

Director Freis Speaks to Federal Credit Union Representatives

September 21, 2010

Financial Crimes Enforcement Network (FinCEN) Director James H. Freis, Jr., today spoke to credit union members attending the National Association of Federal Credit Unions (NAFCU) Washington Conference.

Director Freis focused his remarks on the importance of having Federal Credit Unions follow Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) rules as a way to protect credit unions and their more than 50 million members from financial fraud.

Director Freis recalled his [speech to NAFCU three years previously](#) where he laid out the different ways that Suspicious Activity Reports (SARs) and Currency Transaction Reports (CTRs) filed with FinCEN are used to combat criminal activity: tips to start law enforcement investigations, identifying information for investigations already underway, identifying trends, and deterrence of criminal activity.

Additionally, as many Federal Credit Unions offer their members mortgage loans, Director Freis called attention to FinCEN's active role within the [Financial Fraud Enforcement Task Force \(FFETF\)](#) at the committee and working group levels in particular to combat [mortgage fraud](#).

Whether a credit union is a direct residential mortgage lender or its membership feels the impact of the changes in the mortgage markets, including as direct or indirect victims of fraud, FinCEN has brought focus to foreclosure rescue scams, home equity loan conversion schemes and the interconnectedness between money laundering, mortgage loan fraud, and other financial crimes.

Also recalling his emphasis from three years previous on the importance of dialogue among financial institutions and FinCEN to run an efficient regulatory regime, Director Freis discussed FinCEN's current outreach initiative to depository institutions with assets under \$5 billion. He noted that FinCEN's approach to fighting fraud and financial crime involves not only the frontline people who work in financial institutions and have day-to-day contact with their members, but also the leadership of an organization. To that end, FinCEN has increased its emphasis on industry outreach and is conducting meetings with representatives from the nation's depository institutions to gain a better understanding of the unique challenges federal credit unions face in meeting their BSA responsibilities.