident that credit unions would find the content valuable, pertinent, and timely. But we couldn't have imagined the overwhelmingly positive response to the 10-session Compliance School by member credit unions from across the state. For this reason, and because of strong demand, we are once again conducting a multi-session compliance school in 2012.

Because the regulatory environment continues to be onerous and burdensome, your League is offering this nine-session Compliance school, which will provide updates and new information on many important compliance-related areas for credit unions. As an added benefit, credit unions that pay their 2012 dues before January 13, 2012 will be guaranteed at least one place at each seminar at no additional cost, based on asset size (see *Appendix*).

Once again we are presenting statewide and nationally recognized experts on compliance that you will want to learn from, highly trained veterans dedicated to their profession, secure in their knowledge, and confident of their expertise to convey what attendees need to know to successfully comply with regulatory expectations.

It is our intent that the knowledge and methodology you will take away from this school will raise your ability to increase credit union efficiency, and assist in developing skills that will help you not only understand and comply with regulations, but also apply these skills to other areas of operations.

We are confident that program attendees will find these workshops beneficial, timely, and cost-effective, and as your League we are pleased to offer this comprehensive and exciting solution to regulatory difficulty to our member credit unions.

Because of the importance of the content of this program to Connecticut credit unions, and because they are an integral part of the credit union movement, **CUNA Mutual Group** has chosen to be the corporate sponsor of this compliance school. **We want to thank them for their continuing support of credit unions!**

## Contents

Workshop Leaders — Biographies .....	5
Program .....	11
• <b>Tuesday, March 13, 2012: ACH Self Audit</b> .....	11
<i>9:00 a.m.—12:00 p.m. Sean Carter</i>	
• <b>Thursday, April 19, 2012: ATM Compliance Issues</b> .....	11
<i>9:00 a.m.—12:00 p.m. Access To Money</i>	
• <b>Tuesday, May 8, 2012: BSA</b> .....	12
<i>9:30 a.m.—3:30 p.m. Jay Friedland</i>	
• <b>Tuesday, June 26, 2012: RESPA</b> .....	12
<i>9:00 a.m.—12:00 p.m. RESPA: Martha Howell</i>	
• <b>Tuesday, June 26, 2012: Security</b> .....	13
<i>1:00—4:00 p.m. Security: Tom Nash, Mark Solomon</i>	
• <b>Wednesday, July 18, 2012: Vendor Management</b> .....	14
<i>9:00 a.m.—12:00 p.m. Kris Buckley</i>	
• <b>Tuesday, August 21, 2012: InfoSight Compliance Website</b> .....	14
<i>9:00 a.m.—12:00 p.m. Tony Emerson, Nick Moalli</i>	
• <b>Tuesday, September 25, 2012: Truth-in-Lending</b> .....	15
<i>9:30 a.m.—3:30 p.m. Martha Howell</i>	
• <b>Tuesday, October 30, 2012: Bankruptcy &amp; Collections</b> .....	16
<i>9:30 a.m.—3:30 p.m. JoAnn Centrilla-Silvia, Melissa Simonik</i>	
Appendix.....	17
Directions to Ashlar Village .....	18



## Workshop Leaders



### **Kris Buckley**

#### **President, Buckley Technology Group**

Kris is founder and owner of Buckley Technology Group (BTG), a cross-disciplined consultancy specializing in business continuity, information security, and vendor management programs for financial institutions. She formed the company in March 1999 following a successful career serving clients as National Training & Installation Manager for CUSA Technologies, a Fiserv data processing company for credit unions. Since its inception, BTG's client base has grown to more than one hundred client credit unions ranging in size from \$5 million in assets to over \$1 billion.

BTG has developed several proprietary software solutions to manage challenging regulatory requirements, and specifically tailors solutions to the client's size, complexity, and resources. Its goal is to provide each client the ability to manage ongoing compliance obligations efficiently and effectively, enabling them to focus on their primary business goal—serving members.

BTG is a Strategic Partner of the Credit Union League of Connecticut.

#### **Certifications and Affiliations**

CISA, ABCP, Member of ACP, NEDRIX, DRJ and DRI International

### **Sean Carter, AAP**

#### **Senior Director of Education and Rules Development New England Automated Clearing House (NEACH)**

Sean Carter is Senior Director at NEACH and is responsible for the education and risk programs at NEACH. Sean is a member of the NACHA Rules & Operations Committee and is serving his second term on the Member Rules Review Panel and NACHA Arbitration Board. Sean is also the chairperson of the Forum's Risk & Compliance Committee.



Sean speaks at several conferences across the country, including being an annual speaker at the NACHA Payments Conference. Sean received his AAP in 1999 and was reaccredited in 2004 and 2009. Sean joined NEACH in 1998.

**Tony Emerson, DBA, CCUE, C.P.M.**  
**President/CEO, Credit Union League of Connecticut**

Tony has held this position since March 2008. Prior to coming to Connecticut, he served as the Vice President of Finance/Accounting/Operations for Maine Savings FCU in Hampden, Maine from 2003-2008. He began his credit union career in 2001 at Penobscot County FCU after serving in an executive capacity with a world-wide manufacturing firm, and serving several years as a Contracting Officer in the Air Force. He has served in a leadership capacity on various boards of directors, steering committees, league committees, and served a two-year term as a chapter president.



Tony has earned degrees in Contract Law, Logistics Management, Accounting, Master of Business Administration, and a doctorate in International Business, as well as being a graduate of The Academy of Military Science (with high honors). For the past eleven years, in addition to his credit union responsibilities, he has consulted on business strategy and strategic management extensively. He has been published numerous times in various publications on topics that include: strategic management, member service, the service-profit chain, the benefits of team building, employee empowerment, cooperative financing models, service- standard metrics, and a variety of other business related topics.

Tony is often asked to speak to various groups on topics that include: economics, strategic management, financial responsibility, operational efficiencies, and politics. In addition, his dissertation, "The Effects of Employee Satisfaction and Customer Retention on Corporate Profitability: An Analysis of the Service-Profit Chain" received high honors and has been published many times on a subject matter basis.



**Douglas B. Falcone**  
**COO, Access To Money**

Doug was appointed Executive Vice President and Chief Operating Officer in April 2008, following the acquisition of LJR Consulting Corp., d/b/a Access To Money, a company that he founded in 1997 and at which he remained Chief Executive Officer until its sale. Under his leadership, Access To Money grew into one of the premier and largest independent ATM operators in the United States, a company that now operates approximately 12,000 ATMs.

Doug has nearly 30 years of experience in operations, sales, and marketing. He founded and operated Campus Dining Services & Vending and has owned several restaurants. In addition, he is a member of the Triton Sales and Marketing Advisory Board and Triton's Service Advisory Council. He has been instrumental in leading the ATM industry into the 21st century.

**Jay Friedland, Esq.**  
**President & CEO, M&M Consulting, LLC**

Jay has provided regulatory guidance to more than 100 financial institutions over the past 12 years. He is a frequent speaker to financial industry groups across the U.S. on BSA/AML and OFAC issues.

He has presented seminars and training on a wide range of topics, including T-I-L, RESPA, Funds Availability, EFT, Privacy, Fair Lending, OD Protection, Predatory Lending, Flood Insurance and Compliance Program Management.

Jay was a staff attorney for the Federal Reserve Bank of New York. He received his J.D. degree from the University of Michigan Law School and is a member of the Massachusetts Bar.

M&M Consulting is a Strategic Partner of the Credit Union League of Connecticut and is a partner in The Connecticut Compliance Solution.



**Martha Howell, Esq.**  
**Compliance Consultant**

Martha is a Maine attorney who left the private practice of law to become the Compliance Manager and Internal Auditor at Kennebunk Savings Bank in Maine in 1980. She remained in banking filling roles in compliance, collections, loan documentation management, quality control management, and training for various New England banks.

In 1994, Martha transferred to the corporate compliance area for Fleet, and in 2000 to Citizens Financial Group as the Senior Risk Manager for its 15 commercial business units from New England through the Mid Atlantic.

In February 2004 she joined M&M Consulting, and since then has enjoyed bringing her years of banking experience to community banks and credit unions.

Martha earned her J.D. degree from the University of Maine School of Law in 1974, and graduated with a B.A. cum laude from the University of New Hampshire in 1971.



**Nick Moalli**

**AVP Credit Union Services, Credit Union League of Connecticut**

Nick joined the League in 2004 as a Government Relations Assistant. In 2006 he transferred to Credit Union Services as a Credit Union Service Representative and facilitated credit union planning sessions and advised credit union management and boards on ALM/budgetary topics. In 2008 he was promoted to Assistant Vice President and expanded his repertoire to include additional areas of operations such as BSA, regulatory compliance issues, policy reviews and revisions, board responsibilities, supervisory committee responsibilities, among others. He additionally maintains relationships between the League

and Strategic Business Partners, and is coordinator of the CT Small CU Task Force Committee.

Nick received a BS in Sports Finance from the University of Massachusetts, and completed the CUNA Financial Management School program in 2006.

---

**Thomas Nash, CPP, CFCI**  
**Senior Risk Management Analyst**  
**American Eagle Federal Credit Union**



Tom Nash serves as the President of the International Association of Financial Crimes Investigators (IAFCI) Connecticut Chapter, is an International Director and co-chair of its Training and Education Committee, and holds the designation of Certified Financial Crimes Investigator.

Tom has served as manager of corporate fraud investigation in banking, as an assistant vice president of loss prevention and fraud control for an Internet bank, as an Internet fraud consultant and an operations and planning manager.

Tom has presented his fraud prevention programs nationally for the American Bankers Association and America's Community Bankers. Tom is recognized nationally as an expert in fraud prevention, identity theft, financial security, and Internet crime. He is a frequent author, presenter, and trainer on these topics.



**JoAnn Centrilla-Silvia, Esq.**

**Partner, Michalik, Bauer, Silvia & Ciccarillo, LLP**

JoAnn Centrilla-Silvia received her Bachelor of Arts degree from Fordham University in 1982 and her Juris Doctorate degree from the University of Bridgeport School of Law in 1988. She practices in all areas of collections and creditor bankruptcy.

She was admitted to practice law in the State of Connecticut in 1990 and the District Court in 1990. JoAnn was also admitted to practice law in the State of New York in 1989 and the United States District Court, Southern and Eastern Districts in 1990.

JoAnn is a member of the New Britain, Hartford, Connecticut, New York State, and American Bar Associations. She is also a member of the Creditor's Rights section of the Connecticut Bar Association, and she has served on the Executive Board of the Connecticut Creditor's Rights Attorneys' Association.

---

**Melissa Simonik, Esq.**

**Attorney, Michalik, Bauer, Silvia & Ciccarillo, LLP**

Melissa Simonik joined the New Britain law firm of Eisenberg, Anderson, Michalik & Lynch, LLP, in March 2004. In January 2005, the law firm changed to Michalik, Bauer, Silvia & Ciccarillo, LLP, where Attorney Simonik is presently an Associate. She received her law degree from the Quinnipiac University in May 2002, and was admitted to practice law in the State of Connecticut in 2002 and the District Court in 2002.



Attorney Simonik practices mainly in the areas of tax foreclosure, mortgage foreclosure, collections, bankruptcy and all aspects of creditor's rights. She is a member of the New Britain, Connecticut State, and American Bar Associations, the National Association of Retail Creditor Attorneys, and of the Connecticut Creditor's Rights Attorneys' Association. She has participated in the Truancy Project in the City of New Britain as a volunteer attorney since its inception more than two years ago.

**Mark Solomon**

**Detective, CT Financial Crimes Task Force**



Mark Solomon is an 18-year veteran of the Greenwich, Connecticut Police Department. For the past 10 years, he has been assigned to the Greenwich Police Department's Criminal Investigation Division. During that time, he has successfully investigated numerous financially related crimes occurring in the state of Connecticut.

In December of 2009, Det. Solomon was assigned to the newly formed "Connecticut Financial Crimes Task Force." The Task Force is under the direction of the U.S. Secret Service, New Haven, CT Resident Office, and has the authority to investigate all financially related crimes occurring in or having a nexus to the State of Connecticut.

Since March 2009, Det. Solomon and the CT Financial Crimes Task Force have investigated a number of ATM Skimming incidents occurring in CT and along the Eastern Seaboard. He is also an active member of the International Association of Financial Crime Investigators (IAFCI). In 2010, Det. Solomon received the IAFCI's CT Chapter Law Enforcement Officer of the Year award.



## Program Outline

### ACH Self Audit

► **Tuesday, March 13, 2012** ▪ 9:00 a.m.—12:00 p.m.

**Workshop Leader: Sean Carter**

Have you ever wondered what specific areas of the ACH rules are included in the audit requirements and what the most common areas of non-compliance are? Arm yourself with “inside” information on how to best comply with the NACHA Audit requirements. We'll review areas to be audited and also describe the most pressing compliance issues during this session.

- Return Time Frames and Reason Codes
- ACH Record Retention and Data Security
- Account Disclosures
- Third Party Service Provider Agreements
- ACH Authorizations and Origination Agreements

### ATM Compliance

► **Thursday, April 19, 2012** ▪ 9:00 a.m.—12:00 p.m.

**Workshop Leader: Douglas B. Falcone**

This session will address several compliance issues that affect your ATM network. Topics will include PCI compliance, TDES compliance, ATM stickers' content and placement, and surcharge disclosure regulations. The session will also look to future compliance issues affecting the ATM industry, including EMV (Euro Master Card VISA Chip Pin) and RKT (Remote Master Key Transport.)

PCI Compliance: the Payment Card Industry Data Security Standard (PCI DSS) is a set of requirements designed to ensure that ALL companies that process, store, or transmit credit card information maintain a secure environment. Triple DES is the common name for the Triple Data Encryption Algorithm (TDEA or Triple DEA) block cipher, which applies the Data Encryption Standard (DES) cipher algorithm three times to each data block.

EMV (Europay, MasterCard and VISA) is a global standard for interoperation of integrated circuit cards (IC cards or "chip cards") and IC card capable point-of-sale terminals and automated teller machines applied for authenticating credit and debit card transactions.



## Program Outline

### Bank Secrecy Act

► **Tuesday, May 8, 2012** ▪ 9:30 a.m.—3:30 p.m.

**Workshop Leader: Jay Friedland**

#### **Bank Secrecy Act (BSA) and Anti-Money Laundering (AML): Key Requirements and Examiner Expectations**

*This session will address:*

- Basic BSA reporting and recordkeeping requirements such as large currency transaction reporting, exemptions, monetary instruments recordkeeping, wire transfer recordkeeping, suspicious activity reporting, 314 (a) and OFAC.
- Member due diligence, transaction monitoring and risk assessments.
- Examiner expectations as to identifying and addressing risks associated with high risk customers.
- BSA/AML compliance program elements.

### RESPA

► **Tuesday, June 26, 2012**

▪ 9:00 a.m.—12:00 p.m. ▪ **Workshop Leader: Martha Howell**

#### **Real Estate Settlement Procedures Act**

This session will look at the moving target that has been RESPA compliance for the last several years.

Included will be the Good Faith Estimate and the HUD Settlement Statement with consideration of what we have learned works.

Also on the agenda will be escrow statements and analysis.



*Continued next page*

## Security

### ► Tuesday, June 26, 2012

- 1:00 p.m.—4:00 p.m. ▪ Workshop Leaders: Tom Nash, Mark Solomon

#### **Tom Nash: 21st Century Financial Frauds – Part II ... Are You Prepared?**

Bring your questions, problems, thoughts and ideas to this session on current cyber financial frauds.

Are you prepared to face the challenges confronting your credit union and your members? What are you doing to mitigate risks posed by complex financial schemes? Do you know how these schemes work? What steps have you implemented? Been a victim...share your experience to help others!

Cyber fraud continues to alter the financial fraud landscape. In order to successfully mitigate risks you must first know what the risks are and understand the workings of the schemes. You can then implement proactive measures commensurate with your level of risk to protect your institution and its members.

#### **Mark Solomon: Identifying and Combating ATM Skimming**

This session will take a comprehensive look at ATM Skimming and how it is affecting the banking industry.

The presentation will identify the various groups targeting financial institutions as well as the sophisticated and most recent hardware being used to conduct ATM Skimming. A focused examination of hardware being used by the groups will help identify times of operation and the limitations of each of the devices.

The session will also focus on ways to identify, prevent, and reduce losses from ATM skimming operations. Through education, proactive measures, inspection, intelligence sharing, and active cooperation with law enforcement, reduction in ATM skimming operations is possible.



## Program Outline

### Vendor Management

► **Wednesday, July 18, 2012** ▪ 9:00 a.m.—12:00 p.m.

**Workshop Leader: Kris Buckley**

#### Third-Party Vendor Oversight

Third-Party Vendor Oversight is an ongoing requirement for all credit unions and extremely difficult to manage. Learn how to use the VMS software tool available to all affiliated credit unions at no cost to simplify and manage your program.

The class will include a review of the software and how to customize it to your credit union. We will also review the types of “third parties” and “vendors” your credit union does business with and what due diligence is typically required.

### InfoSight Compliance Website

► **Wednesday, August 21, 2012** ▪ 9:00 a.m.—12:00 p.m.

**Workshop Leaders: Tony Emerson, Nick Moalli**

This session will cover the scope of compliance topics found in the site, and focus on a number of individual sections in detail as representative of the whole.



## Program Outline

### Truth-in-Lending

► **Tuesday, September 25, 2012** ▪ 9:30 a.m.—3:30 p.m.

**Workshop Leader: Martha Howell**

#### Truth In Lending Act and Regulation Z

An overview of the requirements for closed-end loans will cover the disclosures, statements, and rescission.

The discussion will focus on open-end lines and credit cards including:

- disclosures
- periodic statements
- repayment options
- subsequent notices, and
- reevaluation of rates.

We can also expect that the Consumer Financial Protection Bureau will have made some progress with new disclosures, and if so, we will concentrate on those between the RESPA and the Truth In Lending sessions.



## Program Outline

### Bankruptcy & Collections

► **Tuesday, October 30, 2012** ▪ 9:30 a.m.—3:30 p.m.

**Workshop Leaders: Joanne Silvia , Melissa Simonik**

- **Bankruptcy**

This session will briefly cover the benefits to the debtor of securing bankruptcy, then enter into the causes of bankruptcy and discussions in depth of the differences among the various bankruptcy chapters that can be filed: Chapter 7, Chapter 13, and Chapter 11.

The speakers will follow up with in-depth discussions of bankruptcy in general, including:

- Proof of claims
- Sample petitions
- Reaffirmation agreements
- Exemptions under bankruptcy
- Preventive measures when contacted about a bankruptcy
- What to do with the notice
- What to ask after a petition has been filed
- Explanation of bankruptcy discharged
- What is and is not discharged
- Bankruptcy reform

- **Collections**

The session will begin with a discussion of the Fair Debt Collection Practices Act and its purpose. This will be followed by an overview of the collection process and demand letter.

Remaining time will be spent covering in some depth:

- Prejudgment remedies and asset disclosure
- The Connecticut General Statutes, Section 52-278
- Acting early and filing suit
- Judgment and post-judgment remedies
- Relationship to bankruptcy



## Appendix

This program is sponsored by CULCT Strategic Partner



All nine sessions take place at Ashlar Village in Wallingford, Connecticut, each on a single day per month from March through October 2012, with the exception of two separate half-day sessions to take place on Tuesday, June 26.

### Cost Schedule

If your 2012 dues are received by the League by close of business day Friday, January 13, 2012, there is no cost to attend. Otherwise, the total cost for all nine sessions per individual is \$249.00 or \$39.00 per person per session.

Affiliated Connecticut credit unions whose 2012 dues are paid by January 13, 2012 will be guaranteed places at each session:

- Assets under \$20 million: **one** free individual place per session guaranteed.
- Assets \$20 million to \$100 million: **two** free individual places per session guaranteed.
- Assets above \$100 million: **three** free individual places per session guaranteed.

### Registration

Registration will take place on a first-come, first-served basis. **The deadline to register for the entire program is Tuesday, February 14, 2012.** Registration for individual sessions must be made by two weeks prior to the session.

## Directions to Ashlar Village, Cheshire Road, Wallingford, Connecticut

### FROM HARTFORD

I-91 South to exit #17 (Wilbur Cross Parkway – Route 15 South)  
Take exit #64, at end of ramp there is a traffic light; turn left at light onto S. Turnpike Rd.  
Immediately at next traffic light, turn right onto Cheshire Road  
Ashlar Village Main Entrance is ½ mile on the right.

### FROM WATERBURY

84 East to exit #27 (691 East) toward Meriden/Middletown  
Take exit #10 (Wilbur Cross Parkway- Route 15 South)  
Take exit #64, at end of ramp there is a traffic light; turn left at light onto S. Turnpike Rd.  
Immediately at next light, turn right onto Cheshire Road  
Ashlar Village Main Entrance is ½ mile on the right

### FROM ESSEX

Route 9 North to exit # 20S (I-91 South) on the left toward New Haven  
Take exit #17 (Wilbur Cross Parkway – Route 15 South)  
Take exit #64, at end of ramp there is a traffic light; turn left at light onto S. Turnpike Rd.  
Immediately at next light, turn right onto Cheshire Road  
Ashlar Village Main Entrance is ½ mile on the right

### FROM NEW HAVEN via Route 15

Route 15 North to exit #64  
Turn left at traffic light onto S. Turnpike Rd.  
At second light, turn right onto Cheshire Road  
Ashlar Village Main Entrance is ½ mile on the right

### FROM NEW HAVEN via I-91

I-91 North to exit #13-Left hand Exit  
At traffic light, turn left and then immediately turn right onto Toelles Road  
At stop sign turn right onto S. Turnpike Road  
At second traffic light, turn left onto Cheshire Road  
Ashlar Village Main Entrance is ½ mile on the right

---

### FROM MAIN ENTRANCE TO EVENT PARKING

Upon entering the campus from Cheshire Rd., proceed to the second stop sign. You should see parking. You may see an “Event Parking” sign, or Security may be there to direct you to event parking.

