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Lanier Saperstein

Geoffrey Sant

Michelle Ng

PRACTITIONER COMMENT

THE FAILURE OF ANTI–MONEY LAUNDERING REGULATION: WHERE IS THE COST-BENEFIT ANALYSIS?

*Lanier Saperstein, Geoffrey Sant & Michelle Ng**

INTRODUCTION

By investigating customer identities and reporting suspicious transactions to regulators, banks play an important role in helping regulators fight financial crimes such as money laundering and terrorist financing. Yet, in a strange twist, regulators have recently been punishing banks where no financial crime has been identified.

As discussed in this Practitioner Comment, the regulators[1] have been punishing the banks not because of any actual money laundering, but rather because the banks did not meet the regulators' own subjective vision of the ideal anti–money laundering or counter–terrorist financing program. However, no one has attempted to show that the supposedly ideal vision of an anti–money laundering or counter–terrorist financing program would actually be more effective than the programs the banks have in place.

Even if the regulators' ideal vision of an anti–money laundering and counter–terrorist financing program would in fact be more effective than what exists now, it is unclear if the benefits of such a program would outweigh the very serious costs. The optimal level of banking regulation necessarily requires some sort of cost-benefit analysis.

* Lanier Saperstein is a partner, Geoffrey Sant is a special counsel, and Michelle Ng is an associate at the law firm of Dorsey & Whitney LLP. Mr. Saperstein and Mr. Sant are also adjunct professors at Fordham Law School.

1 Unless otherwise specified, the term "regulators" used throughout this Practitioner Comment generally refers to all federal and state bank regulators.

Indeed, legal scholars, Congress, and the courts have long advocated for agencies to conduct qualitative and quantitative assessment of all consequences of their regulatory actions. Under most circumstances, regulators should undertake an action only if its benefits outweigh its costs. Thus, banking regulators' utter silence regarding the costs and benefits of their subjective vision is troubling, and results in bad public policy.

I. THE PROBLEM

In July 2015, Citigroup agreed to pay $140 million in penalties to federal and California regulators for purported anti–money laundering weaknesses at its Banamex USA subsidiary.[2] On the same day, Citigroup announced it would close Banamex USA.[3] The two events are almost certainly linked, as the fine imposed on Banamex USA equaled roughly one-sixth of the bank's assets.[4] The closure of Banamex USA's three branches, which were located in Houston, San Antonio, and Los Angeles, put an end to one of the oldest banks serving the U.S.-Mexican border, with roots stretching back to the 1800s.[5]

One would assume that, for such a long-standing bank to close, the regulators must have caught serious instances of money laundering at Banamex USA. In fact, the regulators did not identify a single instance of money laundering. Rather, the regulators stated in a press release that they had "reason to believe" that "weaknesses" existed in Banamex USA's overall compliance program.[6] These weaknesses were a lack of sufficient staff and insufficient internal controls for preventing money laundering.[7]

One year earlier, the New York Department of Financial Services—the New York state bank regulator—imposed a $300 million fine on

2 Press Release, Citigroup, Citigroup Statement on Banamex USA (July 22, 2015), http://www.citigroup.com/citi/news/2015/150722a.htm.

3 *Id.*

4 *See id.*; *see also* Jude Joffe-Block, *Banamex USA Bank to Pay $140 Million Fine and Shut Down*, KJZZ (July 23, 2015), http://kjzz.org/content/169775/banamex-usa-bank-pay-140-million-fine-and-shut-down.

5 *Meet Banamex*, BANAMEX, http://www.banamex.com/en/conoce_banamex/quienes_somos/grupo_financiero_banamex.htm?icid=Texto-ConoceBanamex-Footer-Hojadeproducto-05222013-Int-EN (last visited Oct. 24, 2015).

6 Press Release, Cal. Dep't of Bus. Oversight, DBO Announces Record $40 Million Settlement with Citi Subsidiary Banamex USA, Resolves Allegations of Money Laundering Rule Violations (July 22, 2015), http://www.dbo.ca.gov/Press/press_releases/2015/Settlement_Announcement_07-22-15.pdf.

7 Written Agreement Between Banamex USA and Federal Deposit Insurance Corporation, No. FDIC-14-0259k (Aug. 2, 2012), http://www.dbo.ca.gov/Press/press_releases/2015/FDIC_DFI_Consent_Order%2008-02-12.pdf (consent order issued by the Federal Deposit Insurance Corporation and the California Department of Financial Institutions).

Standard Chartered for supposed weakness in its New York branch's anti–money laundering monitoring system.[8] Despite imposing a massive fine—more than double the amount that caused Banamex USA to close—the regulator did not identify any actual money laundering activity. Rather, the regulator claimed that the bank's monitoring system failed to flag "potentially high-risk transactions."[9]

II. THE CURRENT REGULATORY CLIMATE

Banamex USA and Standard Chartered are examples of a troubling trend in which regulators levy massive fines on banks even though the regulators do not identify any missed instances of money laundering or financial crimes. In so doing, the regulators effectively are punishing banks for not meeting the regulators' own subjective vision of the ideal anti–money laundering program.

There is no indication that "higher" standards and the massive costs imposed on banks are actually effective in reducing money laundering and other financial crimes. The regulators are incentivized to quickly and firmly address any potential money-laundering and terrorist-financing risk. An increased regulatory response equals greater job security for regulators, and more recognition and adulation from elected officials and the public. Yet, regulators do not bear any of the compliance costs imposed by their vision. The regulators' vision is untethered to the economic costs of implementing the supposedly ideal anti–money laundering program, and (understandably) the regulators have no incentive to determine whether the benefits obtained, if any, justify the increased costs imposed.

Banamex USA and Standard Chartered represent just two of the many banks criticized or punished where no financial crimes were identified. In 2013, the Federal Reserve criticized the Bank of Montreal's compliance program, asserting that it lacked "effective systems of governance and internal controls to adequately oversee" anti–money laundering compliance.[10] Also in 2013, a federal regulator savaged Royal Bank of

8 Written Agreement Between Standard Chartered Bank and New York State Department of Financial Services, Consent Order Under New York Banking Law §§ 39 and 44 (Aug. 19, 2014), http://www.dfs.ny.gov/about/ea/ea140819.pdf.

9 *Id.* at 2.

10 Written Agreement Between Bank of Montreal and Federal Reserve Bank of Chicago, Nos. 13-055-WA/RB-FB, 13-005-WA/RB-HC, 13-005-WA/RB-FBR, at 3 (Apr. 29, 2013), http://www.federalreserve.gov/newsevents/press/enforcement/enf20130517a1.pdf; CANADIAN PRESS, *U.S. Fed Warns Bank of Montreal on Anti–Money Laundering Controls*, FIN. POST (May 17, 2013, 12:00 PM), http://business.financialpost.com/news/fp-street/u-s-fed-warns-bank-of-montreal-on-anti-money-laundering-controls. For an additional example, see Written Agreement Between BMO Harris Bank, N.A. and The Comptroller of the Currency, No. 2013-056 (Apr. 29, 2013), http://www.occ.gov/static/enforcement-

Canada for anti–money laundering controls that the regulator called "unsafe and unsound."[11] In each of these instances, the regulators reserved the right to penalize the banks, despite not identifying any actual money laundering or financial crime.

In fact, considering the difficulty of uncovering complex money laundering schemes, a bank's failure to discover a financial crime does not necessarily mean that the bank has a weak anti–money laundering program. The Under Secretary of the Treasury Department acknowledged that "it is not possible or practical for a financial institution to detect and report every single potentially illicit transaction that flows through the institution."[12] Likewise, the Financial Action Task Force stated that it does not expect "a 'zero failure' approach,"[13] and the director of the Financial Crimes Enforcement Network stated, "I think we can all agree that it is not possible for financial institutions to eliminate all risk."[14] Considering that it is impossible to eliminate financial crime, and regulators do not expect "zero failure," it is problematic that regulators are nonetheless punishing banks where no financial crime has been identified.

III. THE COST OF COMPLIANCE IS SKY-ROCKETING

International banks spend enormous amounts on anti–money laundering compliance. HSBC recently estimated it now devotes $750 million to $800 million per year on compliance—an amount equivalent to one quarter of the operating budget of its entire U.S. operations—to fight

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actions/ea2013-056.pdf (requiring assessment of anti–money laundering risk and controls). *See also* Robert Anello, *Financial Institutions: How Much More Will You Have to Spend on Anti–Money Laundering Programs to Avoid Criminal Prosecution?* FORBES (Oct. 24, 2012, 10:36 AM), http://www.forbes.com/sites/insider/2012/10/24/financial-institutions-how-much-more-will-you-have-to-spend-on-anti-money-laundering-programs-to-avoid-criminal-prosecution/ ("Rather than focusing on money laundering that results from substantive criminal violations . . . federal prosecutors are looking instead at weaknesses in the internal procedures employed by financial institutions to prevent laundering.").

11 *See* Rita Trichur & Alistair MacDonald, *Canadian Regulators Increase Pressure on Banks to Snuff Out Money Laundering*, WALL ST. J. (Feb. 3, 2015, 5:31 PM), http://www.wsj.com/articles/canadian-regulators-increase-pressure-on-banks-to-snuff-out-money-laundering-1423002679.

12 David. S. Cohen, Under Sec'y, U.S. Dep't of the Treasury, Remarks at the ABA/ABA Money Laundering Enforcement Conference (Nov. 10, 2014), http://www.treasury.gov/press-center/press-releases/Pages/jl2692.aspx.

13 *FATF Clarifies Risk-Based Approach: Case-by-Case, Not Wholesale De-Risking*, FATF (Oct. 23, 2014), http://www.fatf-gafi.org/documents/news/rba-and-de-risking.html.

14 Jennifer Shasky Calvery, Dir., U.S. Dep't of the Treasury Fin. Crimes Enf't Network, Remarks at the 2014 Mid-Atlantic AML Conference (Aug. 12, 2014), http://www.fincen.gov/news_room/speech/html/20140812.html.

against financial crime.[15] Between 2012 and 2015, the bank added around 5000 additional staff—about $300 million in salary—to work in compliance alone.[16]

To a large extent, the fight against financial crimes has swallowed up the core business of banking, such as providing loans and banking services. Regulators appear to have shifted their focus to how much banks spend on compliance, as opposed to the effectiveness of compliance efforts. The Office of the Comptroller of the Currency recently described it as a "hopeful sign[]" and "impressive" that many of the "largest banks are increasing spending by significant amounts and adding substantial numbers of employees" in anti–money laundering compliance, a "trend we want to encourage."[17]

IV. DE-RISKING

Considering the massive sums involved, one would expect the regulatory actions to be based on scientific studies and empirical research weighing the costs and benefits of their regulations and enforcement actions. Instead, regulators appear to have simply assumed that higher standards, more employees, and increased spending from banks will necessarily reduce the number of financial crimes. They may turn out to be right. However, evidence to date indicates the opposite.

Regulatory punishments and compliance costs have contributed to banks retreating from high-risk regions and businesses.[18] This "de-risking" has made financial activity less transparent and more susceptible to misuse by criminals. For example, all major banks in the United States and the

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15 Martin Arnold, *HSBC Wrestles with Soaring Costs of Compliance*, FIN. TIMES (Aug. 4, 2014, 8:02 PM), http://www.ft.com/cms/s/0/0e3f0760-1bef-11e4-9666-00144feabdc0.html#axzz3iT0u5kXA (identifying HSBC's anti–money laundering compliance spending as $750 million to $800 million for 2014); HSBC USA, Inc., Annual Report (Form 10-K), 37 (Feb. 23, 2015) (showing that the total amount of operating budget for HSBC USA in 2014 was $3,424 million).

16 *See* Laura Noonan, *Banks Face Pushback over Surging Compliance and Regulatory Costs*, FIN. TIMES (May 28, 2015, 1:46 PM), http://www.ft.com/intl/cms/s/0/e1323e18-0478-11e5-95ad-00144feabdc0.html#axzz3qGQrrBik (estimating that the average salary for a compliance staff employee is $60,000); Gregory J. Millman & Samuel Rubenfeld, *Compliance Officer: Dream Career?*, WALL ST. J. (Jan. 15, 2014, 8:13 PM), http://www.wsj.com/articles/SB10001424052702303330204579250722114538750 (noting that HSBC Holdings added 1600 compliance employees in a single year).

17 Thomas J. Curry, Comptroller of the Currency, U.S. Dep't of the Treasury, Remarks Before the Association of Certified Anti–Money Laundering Specialists 3 (Mar. 17, 2014), http://www.occ.gov/news-issuances/speeches/2014/pub-speech-2014-39.pdf.

18 Patrick Jenkins, *Banks Pull Back from Risky Regions*, FIN. TIMES (Apr. 21, 2013, 5:24 PM), http://www.ft.com/intl/cms/s/0/47c3432a-aa5d-11e2-9a38-00144feabdc0.html#axzz3iW2MHlj4.

United Kingdom have abandoned wire transfers to Somalia in order to avoid the risk that a money transfer ends up in the hands of terrorist groups.[19] This abandonment of Somalia by major banks has caused a humanitarian tragedy. Many families in Somalia depend upon relatives working abroad to send money home in order to pay for food and medicine. Somalis living in the United States now hire third-party agents to physically carry the money in cash in suitcases on flights to Somalia.[20] The money still flowing to Somalia has thus become unregulated, untraceable, and more expensive for Somalis living hand-to-mouth. The end result is not only tragic for individual Somalis, it is also riskier for money laundering than if banks had continued to provide wire transfer services.

Along the Mexican border, banks fearful of money laundering linked to drugs and smuggling have closed customer accounts and bank branches—and in one recent case, the bank itself.[21] When Citigroup shuttered its Banamex USA subsidiary, it eliminated a banking group that once had eleven branches in the southwest.[22] The closing of Banamex USA came mere months after Arizona Senators John McCain and Jeff Flake demanded a hearing in response to the rapid-fire closing of four bank branches in one Arizona border city.[23] Banks have also closed long-term accounts of cash-intensive businesses, like ranchers and farmers, due to cash being risky for money laundering.[24] The ironic result of closing the bank accounts of cash-intensive businesses, of course, is to force these clients to move even more heavily into cash transactions. After all, if these businesses are unable to deposit cash in a bank account, then they must necessarily pay others in cash as well. The move to cash has a ripple effect

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19 *See* Jessica Hatcher, *Ending Somali-U.S. Money Transfers Will Be Devastating, Merchants Bank Warned*, GUARDIAN (Feb. 6, 2015, 5:06 PM), http://www.theguardian.com/global-development/2015/feb/06/somali-us-money-transfers-merchants-bank-remittances.

20 Jamila Trindle, *Money Keeps Moving Toward Somalia, Sometimes in Suitcases*, FOREIGN POL'Y (May 15, 2015), http://foreignpolicy.com/2015/05/15/money-keeps-moving-toward-somalia-sometimes-in-suitcases/.

21 Emily Glazer, *Big Banks Shut Border Branches in Effort to Avoid Dirty Money*, WALL ST. J. (May 25, 2015, 8:07 PM), http://www.wsj.com/articles/big-banks-shut-border-branches-in-effort-to-avoid-dirty-money-1432598865.

22 Joffe-Block, *supra* note 4.

23 Letter from Senator John McCain and Senator Jeff Flake to Senator Richard Shelby, Chairman, U.S. Senate Comm. on Banking, Housing, and Urban Affairs (Feb. 10, 2015), http://www.flake.senate.gov/public/_cache/files/9423e710-dde4-4440-b682-7964a0e8d6c8/2-10-15-mccain-flake-letter-to-chairman-shelby-re-border-banking-1-.pdf.

24 *See* Press Release, Senator John McCain, Senator John McCain Submits Statement to Arizona State Senate Committee on Financial Institutions Hearing on Bank Closures Along Southern Border (Feb. 4, 2015), http://www.mccain.senate.gov/public/index.cfm/press-releases?ID=80be396d-0964-460d-a870-123ca0efe94b.

upon other businesses and individuals, spreading the risk of money laundering.

Overseas banks worry about having too many cash-intensive business clients.[25] For example, for fear of losing their connections to the U.S. banking industry, Mexican banks have sharply limited the amount of cash deposits they will accept from customers.[26] If customers are depositing too much money in cash, the bank itself is seen as high-risk for money laundering and loses its access to the global financial system.[27]

Mexico has seen an epidemic of cash-heavy businesses losing their bank accounts.[28] Some businesses in Mexico described opening strings of accounts at different banks in order to disguise cash deposits.[29] One business owner told the Associated Press that he scattered dollar deposits among "something like 10 banks" after Bank of America closed his original account.[30] By forcing legitimate businesses to structure holdings and disguise cash flows, it becomes far harder to spot criminal networks doing the same thing.

Regulatory pressure leads to serious unintended consequences, including forcing banks out of high-risk regions, forcing businesses to disguise cash holdings, and causing an overall increase in cash transactions and the use of underground networks to transfer funds. In this way, regulators have unintentionally made it harder to catch financial crimes, increased opportunities for money laundering, and strengthened criminal networks.

V. WHERE'S THE COST-BENEFIT ANALYSIS?

To achieve an optimal regulatory regime, legal scholars have advocated that regulators conduct cost-benefit analyses of the purported benefits of regulations against alternative options. Without such an analysis, regulations are at risk of being "unsuitable" and "burdensome."[31]

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25 *See id.* (noting banks' comments that "cash-intensive accounts receive more scrutiny due to their perceived risk").

26 Elliot Spagat, *Dollars Can Be a Dirty Word at Banks on US-Mexico Border*, HOUS. CHRON. (Mar. 7, 2015), http://www.houstonchronicle.com/news/nation-world/world/article/Dollars-can-be-a-dirty-word-at-banks-on-US-Mexico-6121482.php.

27 *See id.*

28 *Id.*; Jude Joffe-Block, *Border Businesses Lose Bank Accounts Amid Money-Laundering Fears*, NPR (Jan. 4, 2015, 7:46 AM), http://www.npr.org/2015/01/04/374582727/border-businesses-lose-bank-accounts-amid-money-laundering-fears.

29 *See* Spagat, *supra* note 26.

30 *Id.*

31 Mahmood Bagheri & Chizu Nakajima, *Optimal Level of Financial Regulation Under the GATS: A Regulatory Competition and Cooperation Framework for Capital*

As Justice Stephen Breyer once warned, when agencies "carr[y] single-minded pursuit of a single goal too far" their actions tend to "bring about more harm than good."[32]

Here, the goals of the regulators are undeniably noble: to prevent criminals from committing crimes through financial institutions. But as regulators continue to rely on punishing banks for not meeting their standards and constricting access to banking as a quick solution to the money-laundering and terrorist-financing problems, their actions actually result in more harm than good.[33]

Legal scholars have long advocated the use of a cost-benefit analysis to prevent this absurd situation. By requiring regulators to perform a qualitative and quantitative assessment of the costs and benefits of their action, regulators can objectively view the impact of their action and "develop a more individualized assessment of whether the regulation" actually helps or hurts the public.[34] A regulatory action should not be undertaken "unless the potential benefits to society for the regulation outweigh the potential costs to the society."[35]

When banks spend an enormous portion of their budget on compliance, this money is no longer available for the core business of banking—providing loans and services to customers. The cost of compliance is passed on to customers in higher fees and more onerous loan rates, which in turn hampers economic growth and hinders the creation and growth of new businesses. Ironically, the most at-risk communities—places like Somalia and the Mexican border—are the ones that find access to banking and the ability to grow a business cut off.[36] *The Los Angeles*

Adequacy and Disclosure of Information, 5 J. INT'L ECON. L. 507, 510 (2002). *See generally id.* (discussing methods to achieve optimal level of financial regulation).

32 STEPHEN BREYER, BREAKING THE VICIOUS CIRCLE: TOWARD EFFECTIVE RISK REGULATION 11 (1993).

33 For an additional example of regulatory overreach resulting in harmful consequences, see Timur Kuran & Cass R. Sunstein, *Availability Cascades and Risk Regulation*, 51 STAN. L. REV. 683, 702–03 (1999) (new extensive safeguards against terrorism imposed after the 1996 crash of TWA flight 800—hastily proposed and implemented despite no indication that the crash resulted from terrorism—resulted in direct costs of $400 million to taxpayers and actually cost, rather than saved, more lives).

34 Robert W. Hahn, *The Economic Analysis of Regulation: A Response to Critics*, 71 U. CHI. L. REV. 1021, 1031 (2004); *see also id.* at 1031–41 (responding to criticisms of cost-benefit studies on government Regulatory Impact Analyses). *See generally* CASS R. SUNSTEIN, THE COST-BENEFIT STATE: THE FUTURE OF REGULATORY PROTECTION (2002) (arguing in favor of cost-benefit analyses of regulations).

35 Exec. Order No. 12,291, 3 C.F.R. 127 (1982), revoked by Exec. Order No. 12,866, 3 C.F.R. 638, 649 (1994), reprinted as amended in 5 U.S.C. § 601 (2012).

36 Lanier Saperstein & Geoffrey Sant, *Account Closed: How Bank 'De-Risking' Hurts Legitimate Customers*, WALL ST. J. (Aug. 12, 2015, 6:38 PM), http://www.wsj.com/articles/account-closed-how-bank-de-risking-hurts-legitimate-customers-1439419093.

Times quoted an aid worker for Somali immigrants as stating that "people are not going to eat" due to the ending of bank transfers to Somalia.[37] Oxfam International stated in a press release earlier this year that three million Somalis may starve, blaming "bank account closures that have been largely driven by government regulation."[38]

Last year, a report by the House Committee on Oversight and Government Reform revealed that the Department of Justice was attempting to "choke[] off" legitimate companies and businesses considered "high-risk" or otherwise objectionable, despite the fact that they are legal businesses.[39] The report noted that senior government officials pressured banks to deny services to money-service businesses because the money-service industry was considered "high-risk."[40] The staff report noted that the regulators' delineation of high-risk businesses "had no articulated rationale" and was based on "spurious claims."[41] Even fellow regulators recognized that Operation Choke Point incentivized banks to act on "perceived regulatory risk, rather than in response to an assessment of the actual risk of illicit activity."[42]

The regulatory crackdown also propels the trend towards "too-big-to-fail" banks. After all, smaller banks lack the economy of scale needed to implement massive anti–money laundering programs. In addition, increased regulation fragments the global financial system by denying banks in some regions access to other regions.

U.S. regulators appear to assume that a massive increase in compliance spending by banks will reduce financial crime without any negative side effects. In fact, spending on safety always involves trade-offs. To fight underage drinking, one could force bars to spend a large portion of their operating budget on checking customer IDs. Yet the trade-offs would be increased prices and enormous financial barriers to entry for new businesses. It is also unclear whether underage drinking would

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37 E. Scott Reckard & Ronald D. White, *Money Transfers Cut Off to Somalia*, L.A. TIMES (Feb. 5, 2015, 6:27 PM), http://www.latimes.com/business/la-fi-merchants-bank-somalia-20150206-story.html.

38 Press Release, Oxfam Int'l, As the Cycle of Crisis Continues in Somalia, Vital Remittance Pipelines Risk Being Cut (Feb. 19, 2015), https://www.oxfam.org/en/pressroom/pressreleases/2015-02-19/cycle-crisis-continues-somalia-vital-remittance-pipelines-risk.

39 *See* STAFF OF H.R. COMM. ON OVERSIGHT & GOV'T REFORM, 113TH CONG., FEDERAL DEPOSIT INSURANCE CORPORATION'S INVOLVEMENT IN "OPERATION CHOKE POINT" 3–4 (Comm. Print 2014), https://oversight.house.gov/wp-content/uploads/2014/12/Staff-Report-FDIC-and-Operation-Choke-Point-12-8-2014.pdf (describing the standards used by FDIC to identify high-risk merchants).

40 *Id.* at 12–17.

41 *Id.* at 6–7.

42 *Id.* at 20.

actually be curbed. The same trade-offs occur when regulators require banks to spend massive amounts on investigating customers.

There is only one sure way to completely eliminate the risk of banks being misused for money laundering or terrorist financing activity: end banking activity. Somewhere between the two extremes of closing banks and giving banks free reign is the optimal level of banking regulation. Yet regulators have not yet pinned down this optimal point, and as the Banamex USA example illustrates, the regulators appear to have drifted too far to one extreme.

CONCLUSION

Banks are subject to new rules and ever-increasing compliance standards, including new benchmarks to evaluate the "adequacy and robustness" of their monitoring systems.[43] Bank executives have even been held personally liable for compliance failures.[44] Yet, as the massive new compliance costs continue to pile upon banks, no analysis has been done to determine whether their efforts are effective, and whether the benefits, if any, are worth the cost.

It is natural for bank regulators—who focus almost exclusively on fighting financial crimes—to overvalue this fight and to undervalue the resulting financial and humanitarian harms. It is also natural for them to assume that increased bank spending on compliance must always be a good thing. Their perspective is understandable. Yet before regulators impose policy choices upon banks, they should have a valid basis for doing so. Before regulators push "higher" standards and increased spending upon banks, they should analyze whether those efforts actually reduce financial crime, and if so, whether that benefit justifies the costs.

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43 Benjamin M. Lawsky, Superintendent of Fin. Servs., N.Y. Dep't of Fin. Servs., Financial Federalism: The Catalytic Role of State Regulators in a Post-Financial Crisis World (Feb. 25, 2015), http://www.dfs.ny.gov/about/speeches/sp150225.htm.

44 *See, e.g.*, Assessment of Civil Money Penalty, Thomas E. Haider, No. 2014-08 (Dep't of the Treasury Dec. 18, 2014) (assessment of civil money penalty by the Financial Crimes Enforcement Network (FinCEN)), https://www.fincen.gov/news_room/ea/files/Haider_Assessment.pdf (federal regulators imposed a $1 million fine on the Chief Compliance Officer of MoneyGram for his failure to establish and implement an effective anti–money laundering program and to report suspicious activity as required under the Bank Secrecy Act); Complaint, U.S. Dep't of the Treasury v. Haider, No. 14 CV 9987 (S.D.N.Y. Dec. 18, 2014) (seeking to enforce the civil money penalty and to enjoin Mr. Haider from employment in the financial industry); *see also* Written Agreement Between Fin. Indus. Regulatory Auth. (FINRA) and Brown Brothers Harriman & Co., No. 2013035821404 (Feb. 4, 2014) (letter of acceptance, waiver, and consent), http://www.frank-cs.org/cms/pdfs/FINRA/FINRA_BBH_Action_5.2.14.pdf (Chief Compliance Officer of a broker-dealer institution was penalized for failing to adequately implement a monitoring program to detect and flag suspicious penny stock transactions).