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We have been serving the precious metals and jewelry industries for 25 years.

We will be here for ongoing advice and to update our AML programs... free of charge.



## Washington Developments

Recently, I had the pleasure of representing the precious metals and jewelry industries as the delegate to the Bank Secrecy Act Advisory Group. The BSAAG was formed by the Financial Crimes Enforcement Network (FinCEN), which is the Treasury Department's financial intelligence unit. It's charged with the implementation of the anti-money laundering provisions of the USA PATRIOT Act, most of which became amendments to the Bank Secrecy Act (BSA).

The BSAAG meets twice a year in Washington to give senior officials of regulatory and enforcement agencies a chance to meet informally with industry representatives. (Pardon me for surrendering to the D.C. acronym fetish!)

Here are some impressions from the meeting that might affect you:

- The question of whether silver will be covered as a precious metal is still as much in the air as it was eighteen months ago.
- The investigative arm of Internal Revenue Service will be the default enforcement and investigating unit if the industry in question does not have its own regulator (eg., bank examiners for the banks, the SEC for broker/dealers, etc.). Precious metals and jewelry businesses, along with money service businesses and other unregulated industries that are brought under the BSA, will be watched over by IRS.
- FinCEN and IRS are focused on the money service businesses (Check cashers, money transfer agents, currency exchangers). IRS is presently doing spot checks on MSB's to confirm that they have anti-money laundering programs.
- But IRS is not yet doing a significant number of formal or in-depth audits. This is because:
  - FinCEN and IRS are undermanned. IRS expects to hire a large number of investigators in the third quarter.
  - The examination manuals for precious metals, MSB's and other non-bank financial institutions are not yet completed.

The regulated industries can take comfort in knowing their regulatory counterparts understand their business. Industries such as ours will be dependent on agents that may or may not have experience in precious metals or jewelry.

**Bottom line:** The next few months may well be the best opportunity ever to bring programs up to speed, and see to it that any surprises are happy ones.

**Questions? Do you need to know more about how to set up your anti-money laundering program? We can help. And our precious metals and jewelry industry professionals are also accredited by the Association of Certified Anti-Money Laundering Specialists (ACAMS). Call me, Mike Riess, at: (203)661-6715 or reach me by e-mail at: [MRIESS@MAT-MGT.COM](mailto:MRIESS@MAT-MGT.COM)**

To find out more about the Patriot Group of Materials Management Co. and about our AML programs and services, visit our website at: [WWW.MATERIALSMANAGEMENT.NET](http://WWW.MATERIALSMANAGEMENT.NET). There you'll also find the final regulations and a wealth of background information.

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