

Issues & Answers



January 2022

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Legislature Must Make Good Budget Decisions Amidst Public Concerns



By Glen Simecek, President and CEO, Washington Bankers Association

Remember the good old days, when one of your biggest worries of the new year was that you'd inevitably slip up and write the wrong year?

These days, we have more serious concerns as the new year begins. For instance, we're all wondering whether 2022 will be the year that COVID recedes and our businesses, schools, hospitals, and personal lives can return to something approaching pre-pandemic normal.

Amidst that uncertainty, your WBA advocacy team is preparing for another legislative session to begin this month. This will be the shorter, 60-day session, and it again will be conducted primarily remotely. Indications are that all committee hearings will be virtual but that floor action on bills will take place in person (although the larger

House of Representatives may vote in shifts to limit the number of members in the chamber at any given time). Personal meetings with legislators will either be discouraged (House) or prohibited (Senate), again posing a major challenge for communicating with them on the issues.

Given these procedural challenges, we're fortunate that big-picture trends point to what should be a reasonably straightforward session.

One of the Legislature's primary responsibilities in a short session is to consider changes to the biennial budget to reflect the latest revenue and caseload forecasts. On that front, the news is excellent. The state's economy never dipped as far as once feared, and the recovery, spurred in part by federal stimulus dollars driving up consumer spending, has been both faster and more robust than initially predicted.

November's four-year outlook for revenues and caseloads shows a huge unrestricted fund balance of nearly \$8.7 billion. This doesn't include the \$1 billion set aside last year in a special reserve

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On the Cover

A snowy view of Liberty Bell on the Methow Valley Ranger District in mid-December.

Photo courtesy of Flickr by Peter Wier

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account, nor does it include the nearly \$1.3 billion the state has left from its share of federal coronavirus fiscal relief and recovery funding.

Logic would argue that having huge piles of cash should eliminate any thought about raising taxes. A strong case could be made that now would be the time to pare back some taxes to ensure that the state economy can remain robust, despite the threats of inflation and global supply chain interruptions. At the very least, excess funds should be invested prudently, reducing underfunded pension liabilities or improving the state's transportation infrastructure.

The last thing we would want to see is a host of new programs that might not be sustainable when the economy inevitably cools. We're far from alone in that opinion.

According to a recent statewide poll conducted as part of the business community's Opportunity Washington initiative, Washington citizens are concerned about the state's future.

Six in ten survey respondents said the state is on the wrong track, with only 31 percent saying things are headed in the right direction. That's a big drop from the nearly half who said things were moving in the right direction last February.

Economic factors are a key reason for this drop. Although state tax collections remain strong, a majority of people are worried about their own financial condition, with 33 percent saying they're worried and 25 percent saying they're very worried. Only half of those polled ranked the state economy as good or very good, down from 57 percent in February. On the flip side, nearly half (48 percent) said the economy is getting worse, up significantly from the 39 percent who felt that way in February.

Given those figures, it's no surprise that 51 percent say the state spends too much on public services and taxes should be reduced, while only 20 percent believe we spend too little on services and taxes should be increased.

Despite this public aversion to additional taxes and the State's extremely healthy balance sheet, there still are some within the Legislature who continue pushing for additional taxes. We will have to remain diligent in protecting WBA members and their customers from job-stifling tax increases.

We can also expect other "greatest hits" issues from recent sessions to emerge again this year. These include consumer data privacy legislation, creation of a state bank, and proposals to create additional competitive advantages for credit unions. In other words, a lot of work will be packed into a fast 60 days.

All of this will occur against the backdrop of 2022 being an election year. In the Legislature, every House seat and roughly half the Senate seats will be up for a vote. The same is true of our congressional delegation, where all House positions and one Senate seat are up for election. Elections sometimes help draw elected officials away from the extremes and closer to the middle – a trend that we hope continues.

But we can't assume that will happen. So we will have to continue advocating for moderate and balanced public policies that preserve the strengths of our existing economy and create new opportunities for the future.

Moving lawmakers in that direction would create one less thing to worry about in the new year.

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U.S. House Financial Services Committee Update: Looking Back at the Year of 2021



By Congressman Blaine Luetkemeyer (R-MO)

The year 2021 was a change of pace for Americans in several ways. Life in our country has largely gone back to normal with kids back in school and businesses getting back to serving their communities. The

White House also changed hands, and with a new Administration means new rules to navigate. My biggest job this Congress has been monitoring President Biden and this Administration's regulations and pushing back when necessary. My fear that he would resort to Obama-era regulation was not only realized, but he has unfortunately taken overregulation even further.

This Congress, in addition to my role as the top Republican on the Subcommittee on Consumer Protection and Financial Institutions, I was also elected to serve as the top Republican on the House Committee on Small Business. In both capacities, keeping track of the pandemic relief programs for businesses in our country and holding the Treasury Department and Small Business Administration (SBA) accountable have been a full-time job.

Despite the law requiring Treasury Secretary Yellen to appear before the Small Business Committee by mid-April, she has refused to appear before the Small Business Committee to discuss the Paycheck Protection Program (PPP), which the CARES Act made a Treasury program. The fact that a member of the President's cabinet is actively breaking the law is unacceptable and something I have been calling attention to for months. When she appeared before the Financial Services Committee in November, I asked the Secretary if Administration officials should be held to the same standards as the American people when they break the law, to which she said yes. However, when I asked why she believes she doesn't have to follow the law, she refused to give a reasonable explanation or commit to fulfilling her legal obligations. And Speaker Pelosi has no intention of holding her accountable.

Last year another major item on my punch list has been keeping tabs on the radical slate of regulators President Biden has chosen. While a shift in ideology is to be expected with a new Administration, some of the choices to lead our nation's regulatory agencies have been unnerving, to put it lightly. Perhaps the most radical nominee I have seen during my time in

Congress was Cornell Law Professor Saule Omarova, nominated to the Comptroller of the Currency. An outspoken communist and proud graduate of Moscow State University, Professor Omarova was not shy about sharing her radical views, publicly stating if confirmed, she would try to "put an end to banking as we know it" and put our nation's energy industry out of business. Fortunately, her over-the-top statements and stances caused her nomination to be pulled, but that does not change that she was the White House's first pick for the job.

The latest and greatest rumor out of the Biden Administration is that former CFPB Director Richard Cordray is being considered for Vice-Chair of Supervision at the Federal Reserve. Those of you who remember the Cordray era at the CFPB know it was primarily based on regulation through enforcement. He simply took companies to court to establish practices within an industry, not going through the legally established rulemaking process. He believes that regulators' primary job is to exert as much pain on the private sector as possible, regardless of the circumstance. I have no doubt he would be just as bad for the country at the Federal Reserve as he was at the CFPB.

Speaking of the CFPB, for those of you who are not familiar with Director Chopra, you should be. An Elizabeth Warren acolyte, Chopra wants to return the CFPB to its Cordray-era regulation tactics through enforcement and intimidation of the financial services industry. He is smart, determined, and power-hungry.

In early December, he attempted to usurp the authority Chairwoman of the FDIC and dictate the policies of both agencies. This is not hyperbole. On December 9, Chopra tried to circumvent the FDIC leadership and announced the Bureau would be launching a review of bank merger policy without the consent of Chairwoman McWilliams. The FDIC promptly denounced this unprecedented statement in a press release. This blatant disregard for another agency's authority and overstep makes me fearful for what else is to come from the CFPB under Mr. Chopra's heavy-handed leadership.

While this is not the cheery, year-end wrap-up I have been glad to deliver in the years before the pandemic, it is the reality of operations in Washington. I assure you I will continue fighting bad policies and over-regulation so you can continue doing your jobs and helping keep our local economies running smoothly.

American communities couldn't do it without you.

WBA Closes Out 2021 with Hybrid Bank Executive Conference in Seattle

In early December, WBA closed out 2021 with the annual Bank Executive Conference, hosted as the Association's first-ever hybrid conference.

In-person attendees joined the event from the Washington Athletic Club in downtown Seattle, while virtual attendees viewed the event from the WBA's online conference platform.

The conference kicked off with a virtual address from Esther George, President and CEO of the Federal Reserve Bank of Kansas City, who shared an update on the current state of the industry, areas the Fed is working on in her district, and answered video questions from several bankers.

An economist with Conerly Consulting, Bill Conerly, followed George's session with a discussion on the economy, sharing how he expects work from the Federal Reserve and government to continue for at least another year before we start to see change. He also touched on how the Pacific Northwest economy mirrors the nation and makes this region slightly different.

Kitty Ryan, ABA's SVP for fair and responsible banking, hosted a session with updates on the CFPB and OCC, including what new rulemaking she expects to see coming in the future and how those new rules could impact the industry.

Continuing the economic and legislative theme, James Ballentine, EVP of congressional relations and political affairs at the ABA, gave a national legislative update, discussing the OCC nominee, the current status of legislation, and what he's watching in 2022. WBA's lobbyist Trent House followed Ballentine and gave a state legislative update.

Following lunch, attendees learned how to incorporate financial inclusion into their organizations and products during a panel discussion moderated by WBA's Duncan Taylor, SVP of members and operations. The panel included Dr. Melody Bell, founder and CEO of Financial Beginnings; Luisa Gonzalez, associate for the Cities for Financial Empowerment; Jennifer Quiroz, executive director of Financial Empowerment



Network; and David Rothstein, senior principal at Cities for Financial Empowerment.

In the second panel of the day, Sayee Srinivasan, chief economist and head of research for the ABA, discussed climate risk. The panel included Darrin Benhart,

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Events Calendar

January 26 – Executive Development Program

February 10-11 – NW Compliance Conference, DoubleTree Suites, Southcenter

March 2-3 – Virtual Senior Credit Conference

March 29 – Retail Sales & Leadership Conference, Washington Athletic Club, Seattle

March 31 – Marketing Conference, DoubleTree Suites Seattle Airport

April 20-21 – Virtual Fintech Conference

May 10 – NW Agriculture Conference, Three Rivers Conference Center, Kennewick

May 17-18 – Education/Human Resources Conference, Historic Davenport Hotel, Spokane

July 11-13 – 2022 IBA, NBA, OBA, WBA Annual Convention, Coeur d'Alene, ID

To register or to learn more about any of the listed events, please visit www.wabankers.com/calendar.

Finalize Your Professional Education Plan for 2022

The WBA calendar of spring events is full of ways for everyone within the bank to stay up-to-date on the latest in the industry.

We'll kick off 2022 with the **Northwest Compliance Conference** on February 10-11 at the DoubleTree Suites by Hilton, Seattle Airport Southcenter. The conference features returning speakers Leah Hamilton, Sharon Stedman, and DaveMcCrea. Attendees can choose between attending both days or one.

Bankers in the credit department are encouraged to join the **Virtual Senior Credit Conference** on March 2-3. This conference will include sessions on navigating hybrid and remote work, commercial real estate, and more.

The **Retail Sales and Leadership Conference**, will be held on March 29 at the Washington Athletic Club, and banks can choose a virtual option to best fit their needs based on the number of attendees. Featured speakers include the popular Cindy Solomon, who will host a session during the conference, a special afternoon workshop for in-person attendees, and Deanna Davis on thriving in the workplace. The full agenda for the conference is now available online.

WBA will close out the month with the **2022 Marketing Conference** on March 31 at the DoubleTree Seattle Airport. Amber Farley, executive vice president of brand development at Financial Marketing Solutions, will headline the event with a session on the current media landscape and where banks should focus. She'll also host a workshop session in the afternoon focusing on ways banks can help lenders build and increase their presence on LinkedIn.

On April 20-21, WBA will feature the **Virtual Fintech Conference**. Registration options include individual or bringing a team from the bank. JP Nicols, cofounder of Fintech Forge and Alloy Labs Alliance, will headline the event, discussing what he sees in the industry. The conference also includes popular Buzz Sessions, where attendees join roundtables with subject matter experts for a discussion.

On May 10, the **Northwest Agriculture Conference** will return to the Three Rivers Convention Center in Kennewick, followed by a day-long training session specifically for ag lenders on May 11. This conference features Curt Covington, senior director of institution credit at AgAmerica Lending, and Shawn Hackett, who will discuss how weather cycles, sunspots, and the

pandemic influence ag markets.

The **2022 Education/Human Resources Conference** will be held at the Historic Davenport Hotel in Spokane on May 17-18.

The **2022 Bankers Convention** will be held July 11-13 at Coeur d'Alene Resort with the Idaho, Nevada, and Oregon Bankers Association.

Space is also filling quickly for the **2022 Executive Development Program** beginning in January.

This comprehensive 12-month program focuses on the skills bankers need to take on executive roles within their organization. Sessions cover various topics, including today's banking environment, leadership and management, financial profitability, liability and assets, credit and risk review, audit and compliance, and much more. In 2022, we updated the program to focus on cybersecurity and the role of fintech partnerships.

One of the program's highlights is the one-on-one mentorship, one of the few opportunities in the country for this type of program. Students are paired with executives from their organization, meeting regularly to deepen their understanding of topics discussed during class.

Classes begin January 26, 2022, and will run through November. The 2022 EDP will be mainly held in-person, with courses at the Washington Athletic Club in downtown Seattle, with some sessions held virtually.

This popular program regularly sells out, so students should register early.

Please visit the WBA website at www.wabankers.com for more information about registration for any of our upcoming programs.



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climate change risk office at the OCC; Seth Shapiro, EVP and risk strategist at USI; and Jim Scott, senior advisor financial institutions engagement at Ceres. They discussed ways banks can start thinking about climate change risk and why it is essential to consider this now.

The first day of the conference closed with Jim Olson, former CIA operative, recounting lessons learned during his time as an undercover CIA agent and areas of the geopolitical arena that Americans should be watching closely. He also told a story about a particularly harrowing mission during his time in the Soviet Union.

On the second day of the conference, which was held entirely virtually, AmyK kicked off the event with an interactive and engaging session on merging culture with innovation. She discussed ways leaders could use communication skills to understand others and foster innovation.

The morning also featured breakout sessions, where attendees picked one of three sessions to attend. The live sessions included Ryan Canin, CEO at DocFox, discussing crypto and banking and what banks should be thinking about in this newer realm of the industry. Trey Reeme, president of



Trabian, hosted a session on why tech projects fail and fix that issue. At the same time, Gillian Murphy, partner at Davis Wright Tremaine, provided an update on employment law issues and new rules about

COVID.

The conference closed with a follow-up session from AmyK, who built on her session from the morning.

Industry News

New Hires

Christopher Martinez
Assistant Vice President and Branch Manager at Peoples Bank

Alan Fulp
Client Relationship Management at Kitsap Bank

Austin Collier
Credit Analyst at SaviBank

Masukur Rahman
Assistant Vice President and Business Banking Manager at First Financial Northwest Bank

Promotions

Demitri Itskos
Credit Officer at First Interstate Bank

Becky Sechler
Senior Vice President and Director of Retail Banking and Client Delivery at Washington Trust Bank

James Anderson
Vice President and Information Technology Manager at Kitsap Bank

Amber Burton
Marketing Officer at Kitsap Bank

Janet Silcott
Vice President and Marketing Director at Kitsap Bank

Michael Wilson
Chief Executive Officer at RiverBank

Retirements

Shannon Childs
Senior Vice President & Chief Marketing Officer at Kitsap Bank

Have Industry News to share with WBA? Email megan@wabankers.com or call (206) 344-3472.

WBA Member News

Yakima Federal Savings Donations \$100,000 to Local Food Bank

In late November, Yakima Federal Savings announced a \$100,000 donation to the FISH Community Food Bank to help with renovations.

The food bank had recently purchased a new location, which will house their Open Table program to provide meals for anyone 60 and older eligible for the SE Washington Aging and Long-Term Care Senior Nutrition (ALTC) program, as well as Meals on Wheels.

In addition, Open Table prepares and serves an annual Thanksgiving meal and provides meals for the Ellensburg Cold Weather Shelter during the winter. FISH offers free lunches to those who do not qualify for other ALTC programs.

"Yakima Federal is pleased that we can provide funds to support Open Table meal service," said Leanne Antonio, president, and CEO of Yakima Federal. "Their goal for the new site is to become a hub of nutrition-related services that will benefit many Kittitas County residents. We believe in the mission and vision of FISH and are excited to be their partner."

Over five years, the donation is spread out, with the first \$50,000 donated immediately and then \$10,000 per year through 2026.

U.S. Bank Volunteers Pack Meals During Community Big Give Event



The local U.S. Bank team members participated in the Community Big Give event in Bonney Lake this fall.

The volunteers packed 1,200 meals for those in need.

Coastal Community Bank Collects Food Donations, Volunteers at Food Pantry



This fall, the Coastal Community Bank downtown Everett branch partnered with Everett High School for their food drive. Thanks to Coastal customers, the donations box was filled



twice, helping local families in need during the holiday season.

Other members of the Coastal team volunteered in November with the Volunteers of America drive-through food pantry in Everett.

Over 500 families were provided with food and gift cards to help them with this year's holidays.

Banner Bank Fund Drive Raises Over \$61,000

This fall, Banner Bank hosted its annual fund drive, breaking the bank's previous records, helping local communities.

Client-facing branches and offices collected funds, while back-office teams donated canned and packaged foods to be donated. Local groups then selected the charities for donations.

In total, the bank raised \$61,496 for 92 different nonprofit organizations across the bank's four-state region, surpassing the previous year's total of \$41,200.

The Spokane Ferrall Support Center, which houses the bank's payment operations, commercial loan servicing, and central deposit teams, collected 1,168 items. The Bothell Operations center and the fraud and security teams collected over 175 items and partnered with a local grocery store to purchase 17 carts of food.

The Bank's Bothell branch has the highest team total of \$2,292, thanks to a single generous contributor who donated \$2,000.

1st Security Bank of Washington Commits \$105,000 to Local Food Banks on Giving Tuesday



On Giving Tuesday in November, 1st Security Bank of Washington announced it would be making donations totaling \$105,000 to food banks throughout the bank's footprint.

1st Security Bank said there had been a heightened need at food banks in local communities and wanted to help.

For each of the bank's 21 branch locations, the bank donated \$5,000 to the local food bank.

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Banner Bank Employees Volunteer at Spokane Salvation Army Kettle Kick-Off



Each December, members of the Spokane community come together for the annual Salvation Army Corporate Kettle Kick-Off, where volunteers ring the donation bell.

The Banner Bank team members took part in the event,

ringing the bell loudly for several hours, collecting donations for the Salvation Army.

HomeStreet Bank Celebrates Banksgiving with \$1,000 Donations to Local Nonprofits

In November, HomeStreet Bank celebrated Banksgiving, asking members of the community to nominate their favorite nonprofits for the chance to win \$1,000 donations.

Over 700 entries were received, and donations were made to Share Vancouver, Proud Ground, Family Programs Hawaii, NoHo Home Alliance, and LifeStream Blood Bank.

First Financial Northwest Bank Makes Holiday Donations



First Financial Northwest Bank made several donations to local causes during the holiday season.

Members of the Arlington team stopped by the Arlington Community Food Bank with a \$500 donation to help those in need.

At another Snohomish County branch, the bank hosted a coat drive for Clothes for Kids to help ensure local children stayed warm this winter.

Sound Community Bank Donates to Habitat for Humanity of Clallam County



In early December, the Sound Community Bank team members presented a donation to Habitat for Humanity of Clallam County.

The \$2,500 donation will help the Habitat chapter with its next home-building project.

HomeStreet Bank Branch Builds Homeless Kits



Members of the HomeStreet Bank Green Lake branch and other banks and credit unions in the area came together in December to put together homeless kits for those in need.

The bankers put together over 200 kits to help bring comfort to neighbors in need this winter.

Mountain Pacific Bank Partners with YWCA and Forgotten Children's Fund



This holiday season, Mountain Pacific Bank partnered with the YWCA to adopt a family to help brighten their holidays.

The bank's employees raised \$1,485 for gift cards to help cover the family's holiday dinner and gifts.

"We can't wait to bring the magic of this holiday season to the family and the joy it will bring them," said the bank.

The bank also partnered with the Forgotten Children's Fund to collect donations for families impacted by the recent flooding in Nooksack Valley.

Donations were collected at the bank's Burlington and Everett offices, and several local businesses also worked to collect clothing, toys, diapers, and toiletries for families affected by the flooding.

The bank collected gift cards for 190 families and over \$9,500 in donations.

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Ransomware – Taking Your Data Hostage



*By Daniel Baker, Compliance Officer,
Compliance Alliance*

Have you heard the age-old joke about a man and a stick? A man walks into a bank waving a stick in the air. Confused, the teller queried him with the standard bank greeting – to which the man promptly replied, “Quick! Give me all your money! This is a stickup!”

The first time I heard this joke, I groaned. Each time since then has caused me to roll my eyes and wish we had some better banking jokes to rely on. Although we jest about bank robberies and tell horror stories of hostage situations with the fascination of late-night campfire ghost stories, criminals have found ever new ways to “rob” banks, businesses, and the average consumer. Historically, these have caused potential losses totaling in the billions.

In some cases, criminals find it easier to gain access to the bank’s system with a type of malicious software (“Malware”) and threaten to publish or block access to the data or computer system by encrypting it unless the victim pays a ransom fee to the attacker. Usually, the ransom demand would come with some sort of deadline. If the victim doesn’t pay in time, the data is gone forever. This specific type of attack is called Ransomware.

FinCEN Ransomware Trends in BSA – January 2021 and June 2021

Since late 2020, there has been a steady and substantial increase in the severity of ransomware attacks against critical U.S. infrastructure. Earlier this year, ransomware attacks have been the direct cause of gasoline shortages and negatively impacted many different markets including, manufacturing, energy, health care, and food supply chain in the U.S. and globally. Janet L. Yellen, Treasury Secretary, noted, “Ransomware and cyber-attacks are victimizing businesses large and small across America and are a direct threat to our economy.” (“Treasury Takes Robust Actions to Counter Ransomware,” U.S. Department of the Treasury, 21 Sept. 2021, <https://home.treasury.gov/news/press-releases/jy0364>.)

The total U.S. dollar value for ransomware-related transactions reported in SARs filed during the first six months of 2021 exceeded that total amount of any previous year – since 2011. In the first six months of 2021 alone, FinCEN identified \$590 million in ransomware-related SARs. This is a 42% increase compared to a total of \$416 million for all of 2020. If this trend continues throughout the rest of 2021, SARs filed in 2021, relating to ransomware, will have a higher transaction value than similar SARs filed in the past 10 years – combined.

This startling statistic displays the potential drastic increase of ransomware attacks within the past year and increased awareness and reporting of ransomware attacks. Throughout the review, SAR data reported a mean average of 76 ransomware-related transactions per month over the 6 months. The median average payment amount for each of these transactions was \$102,273.

Detection, Mitigation, and Reporting

Bank’s play a vital role in protecting the U.S. markets from ransomware-related threats through BSA compliance. Financial institutions should have policies and procedures to help them determine if a SAR filing is required or appropriate when dealing with a ransomware incident. These incidents include situations where customers and businesses are victims of ransomware and when the financial institution itself is a victim of a ransomware attack.

Under 31 USC §5318(g)(3), “Any financial institution that makes a voluntary disclosure of any possible violation of law or regulation to a government agency or makes a disclosure pursuant to this

subsection or any other authority, and any director, officer, employee, or agent of such institution who makes, or requires another to make any such disclosure, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including an arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure or any other person identified in the disclosure.” This “Safe Harbor” creates an environment that protects the bank for mandatory AND discretionary SARs.

What Should The Bank Do About It?

FinCEN recommends that banks add four specific actions to their BSA processes with how serious cybersecurity is. First, the bank should add indicators of compromise (“IOC”), or signatures/artifacts observed on a network that likely indicate a computer or network intrusion, from threat data sources into their intrusion detection systems and security alert systems to enable active blocking or reporting of suspected malicious activity. Second, the bank should immediately contact law enforcement regarding any identified activity related to ransomware. In addition to law enforcement, the bank should contact OFAC if there is reason to suspect the cyber actor may be sanctioned or otherwise have a sanction nexus. Third, the bank should report suspicious activity to FinCEN, calling specific attention to “Cyber Event Indicators,” including IOCs (email address, file names, domains, IP address, etc.) through effective SAR and SAR narratives. Fourth, the bank should regularly review advisories and updates issued by regulators regarding ransomware, such as the FinCEN “Advisory on Ransomware and the use of the Financial System to Facilitate Ransom Payments” issued in October 2020.

In addition to preventative measures that the bank can, and should take, the bank should also establish best practices of what to do if they or their customers, are subject to a ransomware attack. Multiple tools have been developed to increase awareness and assist financial institutions as they develop, rework, and maintain their ransomware procedures. Cybersecurity and Infrastructure Security Agency (“CISA”) offers a one-stop shop for government resources containing alerts, guides, fact sheets, and training; all focused on reducing the risk of ransomware. This resource can be found at: [StopRansomware.gov](https://www.stopransomware.gov). You can also access the multi-state information sharing and analysis center’s Ransomware Guide [here](https://www.isac.gov/ransomware-guide).

Conclusion

Ransomware is a serious issue. The substantial increase in ransomware attacks in the first six months of 2021 has shown that banks, consumers, and businesses are all exposed to these attacks. To help minimize risks, banks must establish policies and procedures that will help identify the transactions involved and establish a process of reporting relevant transactions and activities. Only by dragging ransomware to the forefront of our awareness can we minimize the lasting impact it may cause.

Daniel Baker serves C/A as a Compliance Officer. He attended Michigan State University College of Law. He worked in various compliance and legal positions for software companies and Allpine Title during law school. He also holds a Bachelor of Science in Business Management from Utah Valley University. He recently worked for a local law firm based in Temple, TX. Before law school, Daniel worked in various jobs within the financial sector, including a supervisor role at TCF Bank and as a Private Client Banker for JPMorgan Chase Bank. In addition to his professional career, He has developed and conducted hundreds of seminars and educational classes based on financial independence, as well as a host of other topics.

Unlock the Full Potential of Connected TV With Reliable Attribution

A whopping 80 percent of U.S. households have at least one connected TV device, and CTV households are expected to grow to 82 percent by 2023.

Connected TV offers a wealth of opportunities for brands to more precisely connect with their ideal consumers where and how they live via streaming media services.

The key is figuring out how exactly to quantify the potential. That's where CTV runs into the same issue that linear TV has: attribution.

Traditional TV has always offered metrics on awareness and exposure. But today's marketers want to connect advertising dollars to tangible results such as foot traffic and sales. Validating and quantifying CTV's effectiveness at conversion is a must in order for advertisers to realize the full value of this emerging media.

Certainly, proposals abound for making the connection between CTV and conversion, but most leave a lot of questions unanswered, including the most important one: "Did my ads actually drive conversion?" This is mainly because the digital advertising ecosystem continues to struggle with three major attribution gaps:

- **Identity resolution.** Cookies are fading fast for most digital media, but they simply don't exist at all for CTV. So, even though 40 percent of adults in the US watch content on a connected TV daily, most attribution methods lack a reliable way to even identify who is seeing the ads, not to mention who responded by visiting a store or buying a product.
- **Data sources.** Often, attribution requires a third-party tracking device or depends exclusively on online activities. What happens when your audience isn't tracked by a third party or when offline activities figure prominently into your attribution calculations?
- **Data stability.** Validating data assumptions with both online identifiers and physical addresses is important to help triangulate in on what is really going on. Many attribution methods rely too heavily on one data source while others are disproportionately impacted by consumer privacy

choices.

Unfortunately, the attribution approaches many media companies follow do not successfully bridge these gaps. As a result, advertisers are often in the dark about the real-world impact.

What's missing is transparency. From beginning to end, advertisers deserve to know who they are targeting, how that audience responded, how the insights gained can improve future campaigns, and of course, actual sales and the return on advertising spend.

The solution that bridges the industry gaps most effectively is matchback analysis, part of the Illumi S™ platform.

Better Targeting: Matchback Analysis starts with a complete understanding of the targeted audience including a comprehensive mapping of digital identities to physical locations. This ensures that you hit the right audience with your message based on who they are, where they are, and what they are in the market for.

Audience Targeting with Illumis: Our intelligence provides a complete mosaic of each individual.

Better Data: It's one thing to know who you are reaching and it's quite another to be able to reach the audience you identify. Matchback Analysis done right is supported by reliable data that enables you to execute a campaign against over 80 percent of the audience — both via CTV and across other digital and traditional marketing channels.

Better Analysis: The "matchback" in Matchback Analysis involves focusing the picture on who your CTV campaign is targeting against your partner or owned first-party data such as customer or prospect lists. This enables you to watch the impact of the campaign as exposure flows into engagement and turns into conversions. The Illumis™ platform is an example of how you can shine a light on this information for actionable insight and program improvement.

Learn more about how Vericast makes it possible to reach and measure the streaming TV audience with precision and real-world impact at www.vericast.com/digitaladvertising.



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How Newcleus' Partnership With Waterfall Drives Innovation and Excellence

Newcleus' partnership with Waterfall Asset Management will enhance client experience and bring more offerings with innovative technology, security and data integrity. We power organizations as the leading designer and administrator of compensation, benefit, investment and finance strategies - and for good reason.

- Waterfall recognized Newcleus' deeply experienced team as a differentiator in the finance industry and this new partnership enhances our ability to focus on personalized product selections, carrier solutions and talent retention programs that are curated to optimize benefits and ensure a superior return on investment for clients.
- Acquisitions and mergers have a significant presence in the financial space. Our personal experience with acquisition has given us the knowledge and deployable capital to help guide banks through these changes as they experience them.
- Our business has and will continue to leverage technologies with MINTS, our customizable, highly secure, in-house technology platform designed to manage all client investments efficiently.
- We prioritize our clients. We offer personalized solutions, technology and reporting to best serve both your bank and your employees.
- We are educators, not salespeople. Our team works with our clients to understand their specific needs and design their plans accordingly.

Two months ago, in August 2021, we proudly announced that we completed a strategic transaction with the Waterfall Sentinel Fund ("Waterfall"), a private equity vehicle managed by Waterfall Asset Management.

"This transaction with Waterfall allows Newcleus to continue to do what we do best, just enhanced with more expertise, more capital and more resources," says Dan Barbaree, CEO of Newcleus. "We're able to enhance our staffing, our systems, our products and our strategies in the sole interest of our clients."

With Waterfall Asset Management's expertise as one of the leading private investment firms dedicated to investing in asset-based credit and private equity across the entirety of the specialty finance and securitized credit space, Newcleus will explore opportunities to accelerate its growth by pursuing complementary and strategic acquisitions. We will leverage this growth to continue to build our trusted lifelong relationships with our clients, on a larger scale.

Looking Forward

With the financial industry evolving at a rapid pace, and so many banks and other businesses looking to accelerate their strategic growth initiatives through acquisitions and mergers, it can be difficult to navigate.

As a company that has recently been acquired, Newcleus is in a unique position. We have the personal experience of what the acquisition process looks like in real-time, and because of that

acquisition, we also now have the capital and knowledge to assist banks in their strategic growth initiatives.

Here at Newcleus, we work closely with the Waterfall Sentinel team and they were excited to invest in a company that prioritizes insight, technology and its people. John Nelligan, Managing Director at Waterfall, said, "We believe Newcleus' competitive advantage in industry knowledge and structuring sophistication has positioned this team to capitalize on the tailwinds across the employer-owned life insurance markets and we look forward to supporting the Newcleus team as they continue to scale." Waterfall has given us the resources to enhance our business while supporting us to continue to do what we do best. This partnership has propelled Newcleus in the financial industry, establishing us as a force to be reckoned with.

What We Do Best

At Newcleus, we find and address problems that others miss and generate one-of-a-kind insights to ensure you retain the people who power your company. We work to provide the full spectrum of solutions to meet our clients' needs using:

- Technology and Infrastructure Assessments
- Quality of Earnings Assessment and Procedures
- Proprietary Product Portfolio
- Financial Audit Field Work
- Assessing Risk
- Identifying Credit and Margin Trends
- Premier Access to Our Team for All Client Servicing Needs

The power of Newcleus combines decades of experience to redefine what's possible in designing and administering compensation, benefits, investment and financing strategies. We adapt as the technology, corporate landscape and our client's needs change to ensure continuity of service, making your plan the most secure in the marketplace. When necessary, we're here to help you pivot.

This commitment to our clients includes the high priority our team places on due diligence. In all aspects of our business, Newcleus' advisors analyze all potential variations of benefit plans and follow through with due diligence as it relates to servicing those plans to provide success for both your executives and your bank. Our team monitors tax laws, regulations and other aspects of the market that may alter the effectiveness of your investments.

With Waterfall's expertise, clients will receive a seamless and improved experience and we will continue to build meaningful client relationships that last.

BOLI

BOLI has become the industry standard for executive compensation, but how can you ensure your plan is competitive among the rest? How can you diversify your portfolio to generate higher

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Learn more about our endorsed vendors online at www.wabankers.com/pros and www.linkedin.com/showcase/wba-pros

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returns? As the market continues to shrink, Newcleus assists in guiding merging banks to optimize their BOLI plans to help attract and retain their key executives.

Moreover, as a banking professional, you know that audits are both time consuming and expensive. When you have

Newcleus on your team, the frustration of those audits disappears. This year alone, our team has already initiated nine internal audits conducted by an external party with the sole interest in leading the industry in compliance, technology, systems and security. We see audits as an investment for our clients. It is worth our time and energy to self-regulate ensuring that we are the ideal partner.

Reach out to one of our advisors at info@newcleus.com or 267-291-2130 to optimize your compensation, benefits, investment portfolio and financing strategies—because we believe that if you're not talking to Newcleus, you're not getting the full picture. To read more visit our Newcleus Knowledge Center.

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Cashmere Valley Bank Participates in Holiday Fiesta



The Cashmere Valley Bank team members participated in the 2021 Holiday Fiesta at Pybus Market in Wenatchee.

Visitors were able to drive through the event, meet with local businesses, and learn about various organizations in the community.



First Financial Northwest Bank Donates to NW Canine Coalition

The First Financial Northwest Bank team members donated to NW Canine Coalition in December.

The bank raised \$585 for the organization, and the Issaquah branch collected unopened and unexpired dog food donations throughout

December for foster animals.

Federal Home Loan Bank of Des Moines Announces \$2.7 Million in Affordable Housing Grants for Washington

In mid-December, the Federal Home Loan Bank of Des Moines announced that Washington organizations would be receiving more than \$2.7 million in affordable housing grants through the 2021 Competitive Affordable Housing Program.

The donations were awarded to six local projects, which will impact more than 160 families and individuals.

"FHLB Des Moines and our members understand the importance of addressing the dire need for affordable housing in Washington, particularly as we continue to face the challenges presented by the pandemic," said Kris Williams, President, and CEO of FHLB Des Moines. "We applaud the efforts of those involved and look forward to continuing this positive momentum for decades to come."

The winners include Kingston, Renton, Tacoma, Seattle, and Spokane projects.

Every year, the Federal Home Loan Bank of Des Moines returns 10 percent of its net income to benefit communities in the district.

Washington Trust Bank Donates Christmas Trees



In December, members of the Washington Trust Bank team in Spokane partnered with Hutton Settlement Children's Home to donate Christmas Trees to those in need.

The first 50 households who came to the tree farm received trees courtesy of Washington Trust Bank.

Olympia Federal Savings Makes \$100,000 Donation to Interfaith Works Project

Olympia Federal Savings announced in December that the bank was making a \$100,000 donation to the Interfaith Works Unity Commons project.

The five-story, new construction affordable housing building includes 65 permanent supportive rental housing units for people leaving homelessness and a 60-bed enhanced shelter on the ground floor.

The building will be owned and operated by Low Income Housing Institute and contracts with Interfaith Works for the supportive services. Interfaith Works is a local leader in 24/7 shelter services, providing side-by-side advocacy support, primary care, and connections to permanent housing.

"The housing challenges in our community are well-documented, and we know the need for affordable options and robust social services are great, which is why OlyFed got involved and decided to support this critical project," Lori Drummond, OlyFed President & CEO said. "For years, we've supported Interfaith Works because of their innovative, caring, and collaborative approach to serving our most vulnerable neighbors. This project further establishes the organization's commitment to providing housing and support that puts the dignity and respect of their guests first."

The facility will serve those earning 50 percent of the area median income with housing support and comprehensive wrap-around case management services to ensure the health and human needs are met. The \$22 million project is located in Olympia.



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