Welcome to our 1st Annual Newsletter.

As a way to keep our community information we created an annual newsletter. In this newsletter we will highlight our previous year events, changes or updates for the chapter, and what to look forward to in the upcoming year.

Ideas or Questions? Want to be a Speaker or Sponsor an Event?
Email us at pghacams@gmail.com. One of our board members will return your email based on your inquiry.

“Our first full year as a chapter could not have been successful without our great community and chapter sponsors. Thank you to everyone that made it possible”

- The Pittsburgh Chapter of ACAMS Board

In This Issue
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- Events
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- Chapter Sponsors
- Look ahead to 2019
Welcome to the Pittsburgh Chapter of ACAMS! Founded in September 2017, our chapter’s mission remains consistent with the international ACAMS mission, which is “to advance the professional knowledge, skills and experience of those dedicated to the prevention, detection and reporting of international money laundering.” To achieve this mission, our Board of Directors is comprised of professionals from financial institutions, public and private sector industry experts, and law enforcement who have years of experience in the AML and counter-terrorist-financing fields. We aim to provide our region, encompassing western Pennsylvania, West Virginia, and south eastern Ohio, a platform for career development and professional networking. By joining our chapter, you will have access to chapter events aimed to bring our ever growing community together to discuss the rapidly expanding anti-money laundering field.
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<td>Jennifer Wright, CAMS</td>
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Our launch event occurred on November 9, 2017 and was located at PNC Firstside. Mike Rodriguez, former ACAMS Chapter Development Manager, gave opening remarks to welcome the Pittsburgh Chapter into the ACAMS family, shared excitement for the new chapter, and shared ACAMS’ mission/goals & how they align with the Pittsburgh Chapter. The event featured keynote speakers Salim Jackson from the Pennsylvania Gaming Control Board and David Vanderaar, Gaming Supervisor from the Pennsylvania State Police Bureau of Gaming Enforcement who spoke on “Casino Gaming Enforcement: Investigations, Auditing, Fraud Prevention, and Anti-Money Laundering”. Salim and David provided a law enforcement perspective on casinos and financial crimes.

**KEY TAKEAWAYS FROM THE EVENT INCLUDE:**

1. Structuring plays a major role into money laundering in casinos.
2. Several casinos are listed on the 314(b) participant list and law enforcement could use 314(a) for casinos or financial institutions. These are valuable tools for communication.
3. RICO Act is commonly used for individuals when figuring out charges because individuals will travel between several locations & states.
4. Red flags for money laundering in casinos include: patrons engaging in minimal gaming activity without reasonable explanation, individuals that will provide false identification or information, and layering transactions to attempt to disguise true source of funds.

**ABOUT OUR SPEAKERS**

Salim Jackson is an eleven-year member of the Pennsylvania Gaming Control Board. He currently serves as an Office Supervisor.

Corporal David Vanderaar is a twenty-two-year veteran of the Pennsylvania State Police. He currently serves as a Gaming Office Supervisor with the Pennsylvania State Police Bureau of Gaming Enforcement.
Jim Candelmo is the Chief Anti-Money Laundering Officer with Capital One, and on the advisor board for ACAMS. In his role, Jim supports all facets of Capital One’s AML program.

Before joining Capital One, Jim served as the Bank Secrecy Act Officer at Ally Financial, where he was responsible for all Anti-Money Laundering activities and Ally’s Financial Crimes Intelligence Unit as well as other compliance activities.

Prior to that, Jim was the Deputy Criminal Chief (National Security) for the United States Attorney’s Office in Raleigh, North Carolina, where he was responsible for the investigation and prosecution of all national security cases. Before joining the US Attorney’s Office, Jim served 10 years with the Department of Justice in Washington, DC where he served as Senior Trial Attorney with the Department’s elite Counter Espionage Section and Fraud Section. He is a veteran of both the New England Bank Fraud Task Force and San Diego Bank Fraud Task Force.

Jim attended the University Of Dayton School Of Law where he was named to the Law Review. After graduating law school, he served on active duty with the United States Navy Judge Advocate General’s Corps, during that time Jim received his Masters of Law in International Law from Georgetown University.

He has served as a guest lecturer in the fields of Financial Crimes Intelligence Units, Terrorism and Terrorist Financing, Espionage, Cybercrimes, Suspicious Activity Review Teams and Bank Fraud. He is an adjunct professor of law where he teaches National Security Law and Federal Criminal Law.

Jim is a former member of the FBI’s Joint Terrorism Task Force Executive Council for the state of North Carolina. He is a current member of the FBI’s National Security Financial Sector Working Group, the Internal Revenue Service, Criminal Investigations’ Bank Forum, Association of Certified Anti-Money Laundering Specialists (ACAMS) Educational Task Force and a board member of the Federal Reserve Bank of Richmond’s Bank Secrecy Act Coalition.

His awards include the Department of Justice’s Director’s Award for Terrorism Prevention and National Security for his work in public/private partnerships combating Money Laundering and Terrorist Financing and the Central Intelligence Agency Seal Medal for his contributions to our National Security. Most recently, Jim was also named “AML Professional of the Year” by the Association of Certified Anti-Money Laundering Specialists (ACAMS).
FROM THE CAMLO VANTAGE POINT

1. Adequate resources need to be devoted to financial crime risk management and control structures to accommodate increasing expectations.

2. The overreaching umbrella of compliance risk management should cover AML, Fraud, and Cyber threats since they often resemble each other.

3. As business models change, technology is transformed and operating process evolve. Closer connectivity should exist between operational and AML risk.

4. Technology systems will need to be continuously updated to keep up with sophisticated products, transactions, and payments.

5. In the future AML professionals will require sophisticated skill sets beyond traditional AML compliance experts, as financial crime continue to coverage.

KEY TAKEAWAYS FROM THE EVENT INCLUDE:

1. With great data, comes great responsibility.

2. The landscape is always changing and there is always a need to adapt.

3. Do not be on the end of a conversation indicating that “you should have known”.

OVERVIEW OF EVENT

Kicking off 2018, we had an event at PNC Firstside on March 18th. The keynote speaker was Jim Candelmo who is the Chief Anti-Money Laundering Officer (CAMLO) with Capital One and a member of the ACAMS Advisory Board. The presentation “Recent Industry Trends and What It Means to the Future of the AML Professional” focused on issues from a CAMLO perspective. We thank Capital One for being an event sponsor for the event as well.

Thank you to our event sponsor:
Project to End Human Trafficking

Mission Statement

The Project to End Human Trafficking works toward the prevention and elimination of trafficking in persons through awareness raising, direct service coordination, capacity building and collaboration with key stakeholders.

U.S. NATIONAL TIP HOTLINE: 1-888-373-7888

Dr. Burke is a Professor of Psychology at Carlow University in Pittsburgh, Pennsylvania where she teaches in the Doctoral Program in Counseling Psychology. Her scholarly interests include minority mental health in the context of oppressive systems, gender based violence, trauma and human trafficking. In 2004 she founded the Project to End Human Trafficking (www.endhumantrafficking.org), an all-volunteer United States based non-profit group that works regionally, nationally, and internationally to raise awareness about the enslavement and economic exploitation of people. In this role, Dr. Burke has lectured extensively and facilitated trainings about human trafficking both in the United States and abroad. She has begun anti-trafficking coalitions in Pennsylvania and Virginia and consulted on the development of coalitions in other regions. In addition, she has spoken to various state and regional elected officials in Pennsylvania and Virginia regarding this issue and has worked on legislation in these states in support of strengthening human trafficking laws.

Current international efforts are focused in Uganda where she and her team work collaboratively with citizens to prevent trafficking through school and community based programming. Access to education and therapeutic services for women and child sex trafficking survivors is also part of the effort in the Soroti and Lira areas of northern Uganda, a region traumatically impacted by armed conflict for over twenty years. Dr. Burke is a member of the American Psychological Association Task Force on the Trafficking of Women and Girls and is working to advance knowledge about current best practices regarding therapeutic work with survivors. She is often called upon to assist news media outlets on the issue of trafficking.

Kailynn Weismann is an analyst for FBI field office in Pittsburgh PA. Her main focus is Human Trafficking for the region. In addition she is also part of the Pittsburgh Task Force for Human Trafficking.
KEY TAKEAWAYS FROM THE EVENT INCLUDE:

1. How do we tell the difference between prostitution vs human trafficking? It is hard since there are similar red flags which is why law enforcement advises to list ‘advisory human trafficking’ in cases even when you think it’s prostitution.

2. If the subject is under 18, it is always considered sex trafficking; even if the person appears to be willingly engaging in prostitution.

3. Labor trafficking red flags include numerous rental payments in an account. These numerous payments might appear as business activity in a personal account, but really could lead to something more complex.

4. Social media is still very huge in human trafficking. SnapChat is the preferred method due to conversations deleting after being viewed.

5. SARs matter, big or small. If you are filing a low dollar SAR and question whether it is worth it, remember ten financial institutions could be filing on the same person which helps create a larger picture for law enforcement.

Overview of the Event

The next event on June 7th included keynote speakers Dr. Mary Burke PhD of Carlow University & The Project to End Human Trafficking and Kaitlyn Weismann from the FBI who conducted a “Human Trafficking Seminar” at the Bank of New York Mellon Center. During the presentation, Dr. Burke provided an academic and research perspective; while Kaitlyn balanced the second half of the presentation from a law enforcement aspect. Both presentations provided a definition of human trafficking, red flags, and ways to prevent human trafficking.

We thank Carlow University & The Bank of New York Mellon for being an event sponsor for the event as well.

Thank you to our event sponsors:
Travis Nelson is partner in the Business Section at Holland & Knight, LLP, resident in the Philadelphia and New York offices, who focuses his practice on serving financial institutions, and their directors and officers, in corporate M&A and other transactions, regulatory compliance (including consumer finance and non-consumer regulations), federal and state enforcement actions, internal investigations, and defense of financial services class action litigation. A significant portion of Mr. Nelson's practice is devoted to defending financial institutions in regulatory and criminal examinations and enforcement actions brought by the Consumer Financial Protection Bureau (CFPB), Office of the Comptroller of the Currency (OCC), Federal Reserve Board, Federal Deposit Insurance Corp. (FDIC), the U.S. Department of Justice (DOJ) and state regulators. In addition, Mr. Nelson advises clients on navigating U.S. anti-money laundering laws and on cannabis banking.

Mr. Nelson formerly worked with the Enforcement Division of the Office of Comptroller of the Currency, the bureau of the U.S. Department of the Treasury that regulates federally chartered banks. He is also an active member of the American Bar Association's (ABA) Banking Law Committee, is a frequent writer and speaker on bank regulation, and is adjunct faculty at the Villanova University Law School where he teaches Financial Institutions Regulation. Mr. Nelson serves as co-editor of the ABA's Banking Law Committee Journal, and chair of the Banking Law Section of the New Jersey State Bar Association.
OVERVIEW OF EVENT

Travis presented a lecture on two hot topics in bank regulation. First, in the area of anti-money laundering enforcement, now more than ever banks and their in-house counsel and compliance officers need to appreciate the risk of federal examination and enforcement of anti-money laundering laws. Not only does AML enforcement pose significant reputational risk for banks, but also a comparatively heightened risk for enforcement actions against in-house counsel and compliance officers personally. Second, in the area of Cannabis Banking, the current political and regulatory environment has left many banks and their legal and compliance departments dazed and confused over whether or not they may serve this rapidly emerging industry. This issue is complicated by the fact that there is no “typical” marijuana-related business against which banks can design their cannabis lending policy, or evaluate their cannabis lending risk.

KEY TAKEAWAYS FROM THE EVENT INCLUDE:

1. Examiner’s Focus: traditional money laundering schemes, new payment approaches, risk policies & procedures, risk appropriate controls, and implementation of the beneficial ownership rule.

2. Review other enforcement actions to learn what the regulators are looking for.

3. Key supervisory expectations for AML include: Board and Sr. Management are appropriately informed of AML program requirements, adequate funding and resources for the compliance program, periodic substantive training and testing of personnel, proper reporting lines for BSA compliance head, and periodic compliance tests which are followed by appropriate remediation.

4. Determine your financial institution's risk appetite for marijuana-related businesses (MRB)

5. Three levels of MRB: Tier 1 “Touch the Plant” companies, Tier 2 service the Tier 1 companies and Tier 3 service Tier 1 & 2 companies (Ex: CPA, lawyers, etc.).

6. Cannabis is still considered a schedule I drug in various forms.

7. Two types of Marijuana SARs include Marijuana Limited and Marijuana Priority.

8. The states serve as testing grounds for laws. It will be interesting to watch what happens in California over the next year.
ABOUT OUR SPEAKERS FOR
VIRTUAL CURRENCY SEMINAR

Sean Wolfgang is part of the National Cyber Forensics and Training Alliance (NCFTA)’s Cyber Financial (CyFin) team where he works as a senior intelligence analyst. His topics of focus include SWIFT and wholesale payment systems fraud, trends and strategic issues, cryptocurrency issues, and open source monitoring. Sean is also part of the NCFTA’s Critical Infrastructure-Supply Chain (CI-SC) working group. Before joining the NCFTA, he was an all-source analyst with BAE Systems supporting the DHS critical infrastructure protection mission. Sean’s educational background includes a Bachelor of the Arts in Political Science and Japanese.

Mr. Bitkower is a former principal deputy assistant attorney general for the Criminal Division of the US Department of Justice (DOJ), the second-highest ranking position in the division. In that role, he managed the division’s more than 700 federal prosecutors who conducted nationally significant investigations and prosecutions in cases involving white collar crime, money laundering, public corruption, cybercrime and cryptocurrencies, intellectual property, and organized and transnational crime, among other areas. Together with other senior DOJ leaders, he oversaw the department’s most significant investigations and prosecutions of corporate wrongdoing, including financial institution fraud, FCPA violations, sanctions evasion, and corporate health-care fraud.

Before serving in DOJ leadership, Mr. Bitkower served as an assistant US Attorney in the Eastern District of New York. He prosecuted scores of criminal cases involving financial fraud, money laundering, export violations, murder, and terrorism. While at EDNY, he served as chief of the National Security and Cybercrime Section and chief of the Violent Crimes and Terrorism Section. Managing a unit of more than 20 prosecutors, investigators and staff, he was responsible for supervision of counterterrorism, espionage, export and sanctions enforcement, international organized crime and cybercrime cases. He prosecuted a number of prominent terrorism cases including the trial of an al-Qaeda plot to bomb the New York City subway system.

After a decade of working in the legal industry managing investigations, operations, and personnel for boutique firms on both coasts, Moriah Kairouz Batza joined Bittrex in early 2018, where she primarily manages the company’s compliance analysts and AML/KYC efforts under the leadership of CCO John Roth. Prior to joining Bittrex, Moriah directed the business operations and financial management of a white collar litigation firm located in Washington, D.C. Before moving to the nation’s capital, she conducted and supervised hundreds of investigations, many involving high-profile individuals and legal cases, as a senior private investigator in Los Angeles County, California. Moriah earned her MPA from American University and holds a BA in international studies and political science from the University of California, San Diego.
In this event we had 3 presentations split between a “Pre” and “Main” Event. The “Pre Event” Seminar was presented by Sean Wolfgang of the NCFTA, and will deal with an overview of virtual currencies and blockchain. This presentation is designed to provide individuals with a better foundation of virtual currencies and blockchain.

Next we have our “Main Event” Seminar. This seminar will offer a presentation on Virtual Currency Investigations presented by Sean Wolfgang of the NCFTA. Following the presentation we will have a “Panel Discussion on Virtual Currency”. This discussion featured our Keynote Speakers David Bitkower who is a Partner and FinTech Expert from Jenner & Block, Moriah Kairouz Batza who is Compliance Manager for Bitrex, and Sean Wolfgang of the NCFTA. The three speakers answered various questions regarding the current landscape and what might be ahead in the future.
KEY TAKEAWAYS FROM THE EVENT

1. A digital asset designed as a medium of exchange that uses cryptographic algorithms to determine how the currency is created and secured. At its core, it’s a mathematical algorithm.

2. Bitcoin today takes extreme amounts of hardware and electricity to mine (1000-6000 years of processing power for one whole Bitcoin, depending on estimates)

3. Payments & Transfers happen from customer’s wallets or exchanges. While to track these one would look at the blockchain.

4. The blockchain is a distributed ledger or database

5. Cryptocurrency-derived systems: Non-cryptocurrency blockchains use for things such as record keeping, smart contracts, Initial coin offerings used for startup fundraising, and exchange mediums that are used for faster currency exchange methods.

6. Cryptocurrencies are young. They could have Legitimate and illegitimate uses.

7. Cryptocurrencies and blockchain technology possess both real potential and room for questionable activity

8. U.S. and FINCEN guidance issued in March 2013, which was first country to do so

9. When dealing with US exchangers they are under a lot of the same compliance and KYC rules as financial institutions.

10. US Virtual Currency Exchangers are looking to investigate transactions by flowing the flow of funds, and a lot of the same AML Typologies.

11. A lot of US Virtual Currency Exchangers participate in 314(b) information sharing
KEY TAKEAWAYS FROM THE EVENT CONTINUED

1. 5 Large Criminal Cases involving Virtual Currency include: (a) Coin.mx: Two pled guilty and two others on trial in U.S. for running Coin.mx as an unlicensed money transmitter; AML violations; bribes to control a credit union; other violations (b) BitInstant: Former CEO sentenced by U.S. authorities to 2 years prison for selling $1M USD Bitcoins for use by Silk Road (c) Mt. Gox: Senior figure prosecuted in U.S. for fraud and embezzlement of $390M USD (d) Sheep Market-place: Individual arrested and charged in Czech Republic for enabling a drug market, theft of $40M USD in Bitcoins (e) BitFunder: U.S. federal criminal and SEC fraud charges for alleged securities fraud, perjury, obstruction of justice.

2. Virtual Currency become more famous for TOR & Online Marketing places.

3. Mining (Illegally) for Cryptocurrency: 2 Types: ‘Traditional’ malware-based mining & Browser code

4. ICOs: Financing model where a startup solicits initial funding in exchange for a ‘token’ that can be sold or cashed in later. Currently very little vetting or regulation, though SEC getting involved

5. Tracking criminal cryptocurrency use: Following the blockchain entries, Manual tracking not easy, For regular users, it can be transparent as intended, But it can also be heavily obfuscated, & Criminals usually need to exchange their cryptocurrency for real currency somewhere

6. If you see large string of numbers and letters this could be a wallet or transaction. Which can be searched on the blockchain for using a tool such as Elliptic and Chainalysis.

7. Tracking Bitcoin transactions greatly simplified with tools such as Elliptic and Chainalysis. Tools utilize the open blockchain for the raw data, use data science techniques to simplify tracking and highlight connections
In August of this year, the chapter sent out a survey to our membership. We wanted to gauge how we were doing, and which direction that our community wanted us to move towards. The questions include:

- Which chapter event(s) did you attend?
- On a scale of 1-5, Please rate the events.
- Was the event(s) length too long, too short, or about right?
- Did you have ample time to network?
- Any feedback from event(s) that you might have attended.
- Are you currently a chapter member?
- Please list the 3 topics you would be interested in learning about in the next year?
- Are you interested in being a speaker at a future event? Or is your organization interest in becoming a chapter sponsor?
- Do you have any recommendations or further comments?

Thank you to everyone that participated in the survey. We plan on using this information to plan future events for the chapter to try to ensure the best results. Here are some of the results of that survey.
Are you currently a member of the Chapter?

Yes: 33x chosen (76.74%)
No: 10x chosen (23.26%)

Did you have ample time to Network?

No: 1x chosen (2.70%)
Yes: 36x chosen (97.30%)

Was the event too short, too long, or just right?

Way too short: 1x chosen (2.78%)
About right: 35x chosen (97.22%)
In 2018 our chapter was able to have 4 events from world class industry professionals. Because of this our chapter was able to have events that would see an average of 100 participants attend. Also we continued to grow engagement and our overall community.

In 2018 we launched a LinkedIn Group for our chapter. This was a way to keep members that use the social media platform up to date with the chapter event, and announcements.

As the year progressed we expanded this LinkedIn Group to a LinkedIn Company page. With transitioning to this we were able to interact more not with only our own community but the larger ACAMS community. With seeing the success of our LinkedIn Company page many other chapter created similar profiles for their chapters.

Lastly we launched on Twitter as well. This was to continue other opportunities for our community to remain in contact with our chapter.
At our last event in 2018 we started to provide information sheets that would contain QR Codes. This was so individuals at the event could scan the codes with their phones to bring up additional information on topic, speakers, or links to chapter information.

We wanted to think of a way to give back to our wonderful community. So at our last event of 2018 we picked 2 lucky winners for our “Chapter Pass”. This pass would allow them to all regular chapter events for 2019. Congrats Dennis Barton and Sylvia McGaughey.
All these events would not have been possible without the support and enthusiasm of our sponsors PNC, WesBanco, Oxford Solutions, and Gannon University. We would like to thank them all for their continued support and we look forward to working together in 2019.
WANT TO BECOME A SPONSOR?

Reach ACAMS Members, Local AML/Fraud Professionals, Law Enforcement, and Higher Education Institutes.

BENEFITS

- Broaden Your Brand Awareness by sponsoring a chapter event. Your company will highlight our email and social media campaigns that reach
- Hundreds of attendees at Pittsburgh chapter learning events
- Use of your company name/logo in our chapter emails, event announcements, event registration and introductions
- Sponsor materials posted to our chapter event page on the ACAMS website
- Ability to distribute marketing materials during the networking portion of the event and leave materials on the event attendees’ seats
- Acknowledgment during the event
- Ability to participate in the learning event if the sponsor has a qualified speaker (subject to Board approval)
- And MUCH MORE!
We are thankful to have a successful first full year in 2018. The chapter is equally excited for what lies ahead in 2019. To help plan upcoming learning events we plan on utilizing information from our survey, and industry trends to attempt to bring relevant information to our community.

The chapter will also continue to engage our community for ideas to steadily improve the chapter.

A survey was sent in December regarding interest in a regional event for in collaboration with the Central Ohio Chapter and Northern Ohio Chapter.

**FIRST EVENT OF 2019**

For our first event in 2019 we welcome Jason Chrolins from Kaufman Rossin. Jason was named 2018 ACAMS Professional of the Year.

**Topic:** A “Look-Back” at AML in 2018 and What to Expect in 2019

**When & Where:** February 21, 2019 at BNYM Center

**Overview:** As we start 2019, join us to hear from the 2018 ACAMS AML Professional of the Year on what made 2018 a year to remember in the world of AML and what to expect in the World of AML in 2019.