



AML COMPLIANCE PLAN INFORMATION

As you probably know, regulations were published June 9, 2005, for Section 352 of the USA PATRIOT Act, which state “Dealers in Precious Metals, Stones or Jewels Required to Establish Anti-Money Laundering Programs.” Compliance by January 1, 2006, was mandatory. Penalties for non-compliance are severe.

Unlike the cash reporting regulations, even dealers who do not accept cash are required to comply with USA PATRIOT Act Section 352. This regulation does not expand your cash reporting responsibilities. However it does add MANDATORY administrative requirements related to money laundering and terrorist financing. Note that the title of this section applies specifically to dealers in precious metals.

If your company buys AND sells \$50,000 or more retail of “covered goods” (see below), compliance with Section 352 is MANDATORY. This means you are *required* to have a written AML plan and must comply with the other aspects of Section 352.

“Covered goods” are precious metals/stones/jewelry items that derive 50% or more of their value (price) from the precious metal and/or gemstone content (intrinsic value).

The definition of precious metals is NOT limited to bullion items; it also includes products such as US \$20 Gold, US \$10 Gold, silver and platinum coins, etc., where the intrinsic precious metals value is 50% or more of the price of the item.

There are 4 required elements for compliance: 1) a written policies & procedures plan (which you must follow) for your business based on your specific risk assessment factors; 2) a designated compliance officer; 3) on-going education; and 4) independent testing to monitor and maintain your plan.

Since 2006, IRS Criminal Investigation Division (CID) Special Agent (ret.) Ray Gregson, Jr., has been writing custom AML plans for ICTA members. He is an expert on money laundering and compliance plans and has been a featured speaker at the special AML ICTA seminars held during certain major coin shows. (You may also have your accountant, attorney, or other qualified person write your plan.) On behalf of ICTA’s membership, we negotiated with Mr. Gregson a significantly reduced price from his normal fees for writing a basic custom plan. (Large companies may not qualify for the “basic” plan, but Mr. Gregson has also agreed to discount his fees for larger ICTA member companies.) Each plan is customized for your individual business based on the varying risk factors that each company will have. These include issues such as geographic location, number of employees, type of merchandise most often transacted, etc.

The price for the **basic** plan for ICTA members is \$900, and many coin dealers will qualify for the basic plan. Mr. Gregson will also take orders to write plans for non-ICTA members, but at his regular price of \$1,200. (NOTE: Since Section 352 was published, ICTA staff has been contacted by other companies that perform similar plan-writing functions for other types of

businesses, seeking to sell their services to ICTA members. Some of these companies' plans START at \$3,000. One company told us that their rock-bottom starting price for even a basic plan was \$2,000.)

A plan order form is available under this *Members Only* tab on the ICTA website – Questionnaire for AML Programs – which you can complete and mail to ICTA with your check (no credit cards please.) Mr. Gregson will contact you to confirm the details of your plan including an estimated completion date. If you need an expedited plan, there may be an additional fee. If you have questions, please call ICTA's Executive Director, Eloise Ullman, at 410-626-7005.

ICTA does not render legal or accounting advice but provides services as an accommodation to its members. The plans being marketed contain no warranty of merchantability, including fitness for any particular purpose. By using ICTA's services, you agree that ICTA's maximum liability is limited to \$50 in liquidated damages for any reason whatsoever. You are encouraged to consult your own legal counsel or accountant on this and all other important matters.

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