

DATE: May 3, 2021
BULLETIN: 2021-KDCU-CUB-9
TO: Kansas Chartered Credit Unions
SUBJECT: Anti-Money Laundering Act of 2020, Part II

ANTI-MONEY LAUNDERING ACT OF 2020, PART II

The discussion with regard to the Anti-Money Laundering Act (AMLA) which was passed on January 1, 2021, as part of the National Defense Authorization Act (NDAA), continues with this bulletin.

AMLA §6101(b)(ii)(B) lists **factors to be taken into consideration by regulators**, including:

- (1) Financial institutions are spending private compliance funds for a public and private benefit, including protecting the United States financial system from illicit finance risks.
- (2) Effective anti-money laundering (AML) and countering the financing of terrorism (CFT) programs safeguard national security and generate significant public benefits by preventing the flow of illicit funds in the financial system and by assisting law enforcement and national security agencies with the identification and prosecution of persons attempting to launder money and undertake other illicit activity through the financial system; and
- (3) AML and CFT programs should be (a) reasonably designed to assure and monitor compliance with the requirements and regulations of AMLA; and (b) risk-based, including ensuring that more attention and resources of financial institutions should be directed toward higher-risk members and activities.

The AMLA adds a section, modeled on the Dodd-Frank Act provision for the U.S. Securities & Exchange Commission, for **whistleblower incentives and protections**. Section 6314 defines a “whistleblower” as “...any individual who provides, or 2 or more individuals acting jointly who provide, information relating to a violation of the AMLA to the employer of the individual or individuals, including as part of the job duties.”

A monetary award is available in an amount not to exceed 30 percent of monetary sanctions imposed on the financial institution. Criteria for the award includes the significance of the information and the degree of assistance provided.

Employer retaliation against the whistleblower is prohibited. An individual who is fired in retaliation may file a complaint with the Secretary of Labor and relief which may be imposed includes (1) reinstatement with the same seniority status; (2) two times the amount of back pay, with interest; and (3) payment of compensatory damages.

NOTE: In accordance with Governor Laura Kelly’s [Executive Orders](#), KDCU Administrator Vickie Hurt continues to review the feasibility of resuming the on-site examination program. This is being done in coordination with the NCUA.