

## **Anti-Money Laundering and PawnMaster**

The Patriot Act, which amends the Bank Secrecy Act (BSA), was adopted in response to the September 11, 2001 terrorist attacks. The Patriot Act is intended to strengthen U.S. measures to prevent, detect, and prosecute international money laundering and the financing of terrorism. These efforts include anti-money laundering (AML) regulations that impact the banking, financial, and investment communities.

### **Title 31: Money and Finance: Treasury**

#### **§ 1027.210 Anti-money laundering programs for dealers in precious metals, precious stones, or jewels.**

(a) *Anti-money laundering program requirement.* (1) Each dealer shall develop and implement a written anti-money laundering program reasonably designed to prevent the dealer from being used to facilitate money laundering and the financing of terrorist activities through the purchase and sale of covered goods. The program must be approved by senior management. A dealer shall make its anti-money laundering program available to the Department of Treasury through FinCEN or its designee upon request.

(2) To the extent that a retailer's purchases from persons other than dealers and other retailers exceeds the \$50,000 threshold contained in §1027.100(b)(2)(i), the anti-money laundering compliance program required of the retailer under this paragraph need only address such purchases.

(b) *Minimum requirements.* At a minimum, the anti-money laundering program shall:

(1) Incorporate policies, procedures, and internal controls based upon the dealer's assessment of the money laundering and terrorist financing risks associated with its line(s) of business. Policies, procedures, and internal controls developed and implemented by a dealer under this section shall include provisions for complying with the applicable requirements of the Bank Secrecy Act (31 U.S.C. 5311 *et seq.* ), and this chapter.

(i) For purposes of making the risk assessment required by paragraph (b)(1) of this section, a dealer shall take into account all relevant factors including, but not limited to:

(A) The type(s) of products the dealer buys and sells, as well as the nature of the dealer's customers, suppliers, distribution channels, and geographic locations;

(B) The extent to which the dealer engages in transactions other than with established customers or sources of supply, or other dealers subject to this rule; and

(C) Whether the dealer engages in transactions for which payment or account reconciliation is routed to or from accounts located in jurisdictions that have been identified by the Department of State as a sponsor of international terrorism under 22 U.S.C. 2371; designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the

United States is a member and with which designation the United States representative or organization concurs; or designated by the Secretary of the Treasury pursuant to 31 U.S.C. 5318A as warranting special measures due to money laundering concerns.

(ii) A dealer's program shall incorporate policies, procedures, and internal controls to assist the dealer in identifying transactions that may involve use of the dealer to facilitate money laundering or terrorist financing, including provisions for making reasonable inquiries to determine whether a transaction involves money laundering or terrorist financing, and for refusing to consummate, withdrawing from, or terminating such transactions. Factors that may indicate a transaction is designed to involve use of the dealer to facilitate money laundering or terrorist financing include, but are not limited to:

(A) Unusual payment methods, such as the use of large amounts of cash, multiple or sequentially numbered money orders, traveler's checks, or cashier's checks, or payment from third parties;

(B) Unwillingness by a customer or supplier to provide complete or accurate contact information, financial references, or business affiliations;

(C) Attempts by a customer or supplier to maintain an unusual degree of secrecy with respect to the transaction, such as a request that normal business records not be kept;

(D) Purchases or sales that are unusual for the particular customer or supplier, or type of customer or supplier; and

(E) Purchases or sales that are not in conformity with standard industry practice.

(2) Designate a compliance officer who will be responsible for ensuring that:

(i) The anti-money laundering program is implemented effectively;

(ii) The anti-money laundering program is updated as necessary to reflect changes in the risk assessment, requirements of this chapter, and further guidance issued by the Department of the Treasury; and

(iii) Appropriate personnel are trained in accordance with paragraph (b)(3) of this section.

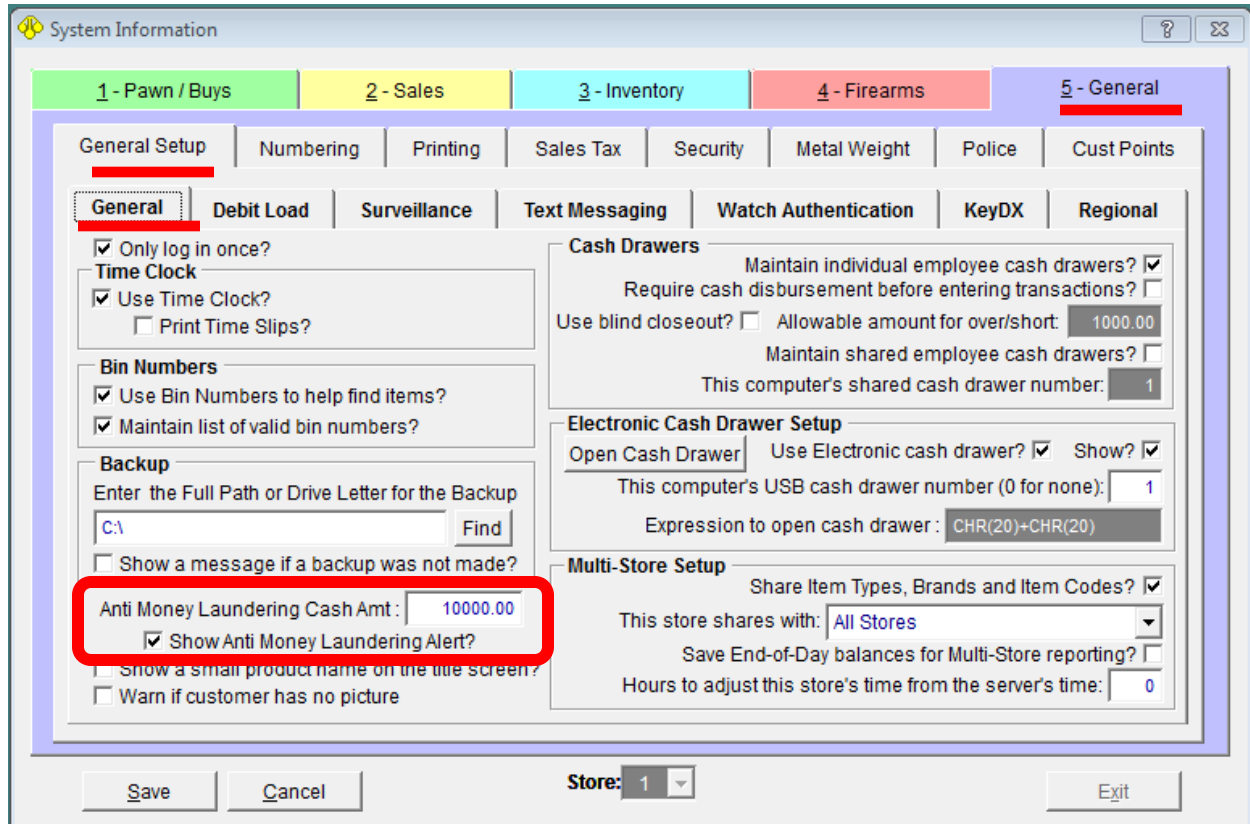
(3) Provide for on-going education and training of appropriate persons concerning their responsibilities under the program.

(4) Provide for independent testing to monitor and maintain an adequate program. The scope and frequency of the testing shall be commensurate with the risk assessment conducted by the dealer in accordance with paragraph (b)(1) of this section. Such testing may be conducted by an officer or employee of the dealer, so long as the tester is not the person designated in paragraph (b)(2) of this section or a person involved in the operation of the program.

(c) *Implementation date.* A dealer must develop and implement an anti-money laundering program that complies with the requirements of this section on or before the

later of January 1, 2006, or six months after the date a dealer becomes subject to the requirements of this section.

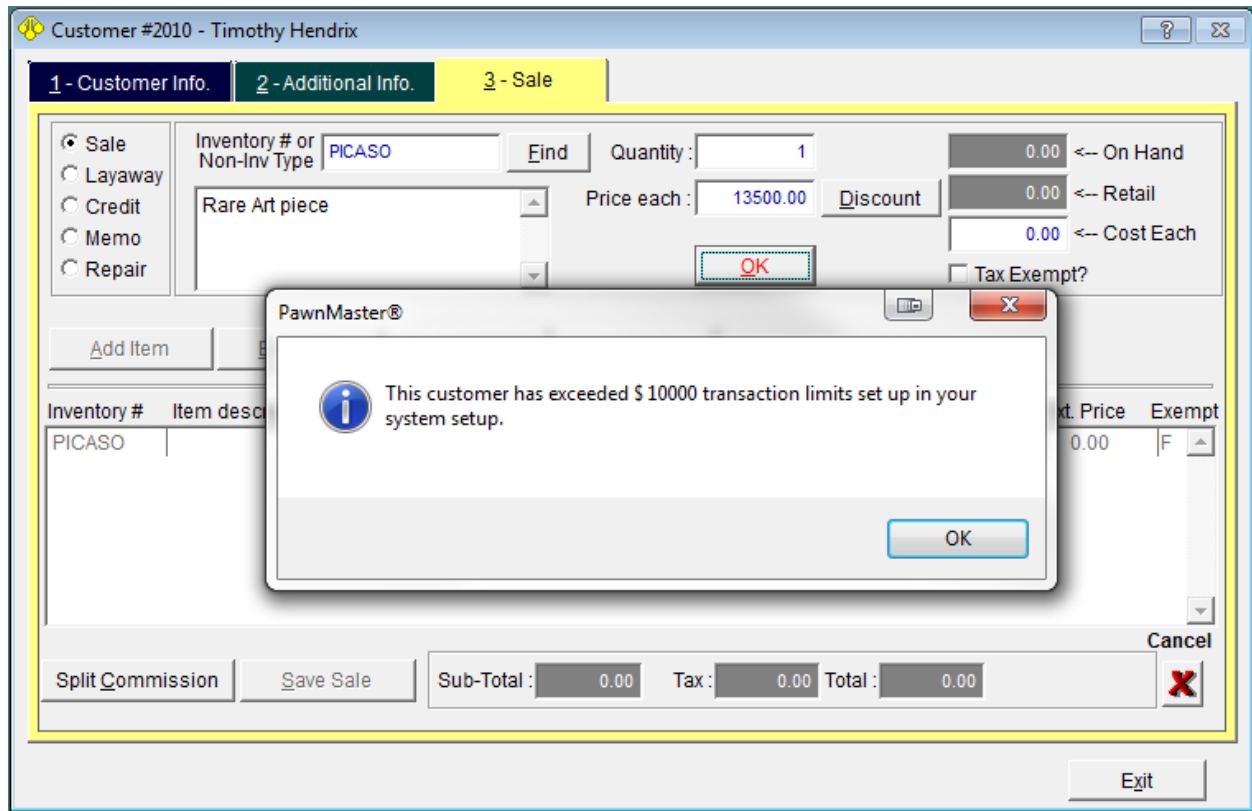
PawnMaster can help you address the AML issue with a simple setting in Admin/Store Setup/System Options. In the 5- General tab/ then General Setup subtab\ then finally the General tab (see figure 1).



**Figure 1 System Information**

In the red circle you can set the AML Cash Amt and also set an alert to automatically notify you when a customer is over the limit.

In the event you have a customer who buys an item(s) from you totaling more than \$10,000 in a year, this is the screen below, that will automatically pop-up when you have the “Show Anti-Money Laundering Alert” set in the system options (see figure 2).



**Figure 2 Anti-Money Laundering Pop-up Alert**

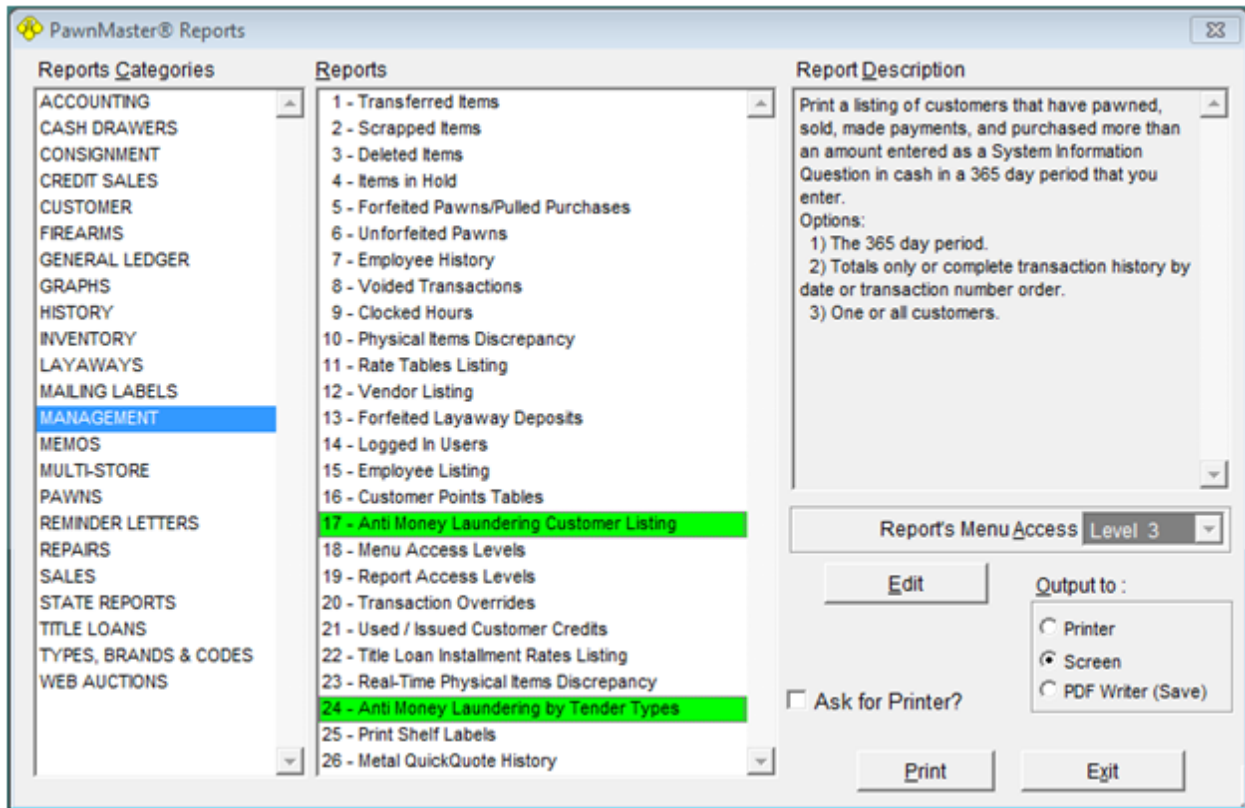
In addition to the pop-up alert, once you select ok, a transaction report will get produced for you and give you the option to print it on the spot (see figure 3).

Transaction Information				DATA AGE BUSINESS SYSTEMS, INC - 1		
From 05/19/2010 to 05/19/2011				10225 ULMERTON RD		
Date : 05/19/2011 10:52:55 AM				UNIT 10-A		
				LARGO, FL 33771		
				(727) 582-9100		
<p>This report is intended for informational purposes only. Data Age Business Systems, Inc. is not responsible in determining which portion of this data, if any, is used in completing federal forms concerning Anti Money Laundering regulations.</p>						
Customer	Transaction	Date	Ticket #	Tender Type 1 / Amount	Tender Type 2 / Amount	Amount
Hendrk, Timothy 123 test Tampa, FL 33708 FL STATE ID - 13541654653				244-74-0582 07/03/1957 Dataage Business Systems		
	PAWN - OUT	12/01/2010 03:47:28 PM	1023	CASH	100.00	100.00
	PAWN - OUT	07/01/2010 10:58:46 AM	50038	CASH	100.00	100.00
	VOIDED PAWN - IN	12/16/2010 11:08:21 AM	50038	CASH	-100.00	-100.00
	PAWN - OUT	08/01/2010 11:09:26 AM	50039	CASH	50.00	50.00
	OTHER - IN	05/19/2011 10:50:03 AM		(CURRENT)	13,500.00	13,500.00
	Summary total for: CASH - OUT				250.00	
	Summary total for: CASH - IN				-100.00	
	Summary total for: (CURRENT) - IN				13,500.00	

End of Report

Figure 3 Transaction Report

In the PawnMaster Reports, there are a few that will aid you in keeping up to date with AML.



The first is the Anti-Money Laundering Customer Listing report (see figure 4)-Print a listing of customers that have pawned, sold, made payments, and purchased more than an amount entered as a System Information Question in cash in a 365 day period that you enter.

Options:

- 1) The 365 day period.
- 2) Totals only or complete transaction history by date or transaction number order.
- 3) One or all customers.

Date: 06/19/2011 12:04:36 PM

This report is intended for informational purposes only. Data Age Business Systems, Inc. is not responsible in determining which portion of this data, if any, is used in completing Federal forms concerning Anti Money Laundering regulations.

Customer	Transaction	SSN, POB, Employer, & Birth Country Date	Total Amount Booked	Total Amount Zimok
AKEMAN, BRIAN W 2404 Fidia Fieda largo, FL 33771 FL STATE DRIVER LICENSE - a255071984		-- 01/01/1929 abc USA		16,002.07
	REDEMPTION PAYMENT	08/01/2010 05:43:28 PM	223	5,731.75
	REDEMPTION PAYMENT	08/11/2010 01:40:28 PM	236	2,498.00
	LOWER PRINCIPAL	08/04/2010 02:18:53 PM	887	23.00
	PAWNS PAYMENT	08/04/2010 02:18:53 PM	887	303.88
	REDEMPTION PAYMENT	08/22/2010 01:58:22 PM	730	418.38
	REDEMPTION PAYMENT	08/22/2010 12:43:14 PM	730	-418.00
	PAWNS PAYMENT	04/28/2011 10:38:38 AM	737	880.00
	LOWER PRINCIPAL	11/15/2010 03:02:38 PM	898	99.99
	LAYAWAY DEPOSIT	05/24/2010 12:54:10 PM	858	32.18
	BUY	08/02/2010 09:41:33 AM	884	30.00
	PAWNS	08/02/2010 02:18:38 PM	884	60.00
	VOIDED PAWNS	08/21/2010 08:41:33 AM	884	-50.00
	PAWNS	08/02/2010 02:18:38 PM	885	30.00
	PAWNS PAYMENT	06/28/2010 01:54:46 PM	886	81.49
	PAWNS	04/19/2011 05:08:34 PM	902	50.00
	PAWNS PAYMENT	07/07/2010 02:03:28 PM	902	1.00
	PAWNS	07/08/2010 04:21:30 PM	905	100.00
	PAWNS	11/16/2010 04:01:38 PM	906	100.00
	PAWNS	08/10/2010 02:28:11 PM	948	50.00
	PAWNS	08/14/2010 12:30:11 PM	954	44.00
	PAWNS PAYMENT	11/04/2010 10:01:38 AM	964	84.69
	PAWNS	09/14/2010 02:52:42 PM	985	25.00
	PAWNS PAYMENT	11/04/2010 10:01:38 AM	985	92.58
	BUY	10/09/2010 01:22:51 PM	985	120.00
	PAWNS	08/16/2010 11:02:42 AM	988	125.00
	VOIDED PAWNS	10/08/2010 01:22:51 PM	988	-125.00
	PAWNS	07/01/2010 10:54:38 AM	979	50.00
	PAWNS PAYMENT	11/04/2010 10:01:38 AM	979	356.31
	PAWNS PAYMENT	12/14/2010 12:05:52 PM	979	117.70
	PAWNS	07/01/2010 10:54:38 AM	980	500.00
	PAWNS PAYMENT	10/27/2010 01:05:37 PM	980	100.00
	PAWNS PAYMENT	11/04/2010 10:01:38 AM	980	656.42
	PAWNS PAYMENT	11/17/2010 08:28:43 PM	980	140.17
	PAWNS PAYMENT	11/17/2010 08:30:34 PM	980	-140.17
	PAWNS PAYMENT	12/07/2010 11:43:34 AM	980	1.00
	REDEMPTION PAYMENT	12/14/2010 12:08:25 PM	980	810.38
	PAWNS	10/01/2010 08:12:30 AM	985	100.00
	VOIDED PAWNS	10/01/2010 08:13:33 AM	985	-100.00
	SALE	08/02/2010 04:16:44 PM	989	100.00
	SALE	09/27/2010 11:51:12 AM	1000	107.00
	SALE	06/27/2010 12:02:32 PM	1001	535.00
	SALE	10/08/2010 11:00:43 AM	1019	21.49
	SALE	10/08/2010 11:57:40 AM	1020	10.70
	SALE	10/08/2010 12:00:39 PM	1021	32.18
	SALE	10/09/2010 12:01:24 PM	1022	42.00
	SALE	10/09/2010 12:06:38 PM	1023	23.64

Figure 4 Anti-Money Laundering Customer Listing report

The second is the Anti-Money Laundering by Tender Types report (see figure 5)- Print a listing of customers that have pawned, sold, made payments, and purchased more than an amount entered as a System Information Question in cash in a 365 day period that you enter.

Options:

- 1) The 365 day period.
- 2) Totals only or complete transaction history by date or transaction number order.
- 3) One or all customers.
- 4) Print Summary totals for each Tender Type

Anti Money Laundering List - 05/19/2010 TO 05/19/2011		Transaction Number order		DATE AGE BUSINESS SYSTEMS, INC - 1 10225 ULMERTON RD UNIT 10-A LARGO, FL 33771 (727) 582-9100			
Date: 06/19/2011 12:09:22 PM							
This report is intended for informational purposes only. Data Age Business Systems, Inc. is not responsible in determining which portion of this data, if any, is used in completing federal forms concerning Anti Money Laundering regulations.							
Customer	Transaction	Date	Locked #	Tender Type-1	SSN, ID#s, Employer, S. Florida County	Tender Type-2	Amount
Headrick, Timothy 123 1st St Tampa, FL 33708 FL STATE ID - 13541054053					244-74-0282 8700811057 Debtage Business Systems		
	PAWN - DUT	1201/2010 03:47:20 PM	1023	CASH			100.00
	SALE - IN	05/19/2011 11:55:07 AM	1380	CASH			14,715.00
	PAWN - DUT	0701/2010 10:58:40 AM	50058	CASH			100.00
	VOIDED PAWN - IN	12/16/2010 11:08:21 AM	50058	CASH			-100.00
	PAWN - DUT	0801/2010 11:09:26 AM	50059	CASH			50.00
	Summary total for: CASH - DUT						260.00
	Summary total for: CASH - IN						14,815.00
<hr/>							
AKEMAN, BRIAN W 2424 Florida Florida Largo, FL 33771 FL STATE DRIVER LICENSE - a255071984					-- 0101/1828 abc USA		
	REDEMPTION PAYMENT - IN	0801/2010 05:43:28 PM	223	CASH			5,731.75
	REDEMPTION PAYMENT - IN	0811/2010 03:48:28 PM	236	CASH			2,486.00
	LOWER PRINCIPAL - IN	0804/2010 02:18:53 PM	887	CASH			25.00
	PAWN PAYMENT -	0804/2010 02:18:53 PM	887	CASH			303.88
Page: 1		DATE AGE BUSINESS SYSTEMS, INC - 1 using PawnMaster®					

Figure 5 Anti-Money Laundering by Tender Types report

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