

Identifying and Monitoring High Risk Entities
PROJECT PLAN

Task	Assigned To	Status
PHASE 1 – Complete risk assessment of the Bank’s products and services. Document Board approval.		
PHASE 2 – Establish program to identify and monitor high risk commercial (non-personal) customers.		
1. Establish communication plan with senior management to keep them apprised of project status and required resources. Provide periodic updates to management and Board. Document status of project in quarterly BSA/AML Compliance report.		
2. Establish program parameters: <ul style="list-style-type: none"> • Assign risk rating by officer, branch, department, etc. • Deadlines for completion of risk rating • Timeframe for subsequent of high and moderate risk customers • Responsibilities for receiving and reviewing reports, monitoring for completion • Record retention 		
3. Provide memo outlining risk factors to IT Department to generate list of potentially higher risk customers.		
4. Schedule training for all individuals involved in the review process.		
5. Distribute materials to staff (customer list, risk rating form, instructions, FAQ, training schedule). Instruct each individual to complete risk rating process for 1 or 2 customers and STOP. Bring these to the training session for discussion purposes.		
6. Design report to identify missing information on customers that have been risk rated. For example, Risk Rate=L but NAICS code field has not been completed. Fields to be considered: Risk Rate Date, Risk Rated By, NAICS code, TIN, Occupation/nature of business.		
7. Establish ongoing monitoring reports. We need to automate as much as possible. Examples may include: <ul style="list-style-type: none"> • Daily report of Low risk customers with wire(s) exceeding \$X,XXX or any foreign wire. • YellowHammer (Add Extreme to daily watch list) • Quarterly report of Low risk with certain high risk factors (such as Direct/Indirect Deposits or Liabilities exceeding \$1,000,000) • Reports for review of rating on Extreme, High and Moderate risk customers based on established timeframes. 		
8. When BSA/AML Compliance determines that bank has satisfactorily identified higher risk customers, set all other commercial entities to “Low” risk.		
9. Incorporate plan to test risk rating program periodically in your BSA/AML compliance schedule.		
PHASE 3 – Establish program to identify and monitor high risk personal account customers in all product lines.		