

“JUST ENOUGH” IS NOT ENOUGH

Regulatory Compliance Poses a World of Risk for Community Banks

Criminals have shifted their focus to the local level, with regulators close on their heels. Compliance programs that do “just enough” may not be keeping pace with these new realities.



In the past 5 years,

45 COMMUNITY BANKS

faced regulatory action due to poor or substandard processes

700+% INCREASE

in penalty amounts over that same period

AVERAGE FINE IS \$2M

but that's just the **TIP OF THE ICEBERG**. Even for an organization receiving a smaller \$500K fine, total costs could look something like this:

\$500K
Fine

\$4M
Upfront
remediation costs

\$5M
Ongoing annual
expenses

18%
Share value
decline

IMMEASURABLE:

increased constraints that stall organic growth and/or acquisitions



“WHEN A SMALL INSTITUTION OPENS ITS DOORS TO THE WORLD, TAKES ON GREATER RISK THAN IT CAN MANAGE, AND PUTS PROFITS BEFORE AML CONTROLS, BAD ACTORS ARE BOUND TO TAKE ADVANTAGE.”

—SHASKY CALVERY, FINCEN DIRECTOR
(in response to enforcement action against North Dade Community Development Federal Credit Union)

FINANCIAL CRIMES HAPPEN EVERYWHERE:

Money laundering investigations in virtually **EVERY STATE** over the past 3 years.

The **MONEY MULES** used in many of these schemes often don't even know they're involved in illegal activity.

Relying on friendly knowledge of your local customers isn't enough. All of their relationships potentially pose risk to your bank as well.

Learn how you can better

PROTECT YOUR ORGANIZATION, AND THE COMMUNITY

that depends on it for their security and success.

CALL 800.869.0751

OR VISIT: LEXISNEXIS.COM/ANTI-MONEY-LAUNDERING