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Enterprise PMO Scope Document

Strategic Initiatives Office

AML Transformation Phase III

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# Introduction

## Project Summary

The BSA/AML Phase III Transformation plan builds upon actions completed in Phases I and II to further improve and strengthen BSA/AML. Phases I and II delivered foundational items such as the development of an experienced AML Compliance team and technology solutions such as AML data mart, KYC portal. Phase III consists of 7 Axes including, but not limited to, Governance, Financial Crimes and First line of defense; Analytics; Transaction Monitoring and Case Management; Customer Due Diligence, Customer Risk Rating and Know Your Customer; OFAC; New Business Initiative Support; and Training. Phase III includes a strong focus on building and strengthening the first line of defense and improving the quality of AML and OFAC risk management. The technology scope of AML Phase III for many programs will be strictly comprised of requirement setting and in some cases development for AML software. 32 of 60 programs are comprised of requirement settings or the development of action plans. 28 of 60 programs will implement systems or process changes.

## Problem Statement

Regulatory expectations, especially for those banks under rigorous bank supervision, require significant attention to Anti-Money Laundering and OFAC efforts. Regulatory agencies continue the use of enforcement actions, fines, and penalties against any organization deemed to have material weaknesses in its AML Program. It is anticipated that criminal charges will also be used with increasing frequency. In order to meet these expectations and protect the reputation and assets of the bank, a well-defined and best-in-class AML program is required.

## Project Objectives

| **(Project Objective)**  **PO #** | **Objective** | **Value Statement** | **Priority**  **(H / M / L)** |
| --- | --- | --- | --- |
| I | Strengthen governance; develop action plans to expand program to include Financial Crimes; and build First Line of Defense (FLOD) AML infrastructure | The most important tool in AML compliance is FLOD efforts. This Axis will seek to strengthen our AML program through the development of action plans by line of business for implementation of the enterprise AML program, completion of an independent assessment of the AML program and the development of action plans to address recommendations, development of requirements for a GRC system, plans for expansion of the AML Program to consider financial crimes, FCPA and Sanctions and enhance FLOD oversight of AML risk within their lines of business. This Axis will also deliver implementation of quality assurance processes covering specific AML functions within the first line of defense. | H |
| II | Improve the ability to perform advanced Analytics to detect and improve AML monitoring capabilities | Access to client, account, transaction and risk data allows the AML team to produce models to increase and improve detection of potentially suspicious activity, understand the complete view of the customer for an assessment of AML risk, and decrease “false positive” alerts. This Axis will test models, improve red flags coverage, develop data quality scorecards, increase access to client, account and transaction data, support identification of potentially suspicious activity and develop new alerts for further investigation. | H |
| III | Replace Case Management application and start Transaction Monitoring upgrade by developing infrastructure and defining requirements. | A best in class CM and TM system will demonstrate the strength of our program to regulators and better enable the AML team to perform their duties through improved efficiency and reporting. This Axis will begin implementation of the first release of transaction monitoring and develop requirements for the second release, develop requirements for the case management tool, develop requirements for CTR integration with advanced teller; critical transaction code enhancements and the Wiz Sentri decommissioning. | H |
| IV | Improve Customer Risk Rating models, Customer Due Diligence collection, and Enhanced Due Diligence efforts | A key component of the AML Program is understanding our customers, assessing the risk they present, and understanding activity to determine if such activity is normal and expected or potentially suspicious. This Axis will implement a tactical client de-marketing, Customer Risk Rating enhancements, real time customer identity verification, and KYC portal enhancements. CDD refresh will also begin execution within this Axis. The Axis will develop requirements for integration of 1st line of defense referrals, RFI process automation, KYC Questionnaire updates, KYC Questionnaire integration within the sales process, KYC portal enhancements, strategic client de-marketing, further CRR enhancements, CDD/CRR server migration, and CDD/CRR version upgrade. | H |
| V | Improve OFAC screening capabilities | OFAC screening is a key regulatory obligation. Enhancements will improve our ability to detect individuals, transactions, or countries which may be subject to OFAC requirements. This Axis will integrate Fedwires with the Norkom screening solution, develop requirements for migration of SWIFT and ACH filtering to Norkom, and develop requirements for Norkom WLM upgrade and migration. | H |
| VI | Increase AML compliance involvement in new business initiatives to ensure compliance | Ensuring AML compliance is included early on in the development of new products allows for the assessment of changes to inherent risk as a result of the initiative and development of appropriate controls to mitigate such risk prior to launch. This Axis will provide project support for the integration of new products into the AML Program. | H |
| VII | Increase First Line of Defense training to ensure clear understanding of AML requirements | A strong, trained FLOD is the most important strategy to combat money laundering activities. This Axis will deliver risk based specialized training to higher risk areas of the organization | H |

## Proposed Solution

AML Phase III includes 60 programs that will each strengthen our overall AML program.

# Project Description

## Scope Definition

AML Phase III includes improvements to various programs, systems and processes within AML Compliance, as well as the Lines of Business. The Technology scope of AML Phase III for many programs will be strictly comprised of requirement setting and in some cases development for AML software. Implementation of these requirements will occur outside of the scope of Phase III. 32 of 60 programs are comprised of requirement settings or the development of action plans. 28 of 60 programs will implement systems or process changes. Systems implementations and improvements within Phase III include additional data feeds to the AML Analytics Data Mart, technical enhancements to the AML Analytics Data Mart, Case Management release 1, Customer Risk Rating enhancements, implementation of real time identity verification, enhancements to the KYC Portal and new product support, Process improvements will include development of specialized training for high risk areas, implementation of a Quality Assurance process, tactical customer de-marketing enhancements, model development and testing, creation of analytics alerts, and Fedwire migration to Norkom. Project scope and timelines were reviewed and approved by the AML Board Oversight Committee on June 10, 2014 however scope will be impacted and is currently being reviewed as a result of interim resource funding prioritization of AML alert aging and inventory remediation prior to recruiting for FCPA and Sanctions programs, new draft regulations published by US government on beneficial ownership, and internal audit and PFG recommendations. Scope and timeline changes will follow approved project governance.

## Business Scope (BS)

|  |  |  |  |
| --- | --- | --- | --- |
| **Scope ID #** | **BO#** | **Business In Scope** | **Priority**  **(H / M / L)** |
| 1 |  | Corporate Banking | H |
| 2 |  | GBM | H |
| 3 |  | Retail | H |
| 4 |  | Auto Finance Group | H |
| 5 |  | Technology & Operations | H |
| 6 |  | AML Compliance | H |

*Note: Anything not explicitly mentioned as in scope is considered out of scope.*

| **Scope ID** | **Business Out of Scope** |
| --- | --- |
|  |  |
|  |  |

## Technology Scope (TS)

|  |  |  |
| --- | --- | --- |
| **(Technology Scope)**  **TS #** | **Technology In Scope** | **Priority**  **(H / M / L)** |
|  | Norkom version 6.1 (CRR and OFAC) | M |
|  | Norkom version 6.X (Case Management and Transaction Monitoring) | H |
|  | Analytics Datamart | H |
|  | SAS AML | M |
|  | WizSentri | L |
|  | Customer Database (BDP) | M |
|  | KYC Portal | H |
|  | Deposit Account Opening system (SPP) | M |
|  | KYC Questionnaire | M |
|  | AML and Fraud case management system (ICMS) | L |
|  | Retail Online Banking (ROB) | M |
|  | Advanced Teller (NTMS) | M |
|  | FedWire payments system (SCP) | H |
|  | GRC Platform | L |
|  | SAS EG and other analytics tools | M |
|  | Mobile Remote Deposit Capture | H |
|  | Mobile/Online External Transfers | H |
|  | Universal Online Banker (ACI) | H |
|  | Commercial Card (First Data) | H |
|  | Partenon (time deposit data) | M |
|  | GBO (SWIFT and derivative data) | M |
|  | PARC (wires data) | M |
|  | NTMS, PCAS, Image Center, COMPASS (cash data) | M |
|  | BDP customer account link | M |
|  | Partenon / Personal Accounts (W8 data) | M |
|  | PCAS (debit and credit card data) | M |
|  | AFS (commercial loan data) | M |
|  | Partenon (consumer loan data) | M |
|  | Loanserv (mortgage data) | M |
|  | McCracken (multifamily loan data) | M |
|  | Infolease (CEVF data) | M |

|  |  |
| --- | --- |
| **(Technology Scope)**  **TS #** | **Technology Out of Scope** |
| *OTS #* | Implementation of GRC platform (Phase III scope includes requirements only) |
|  | Implementation of Transaction Monitoring release 1 (planned for July 2015, after completion of Phase III) |
|  | Implementation of release 2 for Case Management and Transaction Monitoring (requirements only) |
|  | Implementation of transaction code enhancements in source systems (requirements only) |
|  | De-commissioning of WizSentri (requirements only) |
|  | Implementation of integrated FLOD referrals (requirements only) |
|  | Implementation of RFI process automation (requirements only) |
|  | Implementation of a new KYC Questionnaire version (requirements only) |
|  | Implementation of KYC Questionnaire integration or other related changes in account opening process (requirements only) |
|  | Implementation of upgrade for Norkom version for CDD/CRR and WLM/OFAC (v6.1.2, requirements only) |
|  | Migration of Norkom version for CDD/CRR and WLM/OFAC to US data center (requirements only) |
|  | Implementation of SWIFT and ACH filtering with Norkom WLM (requirements only) |
|  | Implementation of BDP product catalog expansion (requirements only) |
|  | Implementation of customer data maintenance enhancements (requirements only) |

## Impacted Business Processes

| **Process Name** | **Process Description** | **Process Impact** |
| --- | --- | --- |
| Training | Specialized Training for each line of business | New training sessions established, new content in existing training |
| OFAC Screening | Screening of transactions to identify those subject to OFAC sanctions | Migration of certain transactions to a new system for processing |
| Scenario Development | Development of additional scenarios to identify potentially suspicious activity | Creation of new scenarios due to the availability of additional data and in support of new product offerings which will generate additional volume for investigation. Elimination of manual reports improving efficiency |
| Model Testing | Testing of AML and OFAC models | Development and implementation of a process to validate AML and OFAC models |
| Investigations | Investigations | New systems will be used to generate and manage alerts and investigations |
| Quality Assurance | Review of AML and OFAC related processes to ensure controls are operating as designed and mitigating AML and OFAC risk | New processes to be developed in line with OCC Heightened expectations |
| Customer Identification Program | Verification of customer identity | Implement real time non-documentary verification of customer identity to improve regulatory compliance |
| Customer Due Diligence | Collection of customer due diligence information to demonstrate “know your customer” compliance | Develop requirements to enhance the KYC Questionnaire to ensure appropriate assessment of customer risk and integrate into the account opening process. |
| Enhanced Due Diligence | Collection of additional due diligence for clients presenting a higher risk of money laundering | Revision of enhanced due diligence methodology, implementation of expanded EDD questionnaires to collect required information and documentation to allow for the assessment of customer risk. |
| Customer Risk Rating | Assessment and assignment of AML customer risk rating | Revise customer risk rating methodology enhancements to properly reflect customer risk, rescoring of existing customer base, and upgrade of system. |
| AML Program | Documentation and implementation of AML Program requirements | Line of business self-assessment of current practices to AML program requirements, development of action plans, and alignment of processes and procedures to requirements. |
| Risk Assessment | Collection of data to allow for the assessment of AML and OFAC risk across SBNA | Improve availability of customer, product and geographic data through the Analytics Data Mart |
| Data Quality Monitoring and Remediation | Ensure completeness and reasonability of critical AML data | Updating of customer due diligence and other critical information for completion of missing and incorrect elements |
| Customer Due Diligence Refresh | Periodically updating customer due diligence | Capture of updated customer information through various outreach efforts including RMs, letters, phone and online. |
| Referrals of potentially suspicious activity | Referral of potentially suspicious activity to the FIU | Develop requirements for simplification of process for referring potentially suspicious activity through integration with advanced teller |
| Demarketing | Closure of customer accounts for AML cause | Implementation of tactical and development of requirements for strategic enhancements to improve execution and tracking of client demarkets |

## 

## Impacted Business Areas

|  |  |  |
| --- | --- | --- |
| **Line of Business Name** | **Impact Assessment** | **Contingency Plan** |
| Corporate Banking | H | Failure to fully implement may result in regulatory criticism. Engagement of the business in the planning and execution of the project is critical to successful implementation. |
| GBM | H | Failure to fully implement may result in regulatory criticism. Engagement of the business in the planning and execution of the project is critical to successful implementation. |
| Retail | H | Failure to fully implement may result in regulatory criticism. Engagement of the business in the planning and execution of the project is critical to successful implementation. |
| Auto Finance Group | H | Failure to fully implement may result in regulatory criticism. Engagement of the business in the planning and execution of the project is critical to successful implementation. |
| Technology & Operations | H | Failure to fully implement may result in regulatory criticism. Engagement of the business in the planning and execution of the project is critical to successful implementation. |
| AML Compliance | H | Failure to fully implement may result in regulatory criticism. Engagement of the business in the planning and execution of the project is critical to successful implementation. |

## Completion Criteria

Each program has a defined set of key deliverables with associated target dates. Major deliverables for Phase III include the implementation of a new Case Management platform, specialized AML training, enhanced Analytics, and significant strengthening of the First Line of Defense.

## Constraints

Key constraints include for Phase III include:

* Commitments have been made to the Board of Directors and senior management regarding scope and timelines, including overall completion of Phase III in April 2015.
* Regulatory changes may impact scope and timeline
* Satisfying OCC Heightened Expectations for First Line of Defense before 2014 OCC examination will require rapid 90 day mobilization to achieve certain stretch deliverables prior to October
* Data quality and availability issues exist in multiple source systems across the Bank and will impact on some AML Phase 3 projects
* BAU activities will impact availability of key resources
* External resources will not be familiar with Santander systems and business processes
* OCC view of sustainability on several key items including strategy to automate and integrate key AML investigation processes using existing technology by Q3’14.
* Financial resource constraints require balance between delivery of full scope within defined timelines and BAU regulatory required activities
* First release of Case Management and Transaction Monitoring will not include customization, only out-of-the-box functionality in Norkom version 6.7 with configuration
* Availability of qualified and competent resources in Boston/Miami area to fill new positions created to support Phase III projects
* Internal audit recommendations will impact project scope and timeline
* Promontory independent assessment of the AML program has resulted in recommendations which will impact project scope and timeline.

## Assumptions

* Project deliverables and timelines assume proper resourcing
* Approved project resources will be on-boarded according to plans
* Sufficient ongoing 2015 budget for IT projects will be approved
* External resources (including affiliates) will be available during required time periods
* Technology systems will be available to allow for testing within defined timelines
* Business resources will develop all required test scripts and be available for testing following completion of IT development
* Training will be provided for any external resources who will be supporting AML with User Acceptance Testing (UAT)
* Key resources will be available
* Regulatory and industry environment will not impact project scope or timelines.
* Additions to project scope will follow agreed change management process and approvals
* Retention of leadership and key resources within AML Compliance, T&O, and First Line of Defense teams
* BAU activities will not impact availability of key resources
* First line of defense priorities will not impact project scope, resources or timelines
* First line of defense new products will be 100% integrated with AML Program requirements

## Dependencies Linkages

Key dependencies include:

* Approval and on-boarding of sufficient resources to execute on all programs within defined timelines.
* Lines of Business must execute against committed project deadlines for all projects including establishing QA program, developing and delivering specialized training, and customer due diligence refresh.
* Retail banking must coordinate multiple business requirements against several channels including online, branches and call centers to facilitate customer friendly due diligence refresh process.
* Customer Risk Rating rescoring will be completed in time to allow completion of customer due diligence refresh to initiate on time.
* Required risk assessment data will be available
* Analytics programs are dependent on receiving data from other systems
* Several programs are dependent on the successful and timeline completion of other projects
* Migration of wire transactions will occur within committed timelines

## Measures of Success

Success will be measured by:

* Delivery on all 60 programs. Each program’s status (% Complete and Traffic Light) will be tracked and monitored. Status will also be reported weekly to the Project Review Board and bi-weekly to the Executive Steering Committee.
* Existing AML and OFAC MRAs will be lifted by the OCC
* No repeat MRAs are identified by the OCC
* No repeat findings are identified by internal audit
* Quality of risk management is improved
* Efficiency and productivity within the line of business and FIU is improved

## Critical Success Factors

* IT deliverables will be provided on time,
* AML, T&O and 1st LOD resources will be on-boarded quickly according to plan,
* Team members’ knowledge of AML and OFAC risk has been enhanced through delivery of risk based specialized training
* Action plans have been created integrating the AML Program into line of business processes and procedures
* EDD Program has been integrated into line of business processes and procedures
* QA programs that have been implemented are identifying control weaknesses
* Additional monitoring scenarios have been tested and implemented
* Existing scenarios have been validated based on agreed schedule

# Project Controls

## Governance

AML Phase III has numerous governance channels, most notably an Executive Steering Committee and a Board Oversight Committee that will track project and BAU success.

### Governance Roles & Responsibilities

|  |  |  |  |
| --- | --- | --- | --- |
| **Governing Body** | **Objective** | **Role** | **Approval Authority** |
| AML Phase III ESC | Executive leadership of AML Phase III | Executive oversight and decision authority over Phase III | Project scope, timelines, changes |
| Board Oversight Committee | Board level oversight for AML BAU and transformation projects | Board oversight | Project scope, timelines, changes |
| Project Review Board | Team level review meeting to validate status and issues requiring escalation | Weekly project governance | Project scope, timelines, changes |

## Risk Management

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | Probability | Impact | Mitigation |
| Resources will not be on-boarded in time to meet commitments | M | M | Business lines and AML are working with existing resources to meet goals and actively working to recruit new team members |
| Regulatory changes and/or heightened expectations may impact scope and timeline | H | H | Regulatory environment is monitored through participation in industry and regulator forums to identify required changes |
| AML program remediation will identify previous unknowns which may impact scope of Phase III work | H | M | Weekly reporting of project status and bi-weekly presentation to Executive Steering Committee to identify and escalate issues concerning scope and timelines for resolution |
| Promontory, Internal Audit, and UCIF recommendations will impact scope of Phase III work | H | H | Regular meetings are held during independent reviews to discuss findings and potential recommendations; updates are provided to Executive Steering Committee. Assessment of impact to project scope is in process. |
| Dates for IT deliverables have been committed without detailed business requirements and sizing, which may impact estimated resources or committed scope and timeline | M | M | Any changes to committed Phase III scope or timelines will be escalated to Executive Steering Committee per agreed Change Management process |
| Resources will be diverted from the Phase III project to address FIU alert volumes or other BAU activities | H | H | BAU issues and concerns are reported and discussed regularly through an executive management forum. Any changes to committed Phase III scope or timelines will be escalated to Executive Steering Committee per agreed Change Management process |

### Constraint/Dependencies/Assumptions

| **#** | **Constraints / Dependencies/ Assumptions** | **Description** | **Associated Risk** | **Mitigation Strategy / Plan** | **Likelihood**  **(H / M /L)** |
| --- | --- | --- | --- | --- | --- |
| **1** | Constraint | Commitments have been made to the Board of Directors and senior management regarding scope and timelines, including overall completion of Phase III in April 2015. | Additional resources may be needed to meet Board commitment | Weekly reporting of project status and bi-weekly presentation to Executive Steering Committee to identify and escalate issues concerning scope and timelines for resolution. | M |
| **2** | Constraint | Regulatory changes may impact scope and timeline | Phase III scope and/or timelines must be adjusted to meet regulatory requirement changes | Regulatory environment is monitored through participation in industry and regulator forums to identify required changes | M |
| **3** | Constraint | Satisfying OCC Heightened Expectations for First Line of Defense before 2014 OCC examination will require rapid 90 day mobilization to achieve certain stretch deliverables prior to October | Resources are not on-boarded with sufficient time to meet deliverables targeted prior to 10/31 | Action plans regarding the on-boarding of resources have been developed and are being tracked. Active requirement underway | H |
| **4** | Constraint | Data quality and availability issues exist in multiple source systems across the Bank and will impact some AML Phase 3 projects | Analytics unable to create additional monitoring scenarios in support of red flags coverage as expected by regulators. Risk Assessment may not be able to fully assess inherent risk across limited systems or products resulting in regulatory criticism. | AML Compliance is engaged in multiple projects that are addressing data quality issues to assess impact to Phase III deliverables | M |
| **5** | Constraint | External resources will not be familiar with operating Santander systems and business processes | External resources are not immediately productive impacting Board approved timelines | Continued assessment of required timelines for external engagement underway to allow for sufficient training. | M |
| **6** | Constraint | OCC view of sustainability on several key items including strategy to automate and integrate key AML investigation processes using existing technology by Q3’14 | Unable to demonstrate sustainability in several key AML areas may result in additional MRAs or inability to lift existing MRAs | Meetings are held with the OCC on at least a quarterly basis to discuss current status of the AML Transformation plan | H |
| **7** | Constraint | Financial resource constraints require balance between delivery of full scope within defined timelines and BAU regulatory required activities | Financial constraints delay the on-boarding of required resources impacting the project timelines | Project change requests are reviewed and approved by the Executive Steering Committee. | H |
| **8** | Constraint | First release of Case Management and Transaction Monitoring will not include customization, only out-of-the-box functionality in Norkom version 6.7 with configuration | Limited functionality of first release will not deliver certain critical functionality or efficiency improvements will be less than anticipated | Engagement of software vendor (BAE) and integrator (PwC) to support gap analysis will identify alternative approaches to addressing any gaps, and customization will be delivered in second release later in 2015 | H |
| **9** | Constraint | Availability of qualified and competent resources in Boston/Miami area to fill new positions created to support Phase III projects | Inability to hire qualified resources with appropriate skills to meet defined and Board committed project deliverables | Establish a secondary FIU location in Miami which expands access to talent. | H |
| **10** | Constraint | Internal Audit recommendations will result in changes to changes in project scope and timelines | Internal audit recommendations must be addressed pulling key resources from the project resulting in changes to project scope and inability to meet Board committed timeline | Assessment of internal audit recommendations against Phase III project scope is in process Project change requests are reviewed and approved by the Executive Steering Committee. | H |
| **11** | Constraint | Promontory recommendations will result in changes to changes in project scope and timelines | Promontory recommendations must be addressed pulling key resources from the project resulting in changes to project scope and inability to meet Board committed timeline | Assessment of Promontory recommendations against Phase III project scope is in process Project change requests are reviewed and approved by the Executive Steering Committee. | H |
| **12** | Assumption | Project deliverables and timelines assume proper resourcing | Resources are not available timely resulting in inability to deliver Board committed project deliverables and timelines | Action plans regarding the on-boarding of resources have been developed and are being tracked. Active requirement underway | H |
| **13** | Assumption | Approved project resources will be on-boarded according to plans | Resources are not available timely resulting in inability deliver Board committed project deliverables and timelines | Action plans regarding the on-boarding of resources have been developed and are being tracked. Active requirement underway | H |
| **14** | Assumption | Sufficient 2015 budget for IT projects will be approved | 2015 technology budget is not sufficiently funded to deliver technology solutions within Phase III | Issues relating to budget are presented to the AML Executive Steering Committee for resolution | H |
| **15** | Assumption | External resources (including affiliates) will be available during required time periods | Resources are not available within needed timelines impacting Board committed project scope or timelines | Strategy in development for UAT testing including timelines when external resources must be available. | H |
| **16** | Assumption | Technology systems will be available to allow for testing within defined timelines | Technology systems are not available to conduct full UAT testing resulting in impact to timelines or implementation issues | Strategy for UAT testing in development | M |
| **17** | Assumption | Business resources will develop all required test scripts and be available for testing following completion of IT development | Resources are not available to develop test scripts impacting the ability to conduct robust UAT testing impacting UAT scope and timelines | Strategy for UAT testing in development | M |
| **18** | Assumption | Training will be provided for any external resources who will be supporting AML with User Acceptance Testing (UAT) | External resources are not trained on Santander systems impacting ability to conduct UAT, UAT scope or timelines | Strategy for UAT testing in development | M |
| **19** | Assumption | Key resources will be available | Key resources are not available resulting in inability to meet Board committed project timelines | Action plans regarding the on-boarding of resources have been developed and are being tracked. Active requirement underway | H |
| **20** | Assumption | Regulatory and industry environment will not impact project scope or timelines. | Regulatory changes may result in the need to reprioritize Phase III deliverables to meet new regulatory requirements or expectations | Regulatory environment is monitored through participation in industry and regulator forums to identify required changes | M |
| **21** | Assumption | Additions to project scope will follow agreed change management process and approvals | Changes to project scope or timelines are made outside of defined change management resulting in non-transparency with the Executive Steering Committee and Board Oversight Committee | Change management process has been reviewed and approved by all stakeholders | M |
| **22** | Assumption | Retention of leadership and key resources within AML Compliance, T&O, and First Line of Defense teams | Key subject matter experts leave the organization resulting in knowledge gap and inability to replace with adequate talent | Periodically benchmark compensation | M |
| **23** | Dependency | Approval and on-boarding of sufficient resources to execute on all programs within defined timelines. | Resources are not available timely resulting in inability to deliver Board committed project deliverables and timelines | Action plans regarding the on-boarding of resources have been developed and are being tracked. Active requirement underway | H |
| **24** | Dependency | Lines of Business must execute against committed project deadlines for all projects including establishing QA program, developing and delivering specialized training, and customer due diligence refresh. | Line of business strategic priorities impact the delivery of committed projects within defined timelines | AML Executive Management committee is kept informed of Phase III project scope and deliverables for prioritization against business strategic initiatives. | H |
| **25** | Dependency | Retail banking must coordinate multiple business requirements against several channels including online, branches and call centers to facilitate customer friendly due diligence refresh process. | Ability to effectively refresh customer due diligence across the large and diverse retail banking customer base requires multi-channel effort to ensure appropriate outreach. Failure to implement this approach will impact ability to fully execute requirements | Multi-channel approach developed with centralized oversight by Retail risk team. | M |
| **26** | Dependency | Customer Risk Rating rescoring will be completed in time to allow completion of customer due diligence refresh to initiate on time. | Failure to rescore the existing customer base within defined timelines will impact delivery of CDD refresh deliverables | Impacted stakeholders are aware of dependency. Project status reported on a weekly basis. Any changes in project delivery timelines must be reviewed and approved by the Executive Steering Committee | H |
| **27** | Dependency | Required risk assessment data will be available | Lack of available data will result in an incomplete assessment of inherent risk resulting in regulatory criticism. | Data requirements have been shared with lines of business and T&O. Project status reported on a weekly basis. Any changes in project delivery timelines must be reviewed and approved by the Executive Steering Committee | M |
| **28** | Dependency | Analytics programs are dependent on receiving data from other systems | Lack of available data in a format that can be utilized by analytics impacts the ability to meet OCC expectations of red flags coverage | Data requirements have been shared with key stakeholders. | M |
| **29** | Dependency | Several programs are dependent on the successful and timeline completion of others | Failure to deliver projects within defined timelines may impact multiple projects. | Project status reported on a weekly basis. Any changes in project delivery timelines must be reviewed and approved by the Executive Steering Committee | H |
| **30** | Dependency | Migration of wire transactions will occur within committed timelines | Failure to meet OCC commitment of migration to strategic solution | Project status reported on a weekly basis. Any changes in project delivery timelines must be reviewed and approved by the Executive Steering Committee. | M |

## Change Management

Each axis meets weekly to review their project goals. If a date/scope or other change is required it is logged and presented in our weekly Project Review Board. Date changes that do not impact board level commitments can be approved by Mike Raffa (Chief AML Officer). All other date and scope requests will be escalated to the Phase III ESC for review/approval. Changes to board commitments will be reviewed by the Board Oversight Committee for additional approval.

## Communication Management

* The Project Manager meets with Program owners and key stakeholders each week
* Status is reviewed and agreed upon during weekly meetings
* All Program status are presented for review by key LOB, IT, and AML executives at weekly Project Review Board meetings
* All status is presented bi-weekly to the AML Phase III ESC
* Status is presented monthly to the AML Board Oversight Committee
* Status is presented at least quarterly AML Operating, AML Executive Sub-Committee and AML Executive Committee

# Roles and Project Stakeholders

## Roles

The following role definitions are recommended as being applied to the resources assigned to this project. This information may change based on your specific project:

| Role | Description |
| --- | --- |
| Project Sponsor | Provides executive team approval and sponsorship for the project. Has budget ownership for the project and is the major stakeholder and recipient for the project deliverables. |
| Project Owner | Provides a clear, decisive definition of the project to the Project team. Makes final decisions and resolves conflicts or issues regarding project expectations. The project owner and the project manager have a direct link for all communication. The project manager will work directly with the project owner on all project clarifications. |
| Project Manager | Provides overall management to the project. Accountable for establishing a Project Scope Document, developing and managing the work plan, securing appropriate resources and delegating the work and insuring successful completion of the project. All project team members report (functionally) to the project manager. Handles all project administrative duties, interfaces to project sponsors and owners and has overall accountability for the project. |
| Steering Committee | Provide assistance in resolving issues that arise beyond the project manager’s jurisdiction. Monitor project progress and provide necessary tools and support when milestones are in jeopardy. |
| Stakeholder | Key provider of requirements. May also be considered Subject Matter Experts. Deliverable may directly or indirectly impact or enhance the stakeholders’ business processes and environment. |
| Team Member | An individual who is formally allocated the project and has accountability to tasks, activities, and/or deliverables. |

## Stakeholders

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| --- | --- |
| **Project Sponsor** | Carol Hunley (Chief Compliance Officer) |
| **Project Owner** | Michael Raffa (Chief AML Officer) |
| **Project Manager** | Eileen Cosgriff (AML PMO) |
| **Steering Committee** | Marcelo Brutti, Julio Somoza, Carol Hunley, Michael Raffa, David Chaos, Christopher Pfirrman, Aurelio Velo, |
| **Stakeholder** | Line of Business Leads   * Retail: Darlene Frizzell * Corporate Banking: Inigo Alvarez * Auto Finance: Sue Lehman * GBM: Ted Horan * Technology and Operations: Rob Ames/Steve Knoch/Matt Fineman * AML Compliance: Matt Quinn/Pete Richards/Suzanne Marsh |
| **Team Member** | Additional resources assigned from each of the following areas   * AML Compliance (including external support) * Technology & Operations (including affiliates) * Retail * Corporate Banking * Auto Finance * GBM |