



CERTIFICATION NEWS

SECURITY

Serial Robbers—Where Do You Rank?

By Barry Thompson

After experiencing a robbery for the first time, many financial institutions believe that this first occurrence was “their turn.” They may also believe that, now that it has happened, they are in the clear for another long length of time. Institutions with this mindset do not understand the basics of a robbery — robbers are either serial to a financial institution or to a local area. The amount of money a financial institution hands the robber determines if they will see them again. Regardless of position, every bank employee needs to know and understand the fundamentals of robbery and bank security.

The criminal network is a chatty bunch and they often share details with each other, such as how lucrative the event was or wasn’t. They discuss how the victim institution reacted to the robbery and/or how they could have taken more money. Those that have already been to prison share lessons learned about how

to write robbery notes, the best methods to intimidate staff, and what other criminals did wrong that got them arrested.

The “well-educated” robber is a dangerous person during robbery events. Criminals are market-driven, they rob those where the reward is most worth the risk. For example, why rob a convenience store if the return is below \$500 and there’s a possibility of being shot? By contrast, a financial institution is most likely to be a passive victim. The robber passes the note, acting like a normal customer and walks out. If the teller isn’t cooperative or moving fast enough, the robber might look for family pictures in plain view and tell the bank employee that he or she knows where their children go to school or where their significant other works. The robber will say anything they can to rattle the teller and get the money out the door faster.

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PROFESSIONAL PROFILE

Get to Know Christopher Berg, an ICBA-Certified Banker in South Dakota

By Shirley Ringhand

Christopher Berg is cashier (financial officer) and compliance officer at Valley Exchange Bank in Lennox, S.D. Chris holds three ICBA certifications. He became a Certified BSA/AML Professional in 2007, a Certified Community Bank Compliance Officer in 2008 and a Certified Community Bank Internal Auditor in 2009.

Fact Check

Valley Exchange Bank

Headquarters: Lennox, SD

Retail offices: Two

Bank asset size: \$66 million

Number of bank employees: 21

Number of staff in auditing and BSA/AML: One

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2019 CERTIFICATION CALENDAR

Audit Institute

- Apr. 28-May 3; Dallas, TX
- Sept. 8-13; Minneapolis, MN

Annual Current Issues Certification Conference

- Sept. 23-26; Minneapolis, MN
- Oct. 7-10; Charlotte, NC

Bank Security Institute

- Sept. 15-18; Minneapolis, MN

BSA/AML Institute

- May 14-16; Minneapolis, MN
- Aug. 5-7; Denver, CO
- Nov. 13-15; Dallas, TX

Compliance Institute

- June 9-14; Minneapolis, MN
- Sept. 29-Oct. 4; Nashville, TN

Commercial Lending Institute

- Aug. 11-16; Minneapolis, MN

Consumer Lending Institute

- Sept. 8-11; Minneapolis, MN

Credit Analyst Institute

- Mar. 31-Apr. 3; Orlando, FL
- Oct. 27-30; Minneapolis, MN

IT Institute

- Aug. 5-9; Minneapolis, MN

Risk Management Institute

- Oct. 28-30; Minneapolis, MN

IN REMEMBRANCE

ICBA Instructor Jeff Judy Passes



Jeff Judy, a long-time industry consultant and ICBA friend, died Sunday, March 3 at his home in Bloomington, MN. His firm, Jeff Judy & Associates, provided training in credit and other industry topics.

Jeff had a special gift of commanding the room when talking about credit with community bankers. He made learning fun and relevant for his students. He worked at many of the banking schools, consulted at banks across the U.S., and was an occasional contributor to this newsletter.

Before launching his own consulting business, Judy worked for a variety of banks, including Continental Illinois (now Bank of America), Norwest (now Wells Fargo), and AgriBank, FCB. While he started his career in big banks, his heart landed in the community banking industry. He spent the last 20 years working with community bankers.

Judy discontinued his popular e-zine on January 23, after struggling with cancer. He passed away peacefully surrounded by his three girls at home, just the way he wanted.

ICBA had the great privilege of working with Jeff for over 15 years. He was remarkably committed to the industry and had a unique way of making learning memorable. The industry lost an incredible expert, advocate, and friend.

FINANCIAL INSTITUTIONS BLOG

By John Zasada

SARs Reveal Widespread Elder Abuse

On Feb. 26, 2019, the Consumer Financial Protection Bureau (CFPB) released a report detailing its study of elder financial exploitation (elder abuse) as evidenced by Suspicious Activity Reports (SARs). The 35-page report explains the results of analyzing more than 180,000 SARs filed involving elder abuse and a total of \$6 billion in elder abuse suspicious transactions. Among the key findings in the report:

- Financial institutions reported \$1.7 billion in suspicious activity in 2017
- The average loss involving elder abuse was \$16,700
- SAR elder abuse filings quadrupled between 2013 and 2017
- More than half of elder abuse SARs involved a money transfer
- Checking and savings accounts had the highest monetary losses
- Adults 70–79 years of age had the highest average monetary loss (\$45,300)

Did You Know?

One of ICBA's most popular courses in its Online Training Library is "Elder Financial Abuse." The course highlights how financial abuse may occur, and important steps banks should take to prevent it.

CFPB Releases Fair Debt Collection Practice Act Report

On March 20, 2019, the Consumer Financial Protection Bureau issued a report to Congress on the Fair Debt Collection Practice Act (FDCPA). The 47-page report contains a lot of important statistics, including the fact that the CFPB received 81,500 complaints about debt collection in 2018. Debt collection is one of the most prevalent consumer complaints received by the CFPB and the most common debt collection complaint is about attempts to collect a debt that the consumer believes is not owed. The CFPB engaged in six enforcement actions in 2018 for alleged FDCPA violations. The CFPB also announced that it will issue a Notice of Proposed Rulemaking on debt collection in the spring of 2019. Even if your financial institution is not subject to FDCPA because you do not collect debts on behalf of others, the FDCPA still provides an excellent guide for your collection practices. Following the FDCPA can help you avoid claims of unfair, deceptive, or abusive acts or practices. You can find the report on the CFPB's website, www.consumerfinance.gov

John Zasada is a principal with CliftonLarsonAllen and leads the firm's financial institution regulatory compliance practice

Compliance on the Horizon

- Regulators issued a final rule requiring lenders to accept private flood insurance policies, as required by the Biggert-Waters Act of 2012. The final rule is effective July 1, 2019. To review the rule go to <https://www.fdic.gov/news/board/2019/2019-01-25-notational-fr.pdf>.
- The Secure and Fair Enforcement (SAFE) Banking Act which establishes a cannabis-banking safe harbor for financial institutions whom bank cannabis-related businesses, passed the House Financial Services Committee on March 28. The bill now moves to the House and Senate for review.

Serial Robbers, continued from page 1

Robbers may strike in their own local area because they have familiarity and knowledge. They know where to hide after the robbery. They know escape routes. They may even know the vulnerabilities of employees.

If the local area isn't the attraction, the institution brand may be the draw. Just as people may prefer Dunkin'® to Starbucks®, a robber might prefer the local bank versus a national bank. After they rob a couple of institutions, they find that the procedures at Institution X make them feel more comfortable. Once that happens your financial institution becomes the target of choice. You may find yourself being robbed several times because your

staff makes a better target. Eventually the robber will be arrested, but your institution may take a few years to recover from the event(s).

Changes in technology and bank operations affect the likelihood of being targeted by robbers as well. Cash recyclers have become a big part of how and why your institution will be robbed. If you have a robbery and staff were not trained properly, they may inadvertently open the recycler and hand over all the money inside. Congratulations, you have just become the new target of choice.

In performing risk assessments, we look at how attractive your institu-

tion is to a robber compared to your neighboring competitors. The next time you drive by a branch at night or walk past a bank on your way to lunch, take a look around. If you were to think like a robber, what stands out to you? What are the weaknesses of your bank branch? What are the strengths? What are the strengths and weaknesses of your neighboring institutions? See where you rank and make the necessary changes.

Barry Thompson is the lead instructor for the ICBA Bank Security Institute and the ICBA Fraud Seminar. Used with permission. Copyright, 2018, Thompson Consulting Group, LLC. All rights reserved.

Profile, continued from page 1

What makes a community bank different from the larger banks?

Community banks have a vested interest in their communities and close ties to the areas they serve. Many community banks are bedrocks of their communities' local economies whereas mega banks have strong ties to their shareholders and generally do not have that local bond.

What makes you most proud about your bank? Valley Exchange Bank was founded in 1883, survived the Great Depression, and is still independent today!

How did you find your way into banking? I went to school for business and started off as an internal auditor in the government sector. I wanted to move closer to my home area, and noted that Valley Exchange Bank had an open position for an internal auditor and compliance officer.

Tell us your biggest and best accomplishment. My biggest and best accomplishment is assisting in our bank's efforts to being on good terms with regulators. I have also worked to help create a culture in the

bank where compliance and auditing are taken seriously instead of being an afterthought.

What do you like best about the work you do? I like the variety in my work and being in a smaller work environment where an employee is part of a family, not a number. I also like the fact that our staff is always encouraged to improve themselves professionally, which is a must in business and community banking.

What is your bank's customer service philosophy?

The "golden rule" philosophy is used when working with customers. Many of the bank's customers are neighbors, family, friends, and others that we know in the communities we serve.

What's your best advice to a new bank employee? Be ready for and embrace changes in both the industry and on the bank-wide level. There have been significant changes in banking and banking regulations since 2006 when I first started and we are very likely to see additional changes going forward. Change can be hard, so being able to effectively deal with

change is the best path for the employee and banks in general.

I also recommend new employees be open to training and education. This allows one to understand the nuances of each area in the bank, different changes coming up, and other issues happening across the banking and community banking worlds.

Why did you choose to become certified? I wanted to challenge myself to achieve certification and also be more knowledgeable about my areas of work.

How has earning your certification designation helped your career as a banker? It challenges me to stay current on banking topics and to learn with other peers who have similar or different issues. The process of becoming certified and being certified helps one apply what has been learned to my bank and being able to see issues across the world of community banking.

Shirley Ringhand (shirley.ringhand@icba.org) is vice president, Certification, Seminars and Bank Director Program, Community Banker University at ICBA.



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CERTIFICATION NEWS

CPE Requirements for Certified BSA/AML Professional Designation

The continuing professional education (CPE) requirement for a Certified BSA/AML Professional (CBAP) designation has changed from 15 to 20 CPE credits effective with all certification cycles beginning on Jan. 1, 2019.

Regulatory expectations, strict examiner scrutiny and heightened financial trends continue to increase since 2007, when the BSA/AML Certification Program was first introduced. To ensure all individuals maintaining the CBAP designation remain on the pulse of industry issues and emerging trends, the ICBA Certification Board recommended and approved an increase to 20 CPE credits.

Your Online Certification Portfolio Has a New Look!

Interact with your certified peers in our Certification Forum!

Community Banker University's Certification Forum is an online discussion site where certified bankers can hold conversations in the form of posted messages. Each certification type has its own forum. To access your discussion forum, click on the red **CLICK HERE** button on the home page of your certification portfolio.

Stay connected and start chatting with your peers today! For questions contact Julie at 800-422-7285, extension 7334.



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