Vendor Compliance - Implementing and Automating the OFAC Process

Session 27344

March 02, 2010

2:00 PM –3:00 PM

Presenter

Michael V. Williams

- ERP Analyst II
- Three Years with ERP
- Prior Work Experience - Coordinator of Accounting Services for FSU
- Eleven Cumulative Years of Service at FSU

Co - Presenter

Dawn M. Snyder, CPA

- Associate Controller, Disbursement Services and Travel
- Five Years as Associate Controller
- Prior experience as an external auditor and internal auditor for FSU
- Ten Cumulative Years of Service at FSU

Florida State University

Established 1851

Fall 2009 enrollment was 40,255

Session Overview

- OFAC Configuration Requirements
  - Installation Options Set-Up
  - Vendor Set Controls Options
  - Building and Scheduling Indexes
- OFAC Delivered Process Review
  - Importing Specially Designated Nationals (SDN) Files from the U.S. Department of the Treasury

Session Overview

- OFAC Delivered Process Review cont'd
  - Building and Scheduling Indexes
  - SDN Validation Process
  - Review Financial Sanction Log
- Automating the Delivered OFAC Processes
- Lessons Learned

General Information

What does OFAC Vendor Compliance Entail?

- The **O**ffice of **F**oreign **A**ssets **C**ontrol
  - Administers and enforces economic sanction programs against countries and groups or individuals.
  - All U.S. persons and businesses must comply OFAC regulations.

General Information

OFAC Vendor Compliance cont’d

- OFAC’s regulations are designed to halt terrorists, their funding and other illegal transactions.
- It publishes a list of Specially Designated Nationals and Blocked Persons ("SDN list").
- OFAC penalty assessments can vary from significant monetary fines to civil and criminal prosecution.

Introduction

- Prior to going live with PeopleSoft 9.0, FSU used a custom, manual OFAC validation process.
  - This process required an immense amount of data manipulation to the original SDN list published by the U.S. Department of the Treasury.
  - Data analysis between the SDN List and the FSU vendor file was loaded into an Excel spreadsheet.
  - Potential opportunities for data corruption issues, user error and the inability to perform a review timely.
  - Very time consuming and meticulous process.

Introduction

- A custom page was created to show an active listing of all countries FSU indentified as sanctioned based on the data on the OFAC Sanctions Program list.

- This custom page prevents AP/Purchasing vendor team members from adding new vendors, creating purchase orders and processing vouchers to any vendors located in these countries.

Introduction

Custom Page View

Add/Del Country

This feature is used to remove countries from OMNI's vendor file that have been sanctioned by the U.S. Department of Treasury Office of Foreign Asset Control. Once added on this screen, if VFMT member tries to enter a country that has been sanctioned, they will be informed:

FSU may resume normal business with this country if and when the country is removed from this list.

For more information please visit http://www.treasury.gov/offices/enforcement/ofac/.

Add Delete Country

Customize | Find | First 1-10 of 10 Last

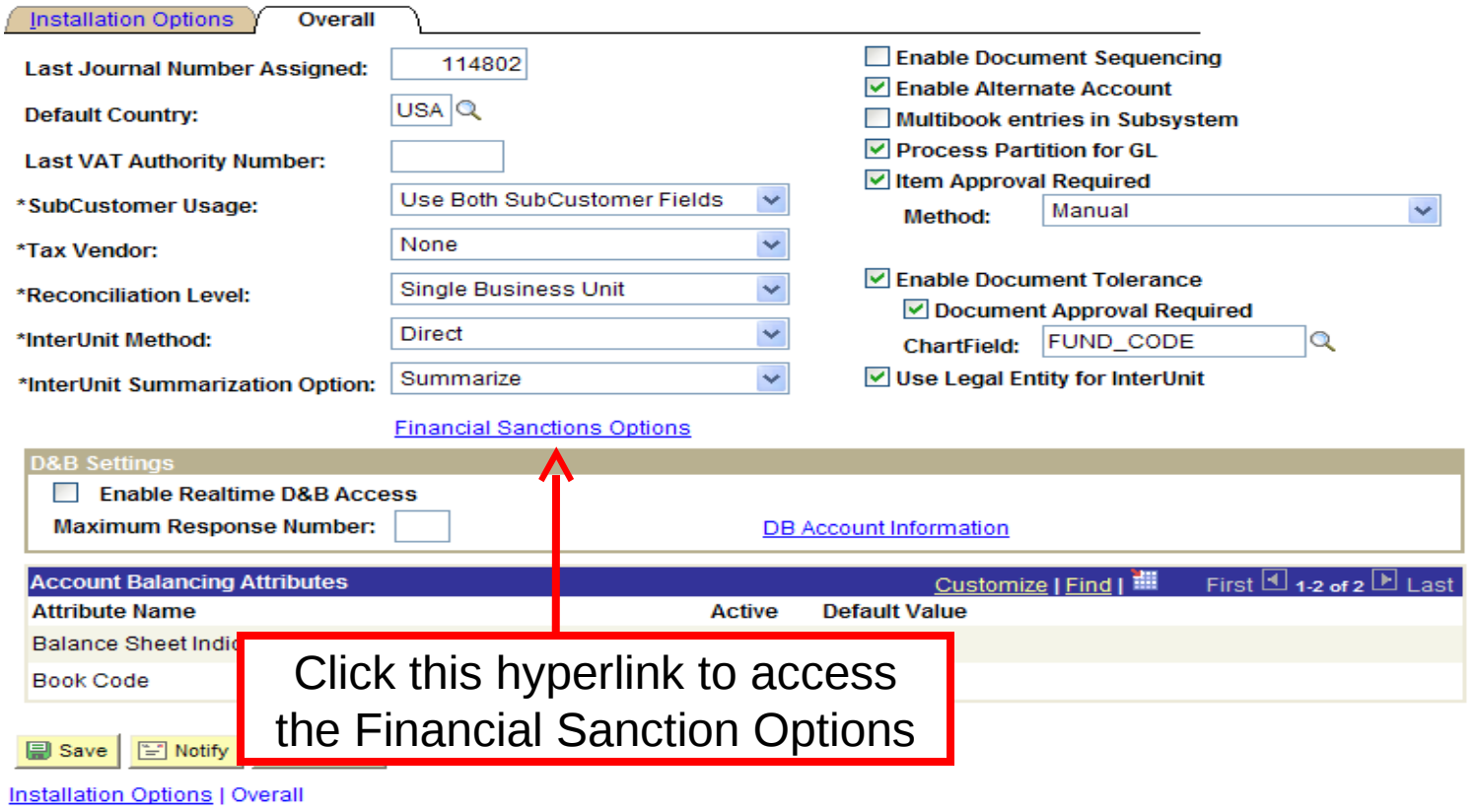
	Country	Description
1	BLR	Belarus
2	CIV	Cote D'Ivoire
3	COD	Congo, The Democratic Republic
4	CUB	Cuba
5	IRN	Iran (Islamic Republic Of)
6	IRQ	Iraq
7	MMR	Myanmar
8	PRK	Korea, Democratic People's Rep
9	SYR	Syrian Arab Republic
10	ZWE	Zimbabwe

Save

OFAC Configuration Requirements

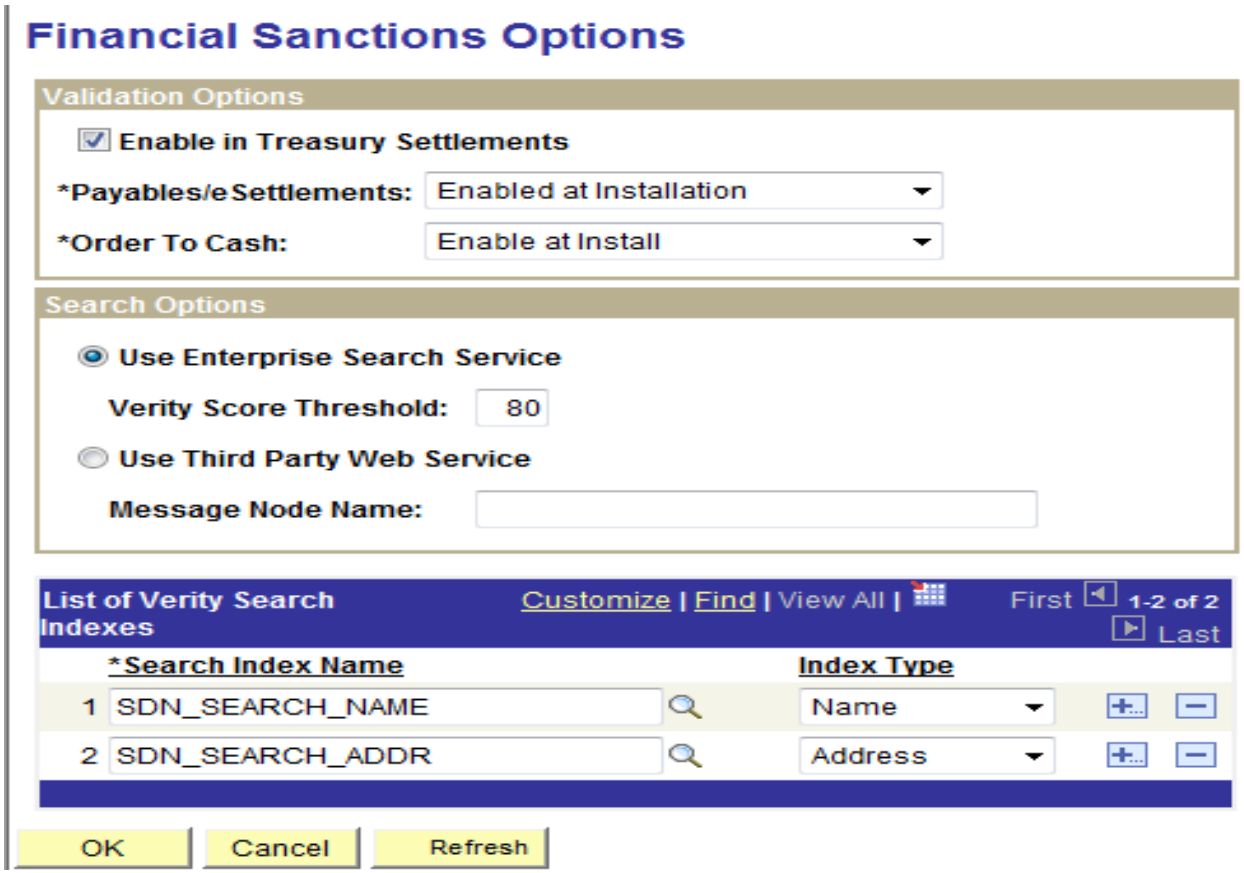
Configuration Requirements

Installation Options



Configuration Requirements

Installation Options cont'd

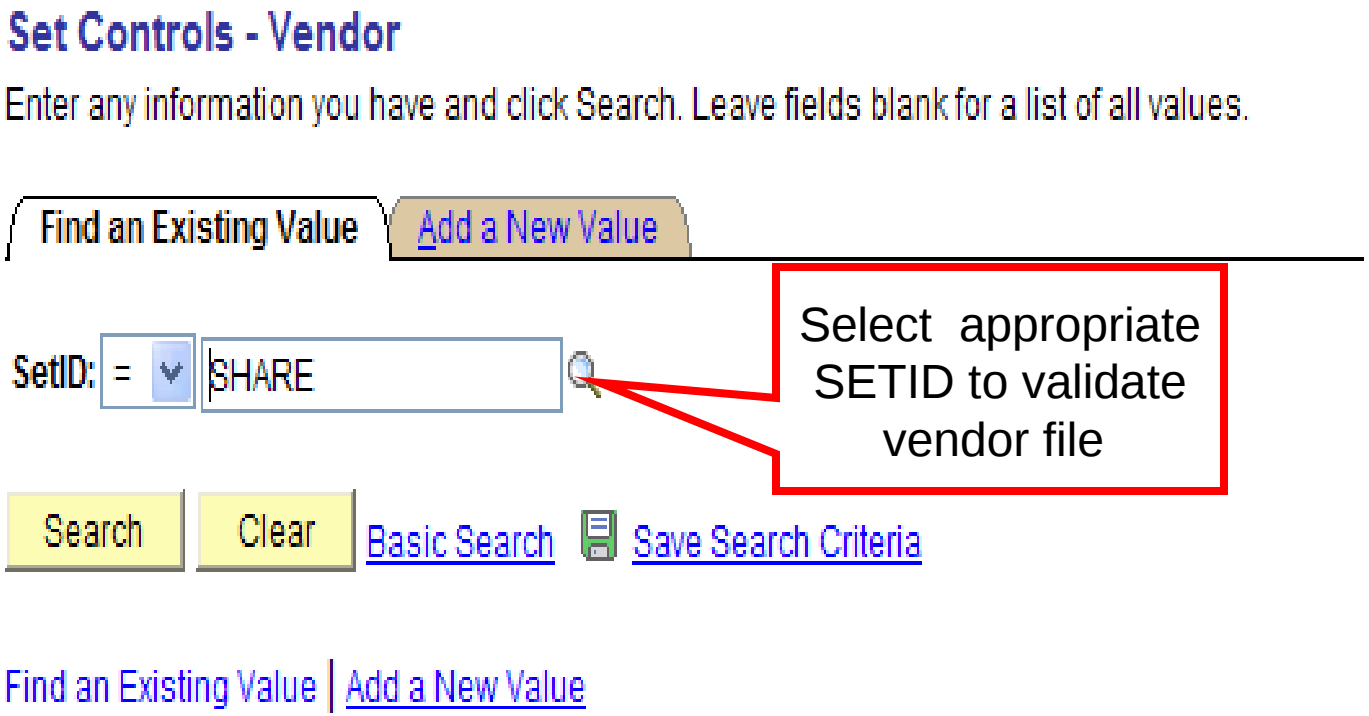


Validation and Search Options have to be chosen.

Information in this section automatically defaults

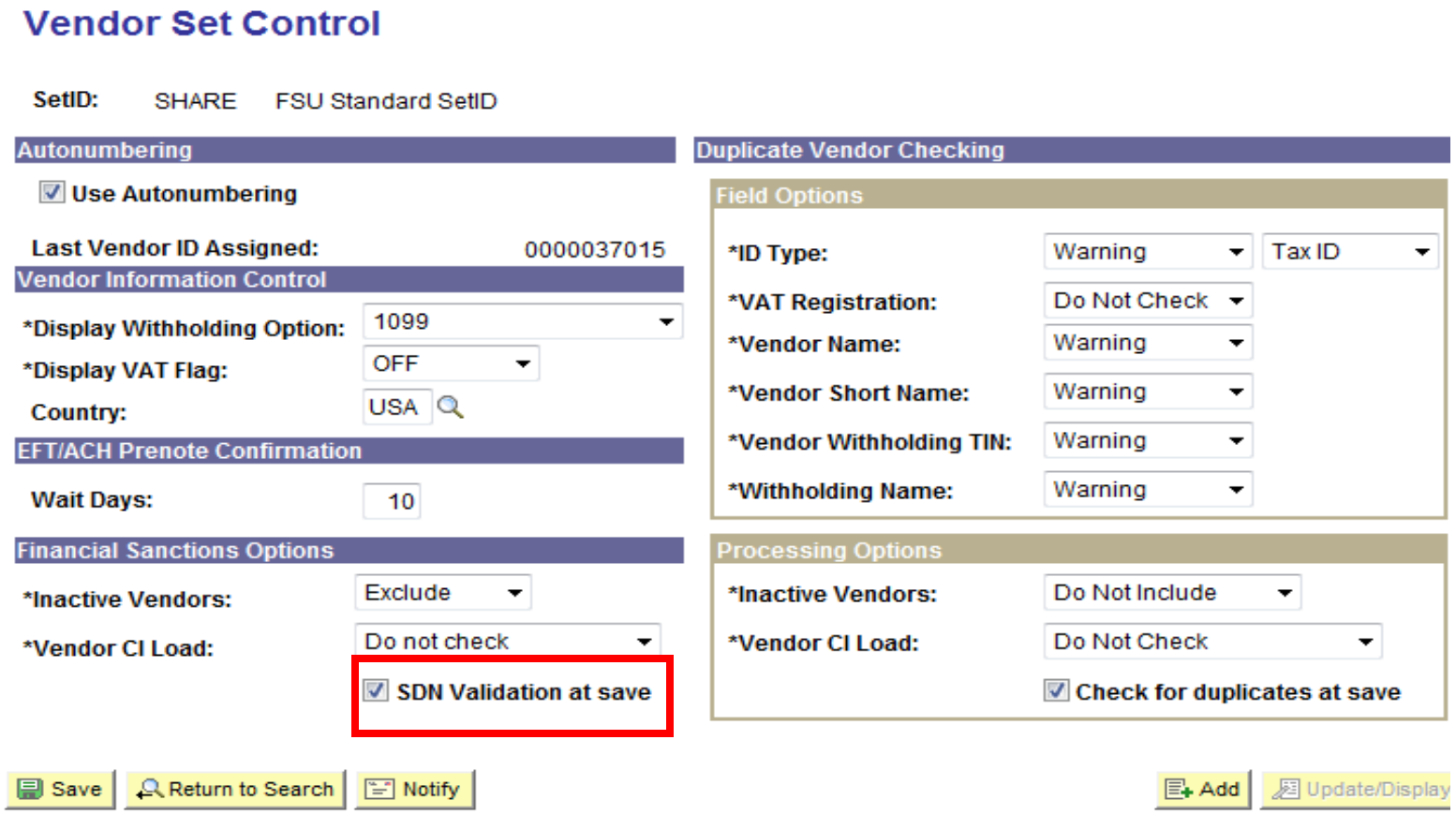
Configuration Requirements

Vendor Set Controls



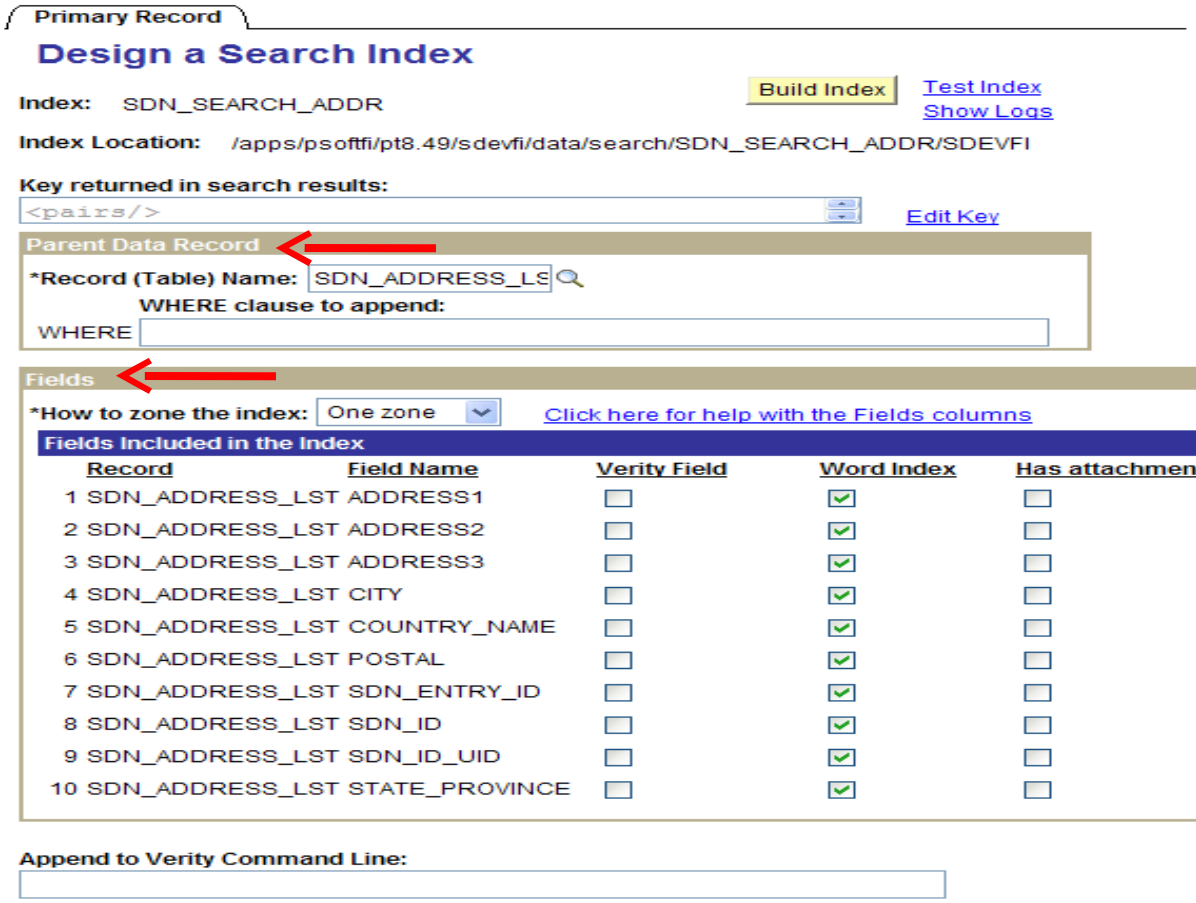
Configuration Requirements

Vendor Set Controls cont'd



Configuration Requirements

Building and Scheduling Indexes


Primary Record

Design a Search Index

Index: SDN_SEARCH_ADDR

Build Index | Test Index | Show Logs

Index Location: /apps/psoftfi/pt8.49/sdevfi/data/search/SDN_SEARCH_ADDR/SDEVFI

Key returned in search results:

<pairs/>

Edit Key

Parent Data Record

*Record (Table) Name: SDN_ADDRESS_LS

WHERE clause to append:

WHERE

Fields

*How to zone the index: One zone

Click here for help with the Fields columns

Fields Included in the Index

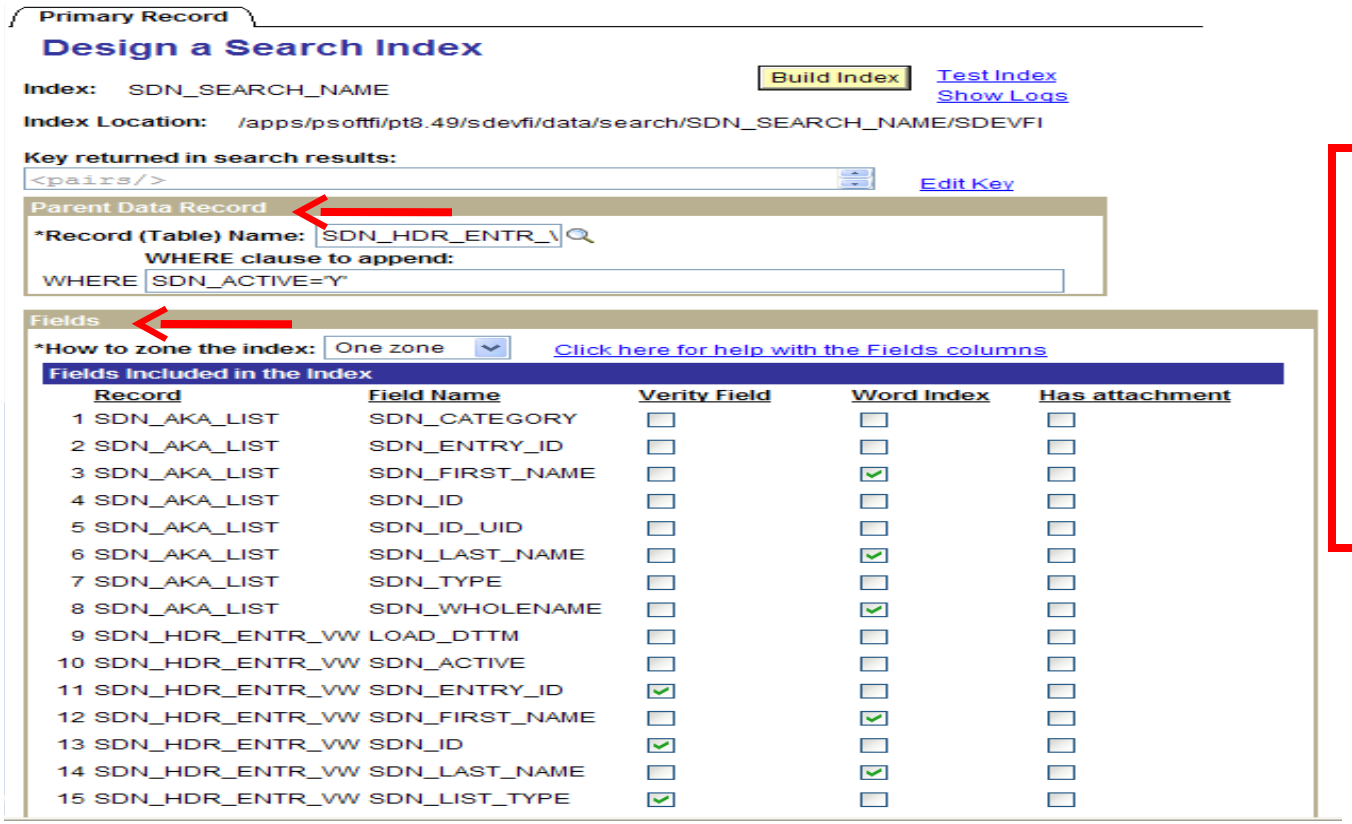
	Record	Field Name	Verity Field	Word Index	Has attachment
1	SDN_ADDRESS_LST	ADDRESS1	☐	☑	☐
2	SDN_ADDRESS_LST	ADDRESS2	☐	☑	☐
3	SDN_ADDRESS_LST	ADDRESS3	☐	☑	☐
4	SDN_ADDRESS_LST	CITY	☐	☑	☐
5	SDN_ADDRESS_LST	COUNTRY_NAME	☐	☑	☐
6	SDN_ADDRESS_LST	POSTAL	☐	☑	☐
7	SDN_ADDRESS_LST	SDN_ENTRY_ID	☐	☑	☐
8	SDN_ADDRESS_LST	SDN_ID	☐	☑	☐
9	SDN_ADDRESS_LST	SDN_ID_UID	☐	☑	☐
10	SDN_ADDRESS_LST	STATE_PROVINCE	☐	☑	☐

Append to Verity Command Line:

We used the default values from PeopleSoft.

Configuration Requirements

Building and Scheduling Indexes cont'd



We used the default values from PeopleSoft.

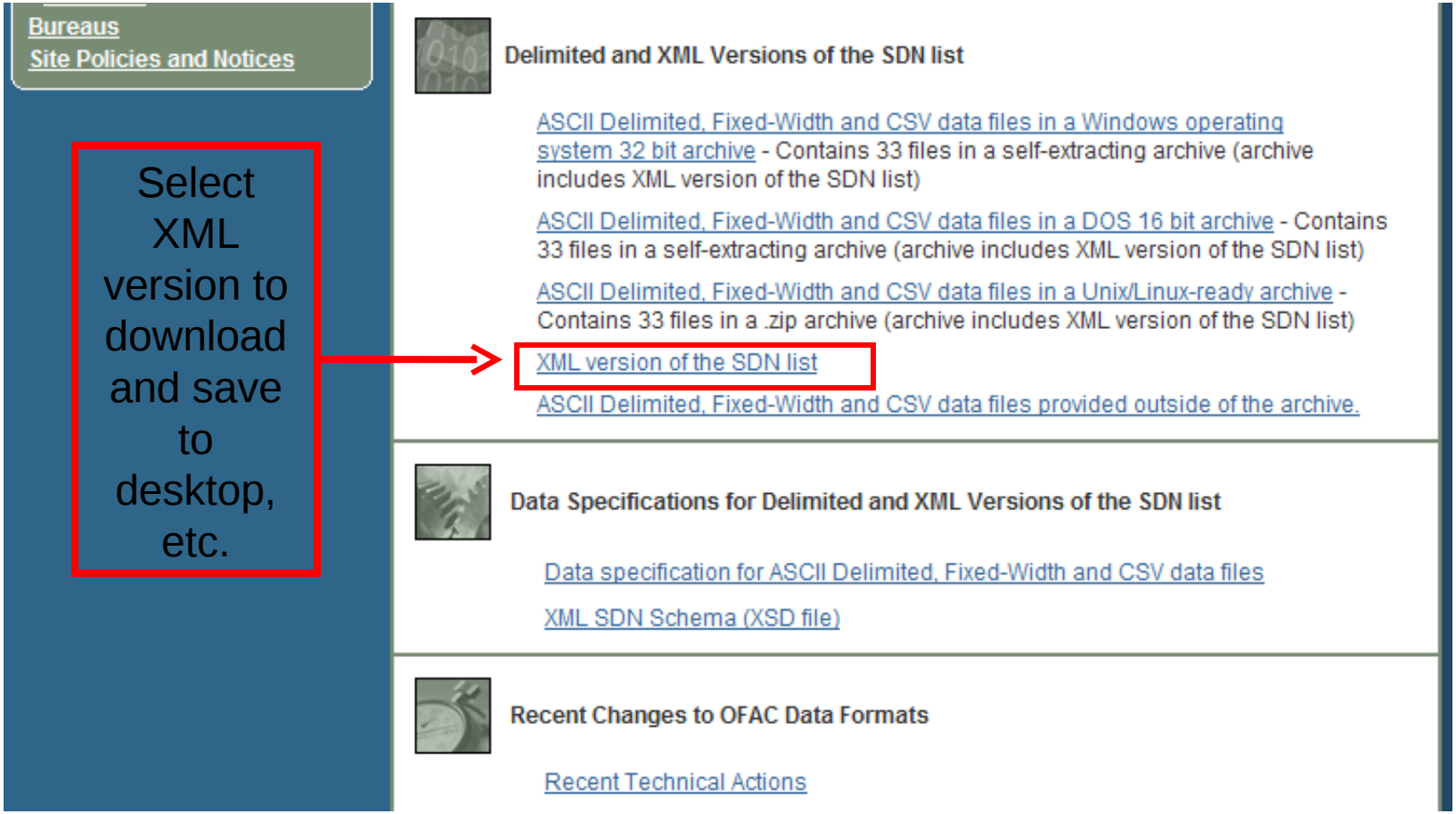
OFAC Delivered Process Review

Delivered OFAC Process Review

Import Specially Designated Nationals (SDN) File from the U.S. Department of the Treasury

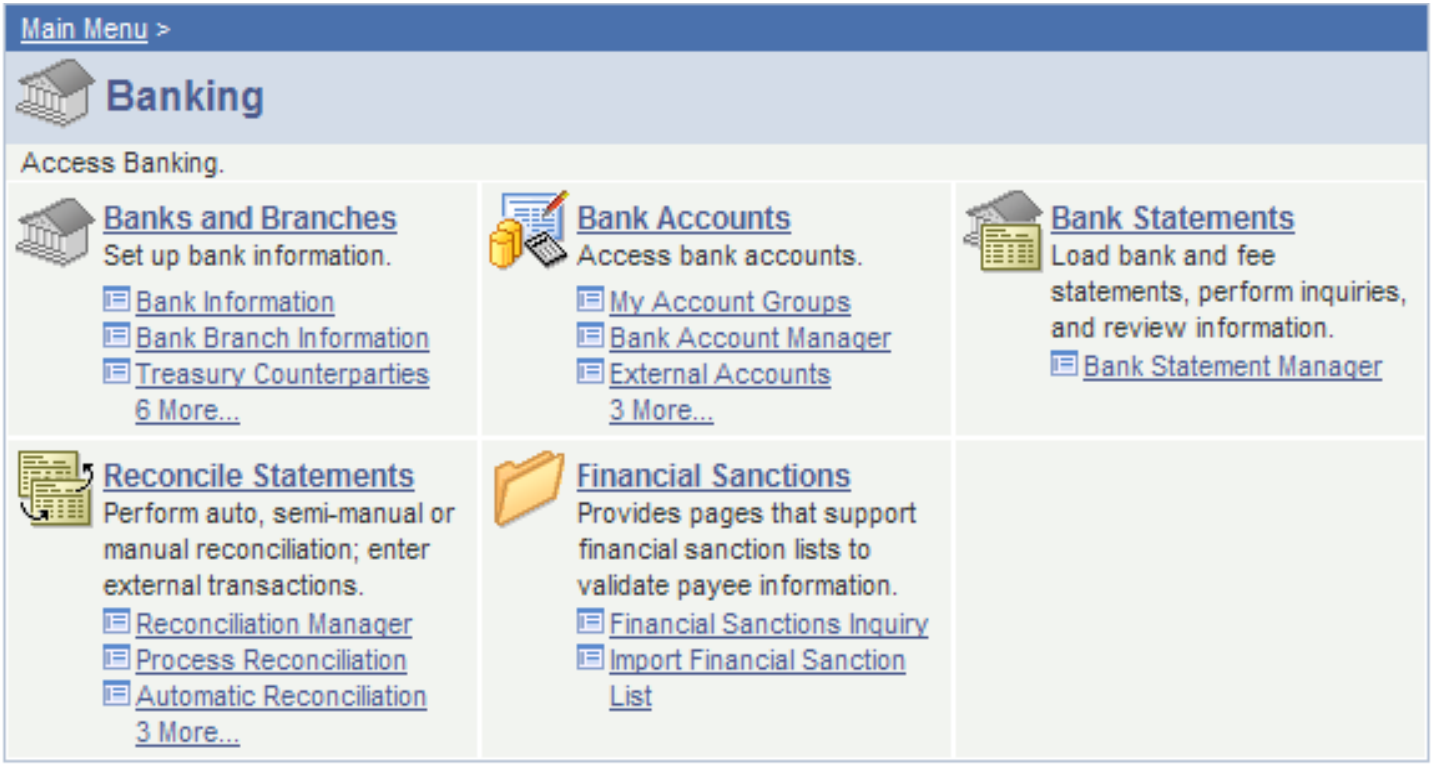
Delivered OFAC Process Review

Import SDN File cont'd



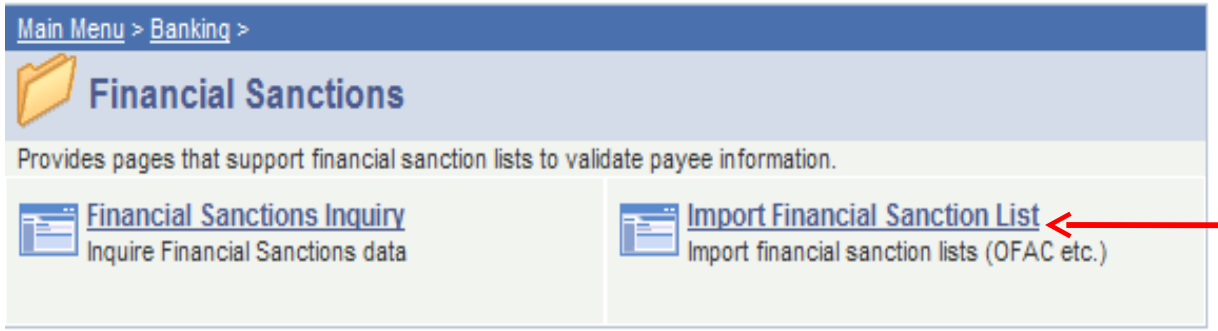
Delivered OFAC Process Review

Manually Upload SDN File into PeopleSoft



Delivered OFAC Process Review

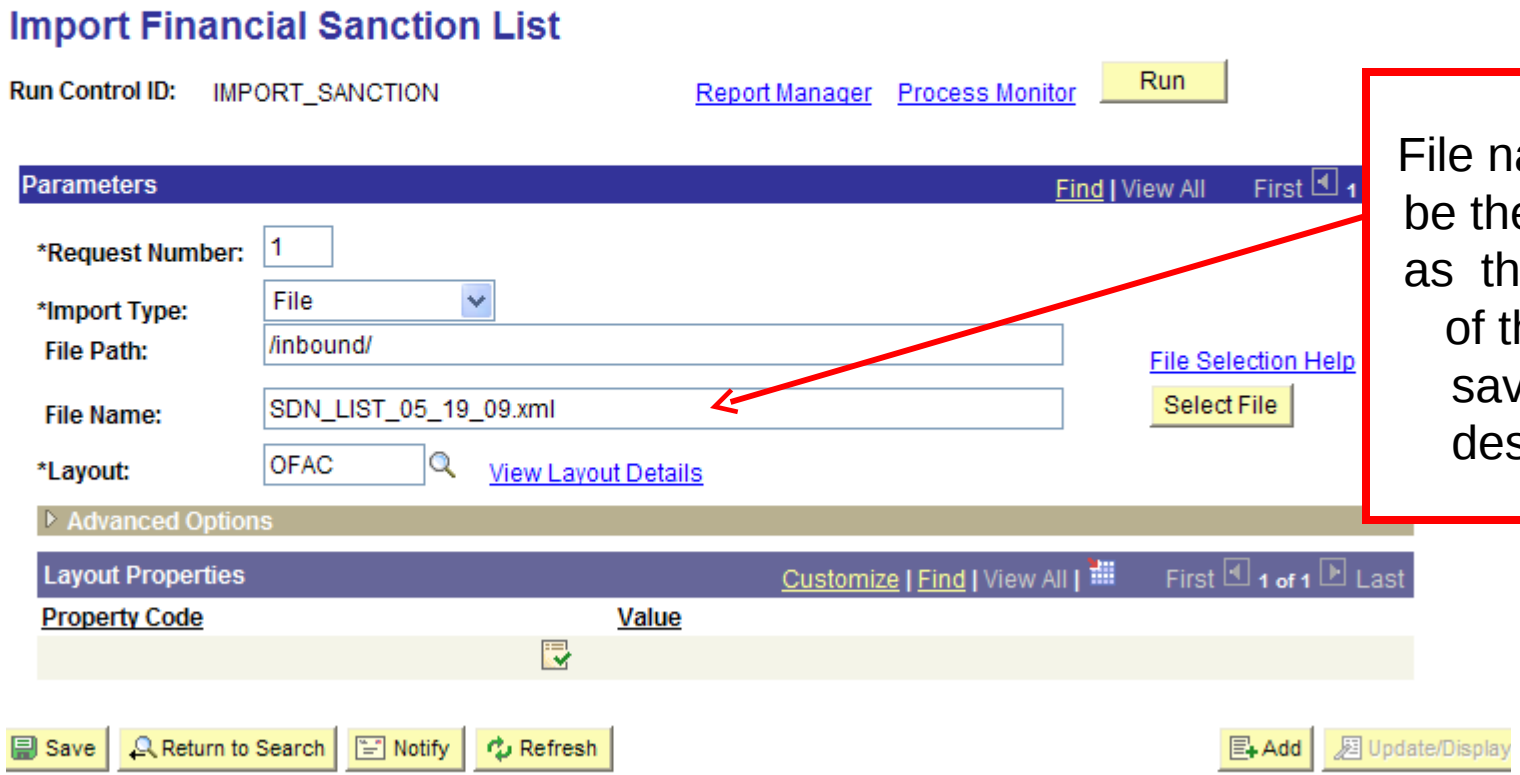
Manually Upload SDN File cont'd



Processor must select this hyperlink to begin the upload process.

Delivered OFAC Process Review

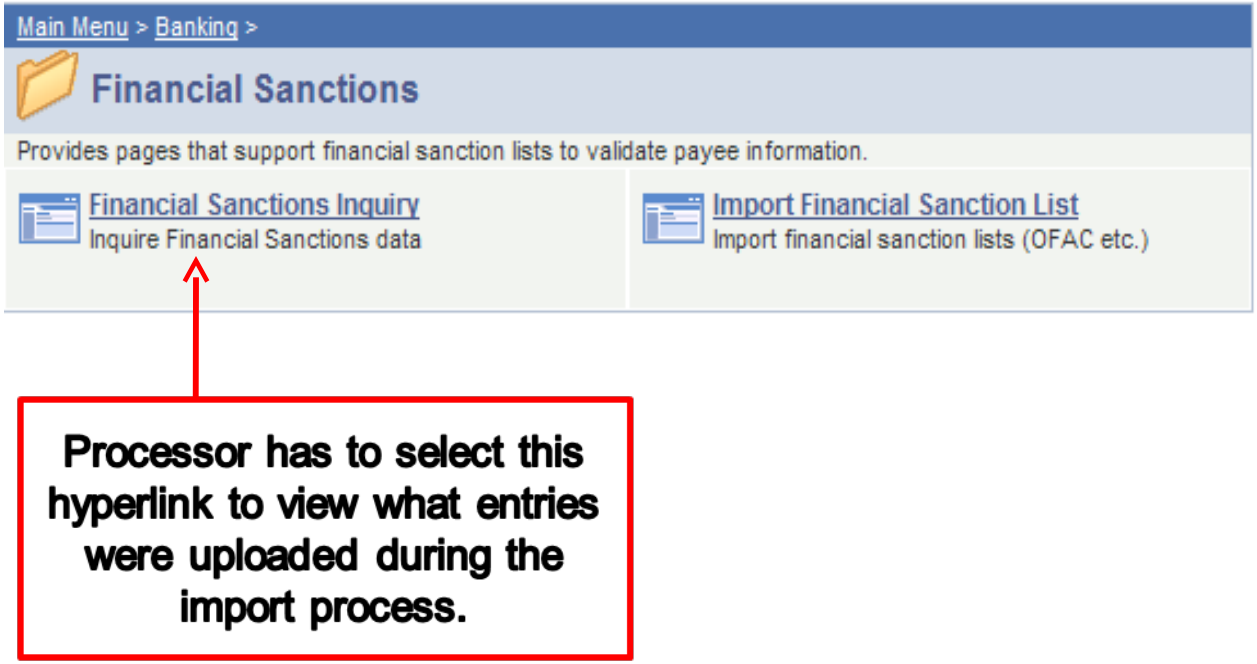
Manually Upload SDN File cont'd



File name will be the same as the name of the file saved to desktop.

Delivered OFAC Process Review

Review Entries from SDN File



Delivered OFAC Process Review

Review Entries from SDN File cont'd

Specify OFAC in the "Sanction List Type" field. This will retrieve all entries from the last file uploaded.

Entry IDs are assigned by the OFAC process and originates from the XML file.

Delivered OFAC Process Review

Review Entries from SDN File cont'd

Financial Sanctions Entry

Entry ID: 10

First Name:

Last Name: ABASTECEDORA NAVAL Y INDUSTRIAL, S.A.

Title:

ID Type: Entity

Program: CUBA

Identification Information — Find | View All — First 1 of 1 Last

ID	ID Type	ID Number	Country	Issue Date	Expiration Date

Alias Information — Find | View All — First 1 of 1 Last

ID	ID Type	Category	First Name	Last Name
4	a.k.a.	strong		ANAINSA

Address Information — Find | View All — First 1 of 1 Last

ID	Address Line 1	Address Line 2	Address Line 3	City	Postal Code	State / Province	Country
7							Panama

Nationality Information — Find | View All — First 1 of 1 Last

ID	Country	Main Entry

Citizenship Information — Find | View All — First 1 of 1 Last

ID	Country	Main Entry

Birthdate Information — Find | View All — First 1 of 1 Last

ID	Birth Date	Main Entry

Birthplace Information — Find | View All — First 1 of 1 Last

ID	Birth Location	Main Entry

Delivered OFAC Process Review

Building and Scheduling Search Indexes

Search Index Admin

Delete, Modify and Schedule Builds for Indexes

Defined Search Indexes

	Index	Index Location	Edit Properties	Schedule
☐	1 CS_CONFIGURATOR	/apps/psoftfi/pt8.49/sqnafi/data/search/CS_CONFIGURATOR/SQNAFI	Edit Properties	Schedule
☐	2 CS_DOCUMENTS	/apps/psoftfi/pt8.49/sqnafi/data/search/CS_DOCUMENTS/SQNAFI	Edit Properties	Schedule
☐	3 CS_DOCUMENTS_ADH	/apps/psoftfi/pt8.49/sqnafi/data/search/CS_DOCUMENTS_ADH/SQNAFI	Edit Properties	Schedule
☐	4 CS_DOCUMENTS_PO	/apps/psoftfi/pt8.49/sqnafi/data/search/CS_DOCUMENTS_PO/SQNAFI	Edit Properties	Schedule
☐	5 CS_OBJECTS	/apps/psoftfi/pt8.49/sqnafi/data/search/CS_OBJECTS/SQNAFI	Edit Properties	Schedule
☐	6 CS_PLAINTXT	/apps/psoftfi/pt8.49/sqnafi/data/search/CS_PLAINTXT/SQNAFI	Edit Properties	Schedule
☑	7 SDN_SEARCH_ADDR	/apps/psoftfi/pt8.49/sqnafi/data/search/SDN_SEARCH_ADDR/SQNAFI	Edit Properties	Schedule
☑	8 SDN_SEARCH_NAME	/apps/psoftfi/pt8.49/sqnafi/data/search/SDN_SEARCH_NAME/SQNAFI	Edit Properties	Schedule
☐	9 WASRCA	/apps/psoftfi/pt8.49/sqnafi/data/search/WASRCA/SQNAFI	Edit Properties	Schedule
☐	10 WASRCB	/apps/psoftfi/pt8.49/sqnafi/data/search/WASRCB/SQNAFI	Edit Properties	Schedule
☐	11 WMSRCA	/apps/psoftfi/pt8.49/sqnafi/data/search/WMSRCA/SQNAFI	Edit Properties	Schedule

Process Monitor

Deleting the Index Definition also removes the actual collections stored in the filesystem, if any have been built.

Delete checked Indexes

Save | Notify

Select edit properties to build indexes on an ad-hoc basis or schedule to build indexes at a specified time.

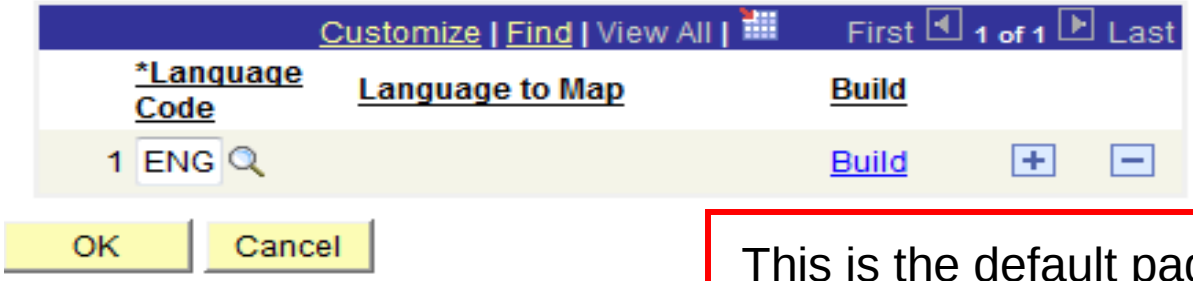
ALLIANCE10

Delivered OFAC Process Review

Building and Scheduling Search Indexes cont'd

Index: SDN_SEARCH_ADDR

Index Location: /apps/psprdfi/pt8.49/sprdfi/data/search/SDN_SEARCH_ADDR/SPRDFI



This is the default page after the edit properties link is selected on the 'search index' page.

Delivered OFAC Process Review

Building and Scheduling Search Indexes cont'd

Search Results

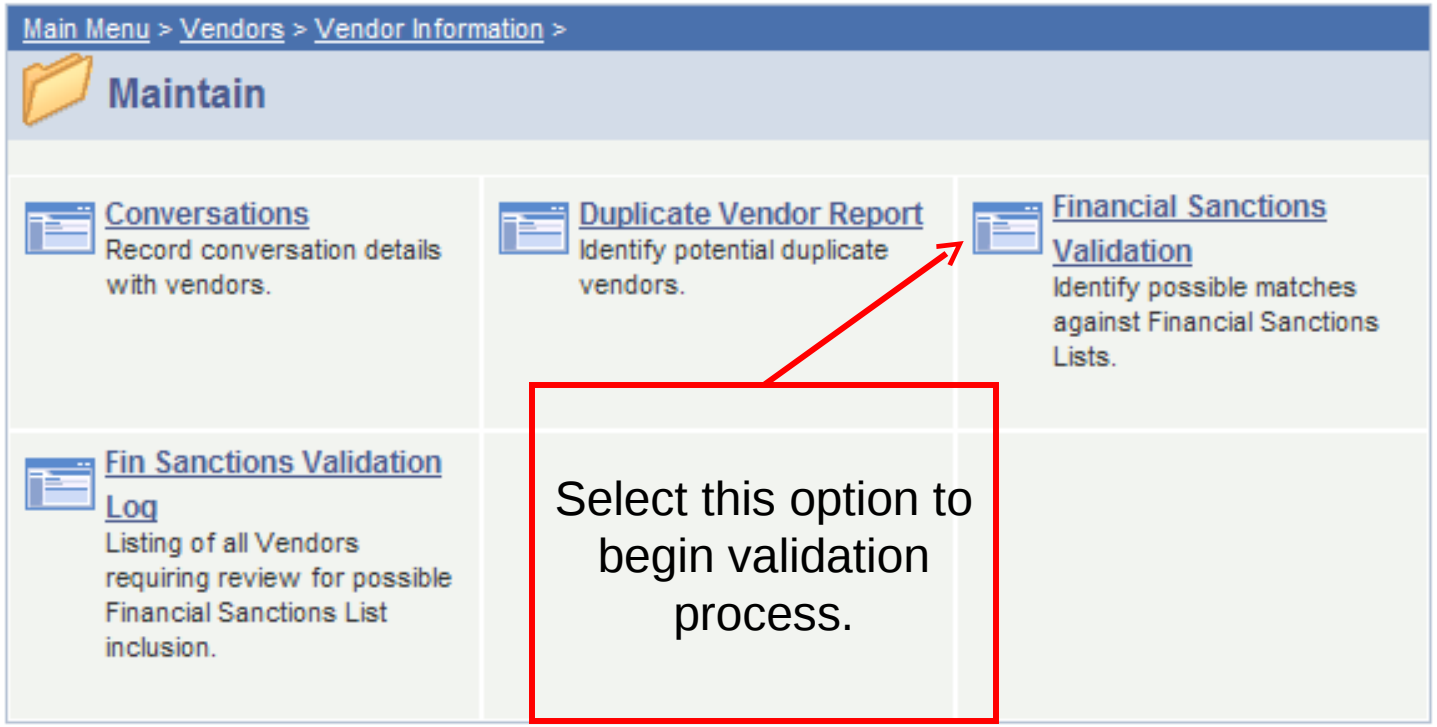
View All | First | 1-57 of 57 | Last

Recurrence Name	Recurrence Description
Daily	Daily
Daily Purge	Daily Purge
Daily Search Rebuild	Daily Search Rebuild
EOCM Daily Partner Cleanup	EOCM Daily Partner Cleanup
Every15Mins	Every15Mins
FSU DAILY 10:00PM	FSU DAILY 10:00PM
FSU DAILY 11:00PM	FSU DAILY 11:00PM
FSU DAILY 2:00AM	FSU DAILY 2:00AM
FSU DAILY 3:00AM	FSU DAILY 3:00AM
FSU DAILY 4:00AM	FSU DAILY 4:00AM
FSU DAILY 5:00AM	FSU DAILY 5:00AM
FSU DAILY 5:30PM	FSU DAILY 5:30PM
FSU DAILY 6:00PM	FSU DAILY 6:00PM
FSU DAILY 6:30PM	FSU DAILY 6:30PM
FSU DAILY 7:00PM	FSU DAILY 7:00PM
FSU DAILY 8:00PM	FSU DAILY 8:00PM
FSU DAILY EVERY 1.5 HRS	FSU DAILY EVERY 1.5 HRS
FSU DAILY NOON AND SIX	FSU DAILY NOON AND SIX
FSU Daily 06:00AM	FSU Daily 06:00AM
FSU Daily 07:00AM	FSU Daily 07:00AM
FSU Daily 12:AM	FSU Daily 12:00AM
FSU Daily Every 2 Hours	FSU Daily Every 2 Hours
FSU Daily Every Hour	FSU Daily Every Hour
FSU Daily at 11.00pm	FSU Daily at 11.00pm
FSU Daily at 9.00pm	FSU Daily at 9.00pm
FSU LAST FRIDAY OF MONTH	FSU LAST FRIDAY OF MONTH
FSU Saturday 06:00AM	FSU Saturday 06:00AM
FSU Weekday 2 AM	FSU Weekday 2 AM
FSU Weekday 6:00PM	FSU Weekday 6:00PM
FSU Weekly Audit	FSU Weekly Audit
FSU Weekly Monday at 6:00PM	FSU Weekly Monday at 6:00PM
FSU Weekly Tuesday at 5:30PM	FSU Weekly Tuesday at 5:30PM
FSU Weekly Tuesday at 6:00PM	FSU Weekly Tuesday at 6:00PM
FSU_DAILY_12:00PM	FSU_DAILY_12:00PM
FSU_DAILY_EVERY_4HRS	FSU_DAILY_EVERY_4HRS
FSU_DLY_1:00PM	FSU_DLY_1:00PM
FSU_EVERYDAY_1:30AM	FSU_EVERYDAY_1:30AM
FSU_EVERYDAY_2:30AM	FSU_EVERYDAY_2:30AM
FSU_EVERYDAY_7:00AM	FSU_EVERYDAY_7:00AM
FSU_FRIDAYS 7:00AM	FSU_FRIDAYS 7:00AM
FSU_MONDAYS_7_AM	FSU_MONDAYS_7_AM
FSU_MONTHLY_FIRST_TUESDAY	FSU_MONTHLY_FIRST_TUESDAY
FSU_THURS_9PM	FSU_THURS_9PM
FSU_TUES-SAT_12:30AM	FSU_TUES-SAT_12:30AM
FSU_TUESDAYS 7:00AM	FSU_TUESDAYS 7:00AM
FSU_TUESDAYS_5AM	FSU_TUESDAYS_5AM
FSU_TUES_SAT_7AM	FSU_TUES_SAT_7AM
FSU_WEDNESDAYS_7_AM	FSU_WEDNESDAYS_7_AM
FSU_WEEKDAY_0630	FSU WEEKDAY 6:30
M-F at 5pm	M-F at 5pm
PC_WEEKLY	PC_WEEKLY
PerfMon Reaper Recurrence	PerfMon Reaper Recurrence
RS	RS
SP_HCM_INTG_FOR_DELIVERABLE_WO	SP_HCM_INTG_FOR_DELIVERABLE_WO
Spro_User_Profile_Created_Chek	Spro_User_Profile_Created_Chek
Workflow Init 10 Mins	Workflow Init 10 Mins
Workflow Init 60 Sec	Workflow Init 60 Sec

These are default schedule options that appear after the schedule link is selected on the 'search index' page.

Delivered OFAC Process Review

Financial Sanction Validation Process

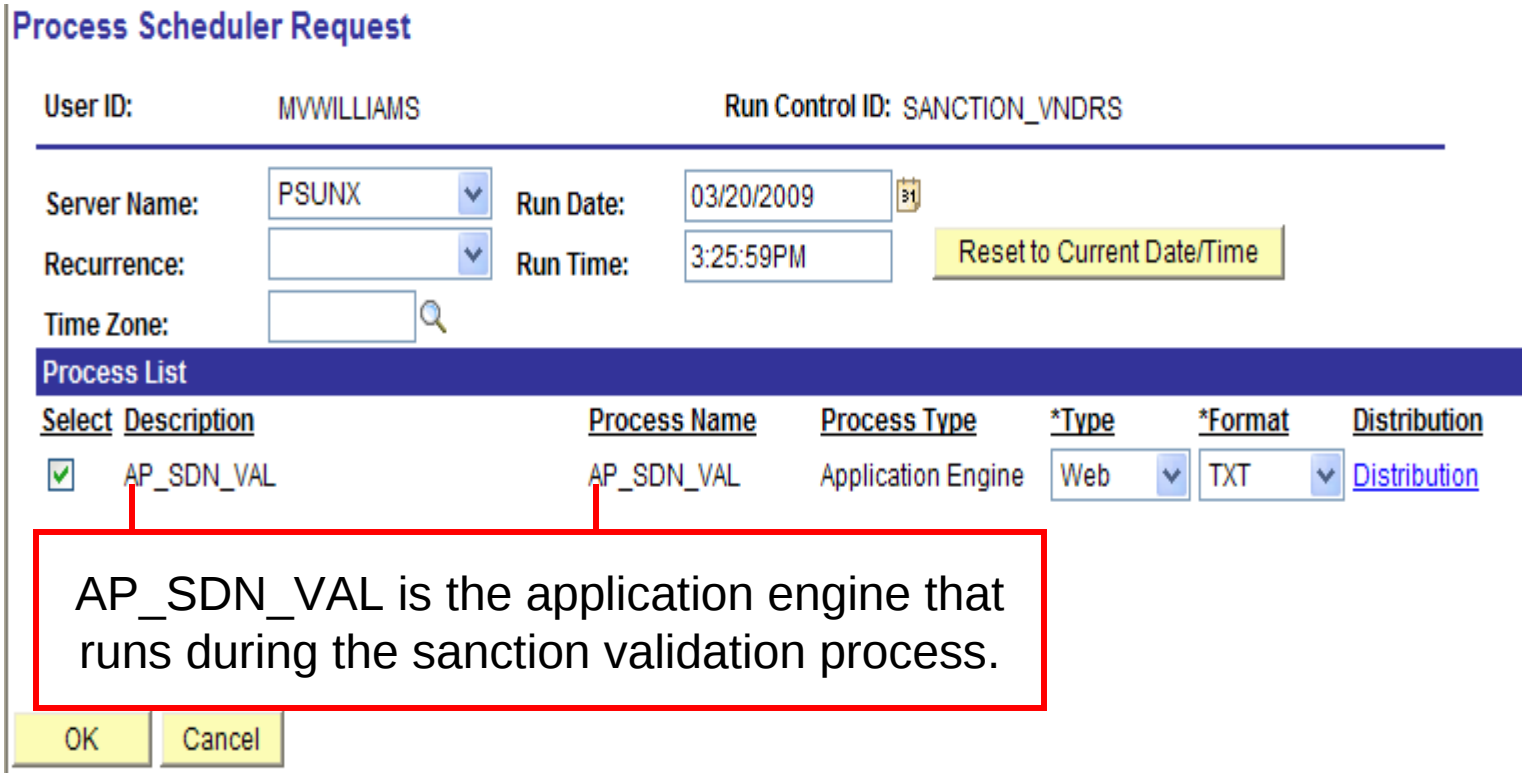


Delivered OFAC Process Review

Financial Sanction Validation Process cont'd

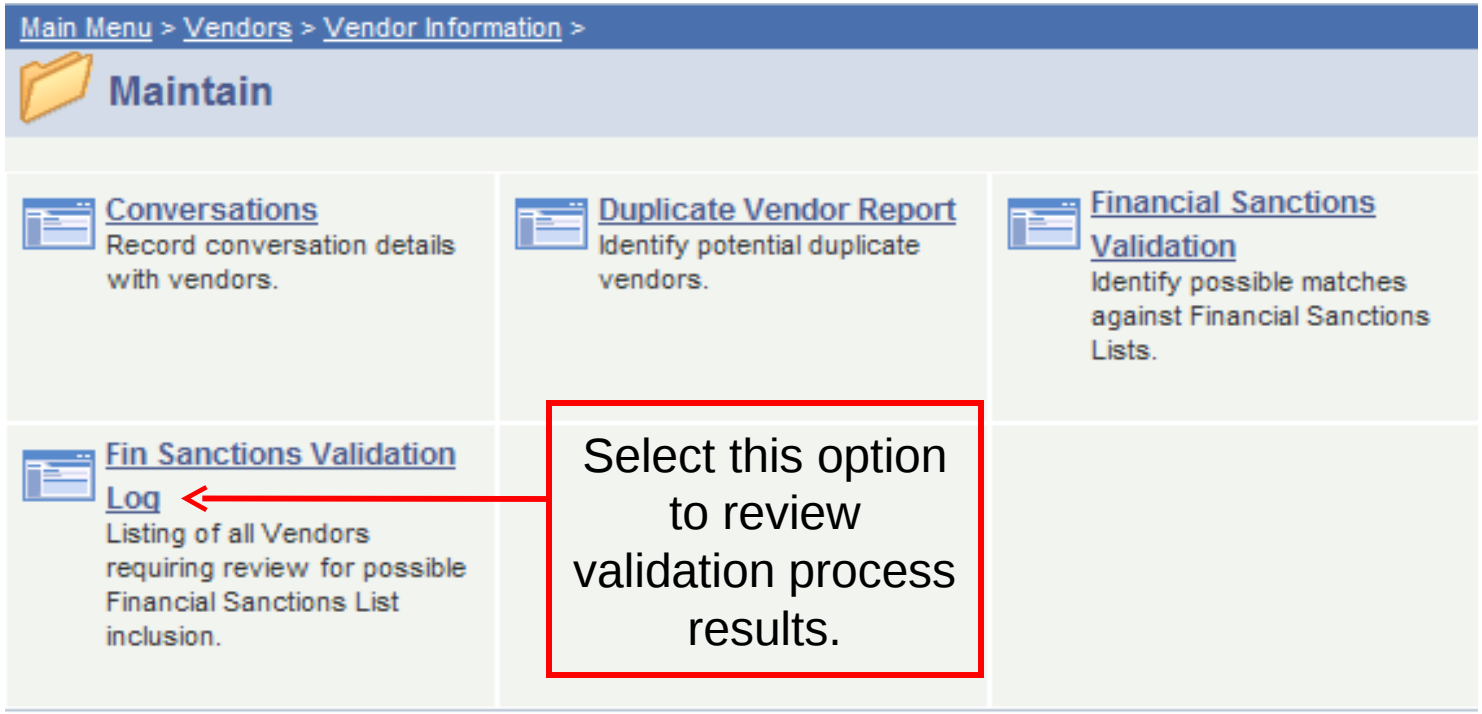
Delivered OFAC Process Review

Financial Sanction Validation Process cont'd



Delivered OFAC Process Review

Financial Sanction Validation Process cont'd



Delivered OFAC Process Review

Reviewing Validation Results

Financial Sanctions Validation Log

This listing represents Vendors requiring review for association with a Financial Sanctions Listing.

Customize | Find | First 1-2 of 2 La

SetID	Vendor ID	Short Vendor Name	Entry ID	Sanctions List Type	Go To Vendor Info	Financial Sanctions Inquiry
1 SHARE	0000000079	AMERINSTIP	4700	OFAC	Go To Vendor Info	Financial Sanctions Inquiry
2 SHARE	0000009373	NATLINSTIS	10128	OFAC	Go To Vendor Info	Financial Sanctions Inquiry

Clicking this option will take you directly to PeopleSoft vendor profile.

Clicking this option will take you directly to SDN list entry that is producing the potential match.

Delivered OFAC Process Review

Reviewing Validation Results cont'd

Financial Sanction Inquiry hyperlink default page.

Financial Sanctions Entry

Entry ID: 10

First Name:

Last Name: ABASTECEDORA NAVAL Y INDUSTRIAL, S.A.

Title:

ID Type: Entity

Program: CUBA

Identification Information Find | View All First 1 of 1 Last

ID	ID Type	ID Number	Country	Issue Date	Expiration Date

Alias Information Find | View All First 1 of 1 Last

ID	ID Type	Category	First Name	Last Name
4	a.k.a.	strong		ANAINSA

Address Information Find | View All First 1 of 1 Last

ID	Address Line 1	Address Line 2	Address Line 3	City	Postal Code	State / Province	Country
7							Panama

Nationality Information Find | View All First 1 of 1 Last

ID	Country	Main Entry

Citizenship Information Find | View All First 1 of 1 Last

ID	Country	Main Entry

Birthdate Information Find | View All First 1 of 1 Last

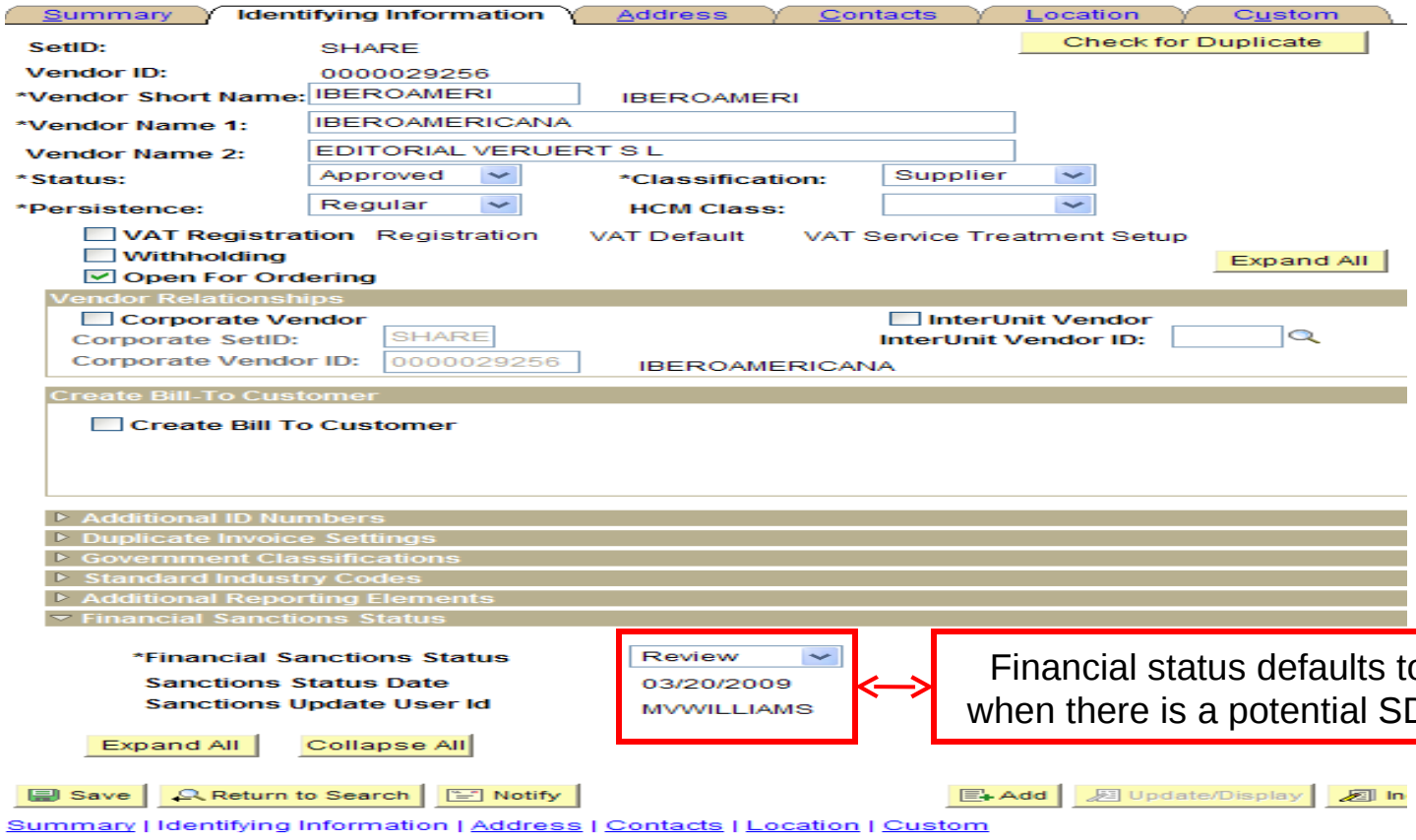
ID	Birth Date	Main Entry

Birthplace Information Find | View All First 1 of 1 Last

ID	Birth Location	Main Entry

Delivered OFAC Process Review

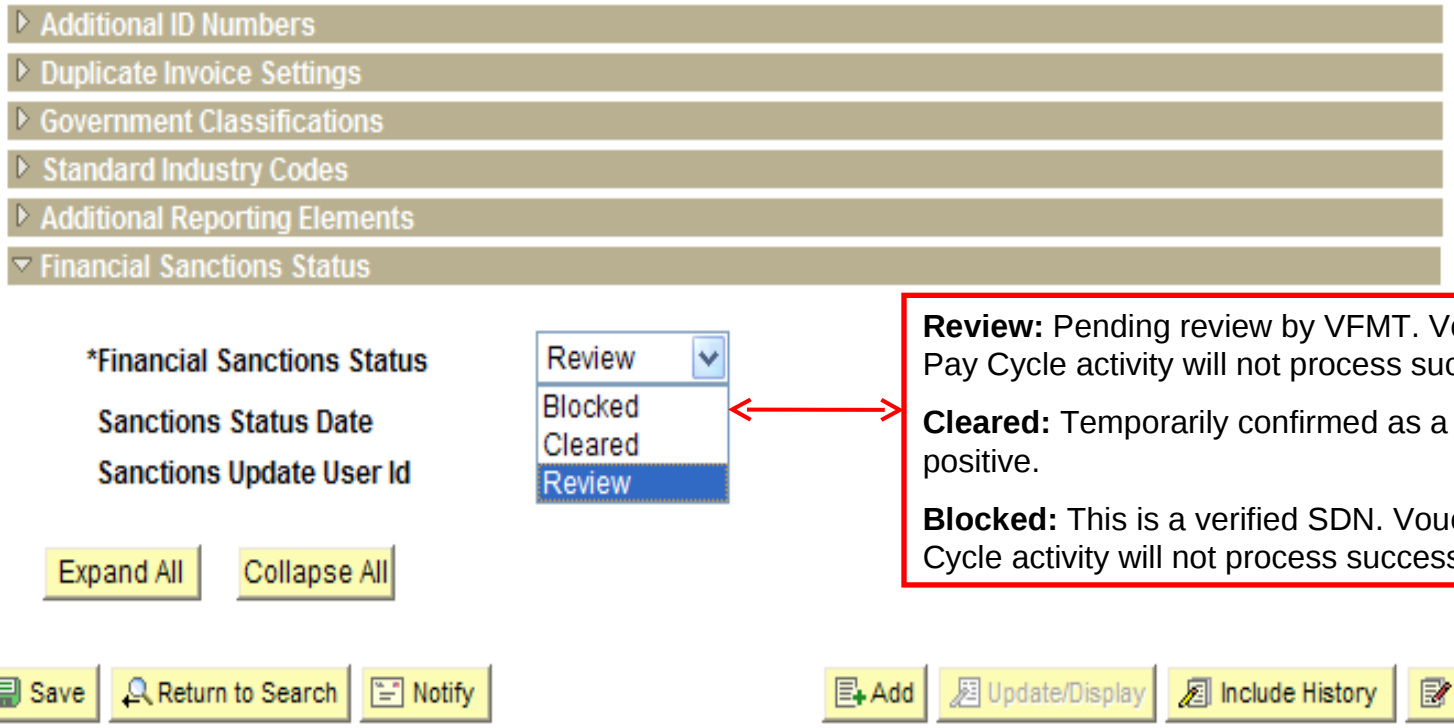
Handling Positive Validation Matches



Financial status defaults to review when there is a potential SDN match.

Delivered OFAC Process Review

Handling Positive Validation Matches cont'd



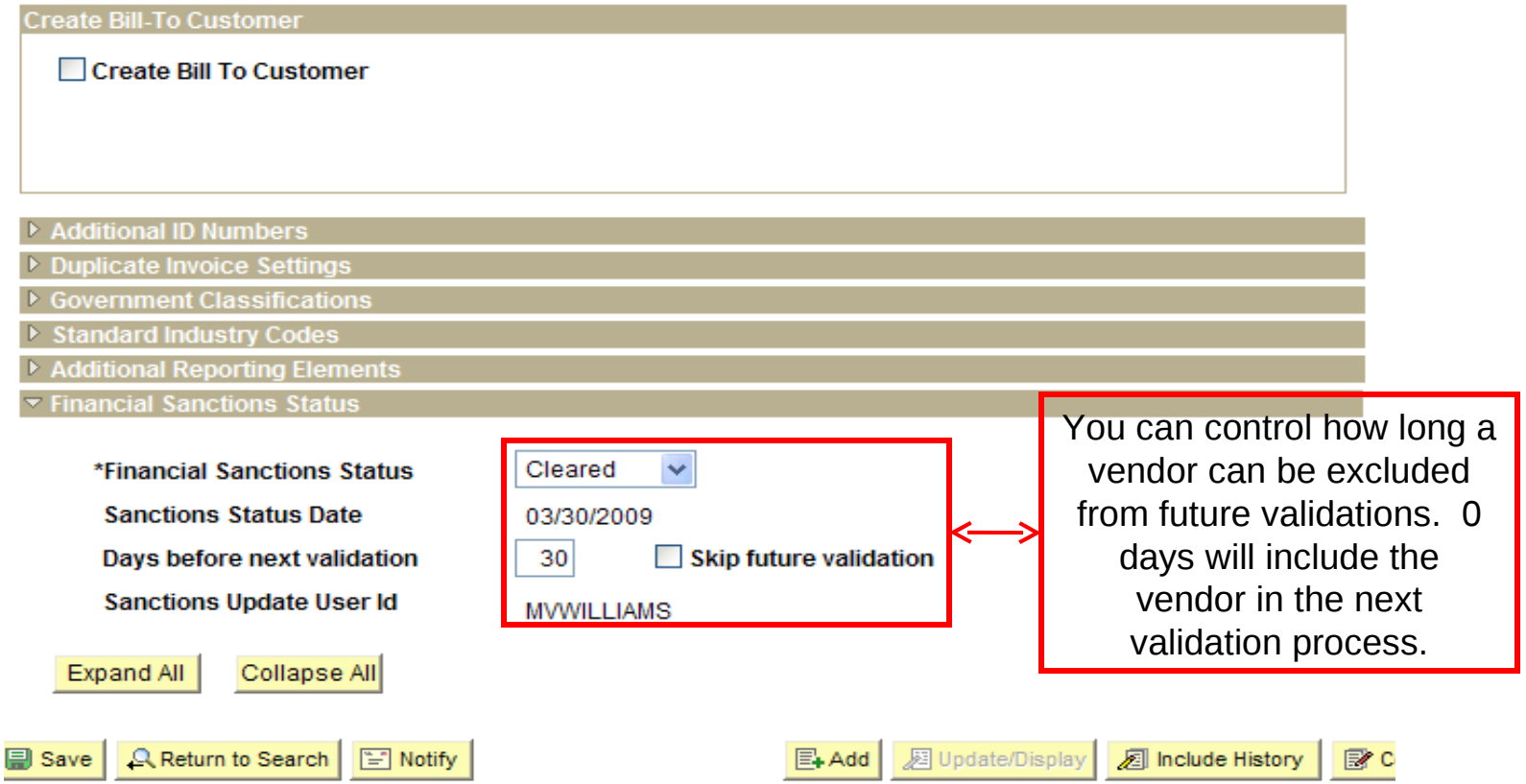
Review: Pending review by VFMT. Voucher or Pay Cycle activity will not process successfully.

Cleared: Temporarily confirmed as a false positive.

Blocked: This is a verified SDN. Voucher or Pay Cycle activity will not process successfully.

Delivered OFAC Process Review

Handling Positive Validation Matches cont'd



Delivered OFAC Process Review

Handling Positive Validation Matches cont'd

Financial Sanctions Validation Log

This listing represents Vendors requiring review for association with a Financial Sanctions Listing.

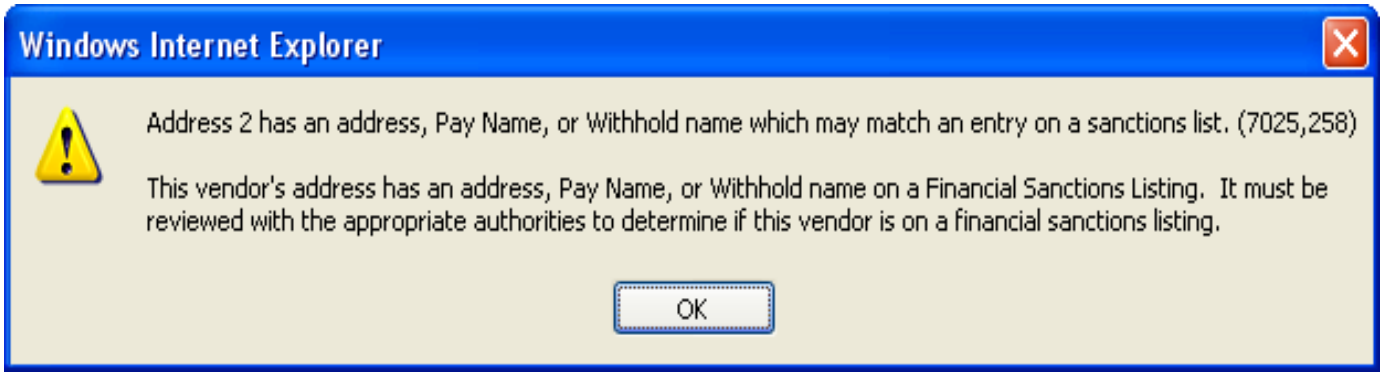
Customize | Find | First 1-2 of 2 Last

SetID	Vendor ID	Short Vendor Name	Entry ID	Sanctions List Type	Go To Vendor Info	Financial Sanctions Inquiry
1 SHARE	0000009373	NATLINSTIS	10128	OFAC	Go To Vendor Info	Financial Sanctions Inquiry
2 SHARE	0000028854	CPPAS	4700	OFAC	Go To Vendor Info	Financial Sanctions Inquiry

Cleared vendors will drop off the Financial Sanctions Validation Log until the next validation is processed.

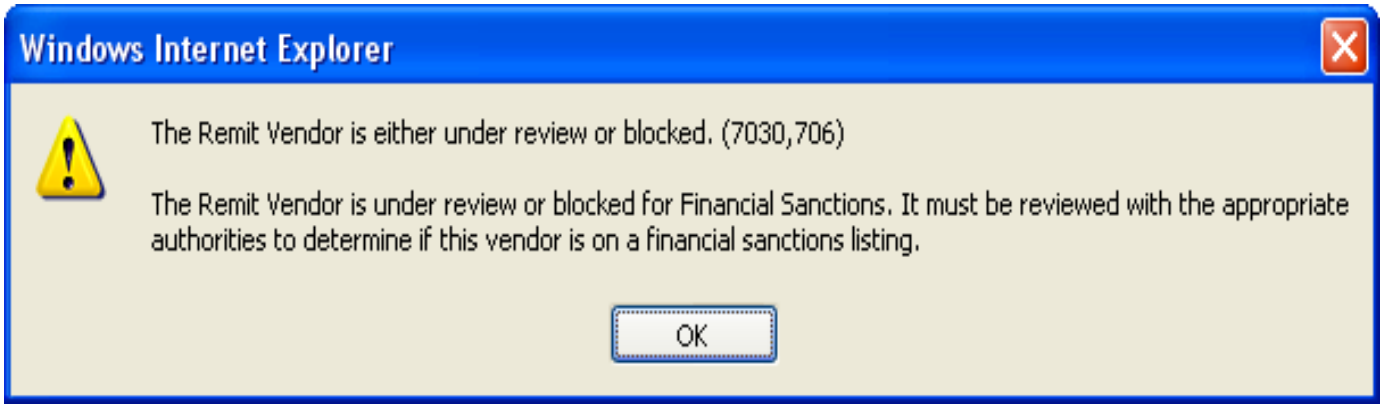
Delivered OFAC Process Review

Some Delivered Validation Error Messages



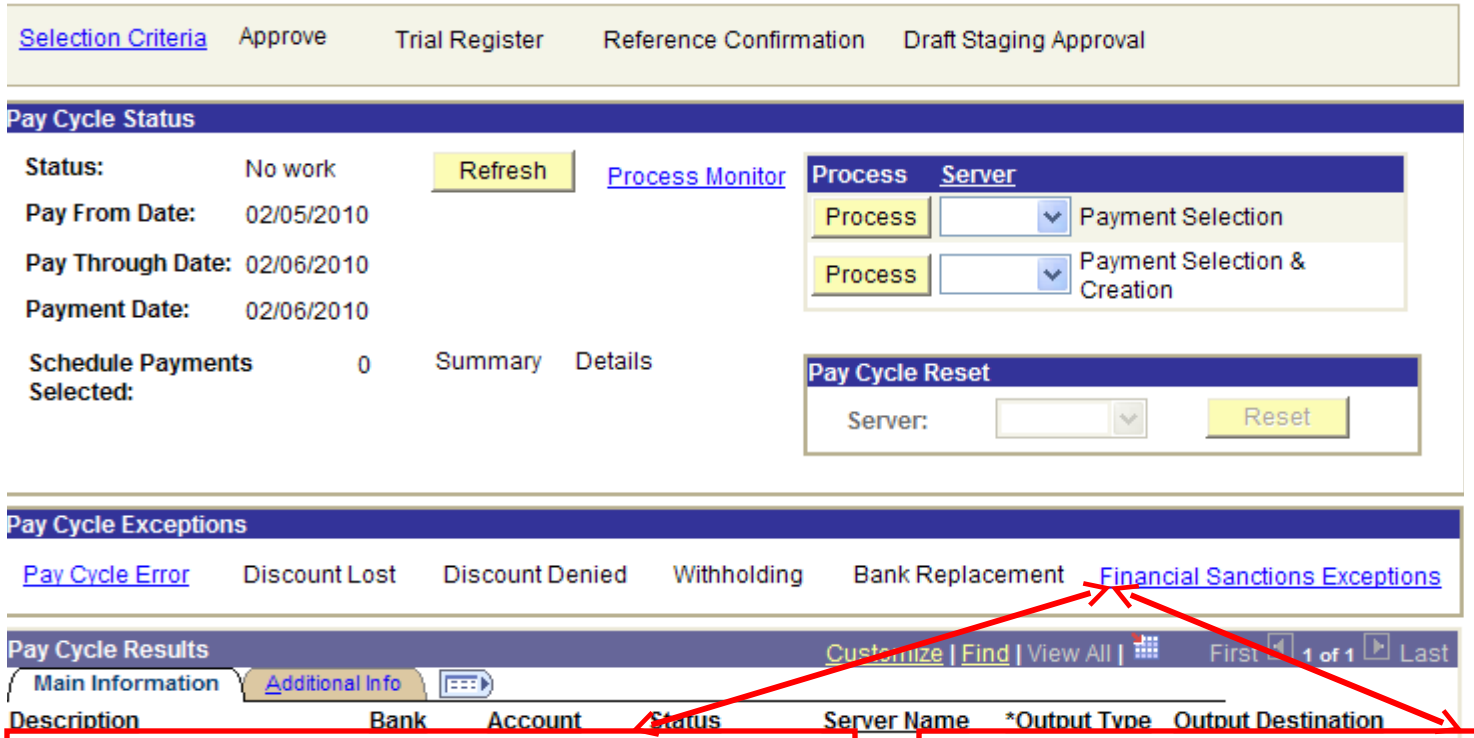
Delivered OFAC Process Review

Some Delivered Validation Error Messages



Delivered OFAC Process Review

Pay Cycle Validation

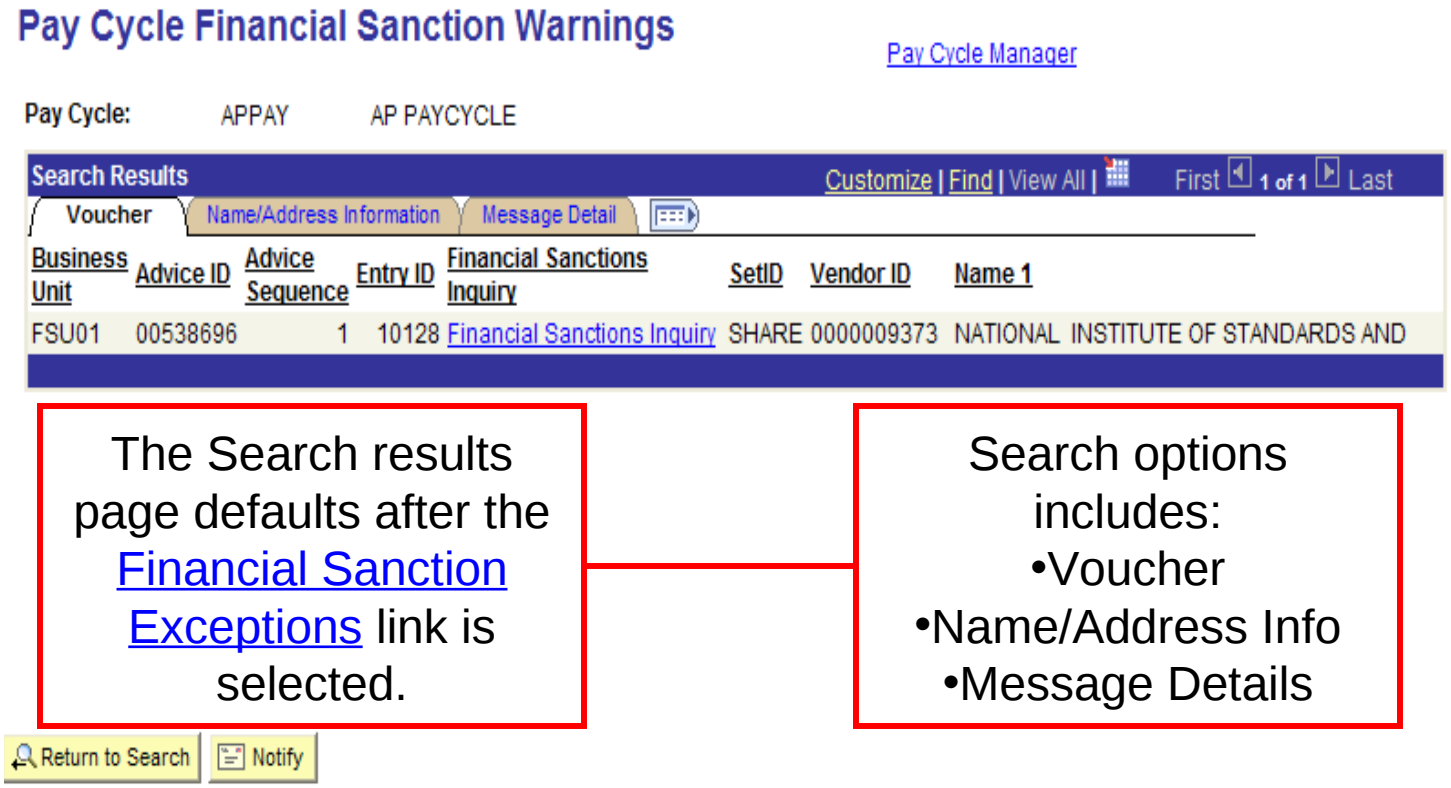


The pay cycle process will also validate against potential positive matches from the SDN list imported.

Note: SDN Validation must be turned off at the vendor set controls for this to work.

Delivered OFAC Process Review

Pay Cycle Validation Search Options

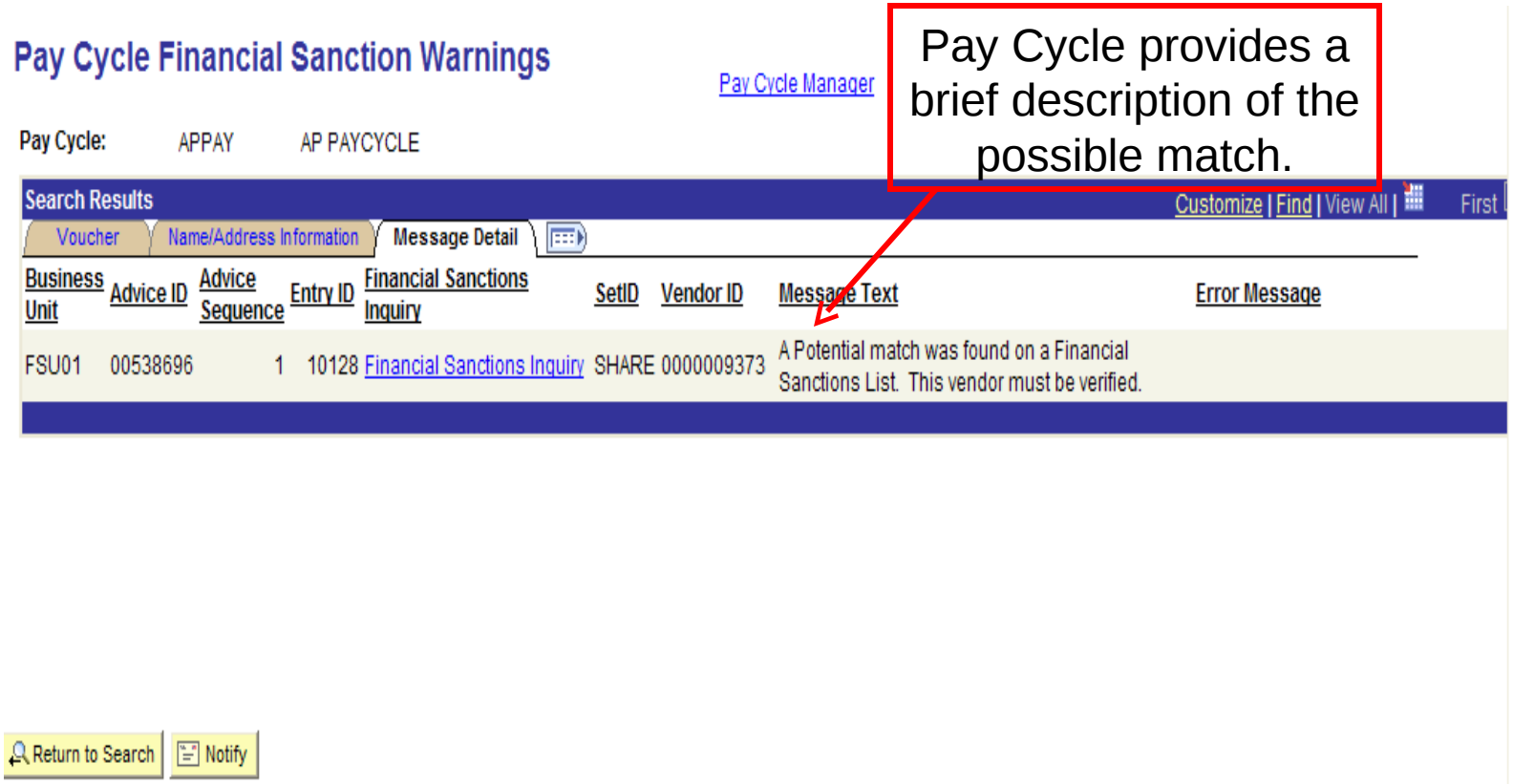


The Search results page defaults after the Financial Sanction Exceptions link is selected.

Search options includes:
- Voucher
- Name/Address Info
- Message Details

Delivered OFAC Process Review

Pay Cycle Validation Message Details



Pay Cycle Financial Sanction Warnings

Pay Cycle Manager

Pay Cycle: APPAY AP PAYCYCLE

Search Results — Customize | Find | View All | First

Voucher | Name/Address Information | Message Detail

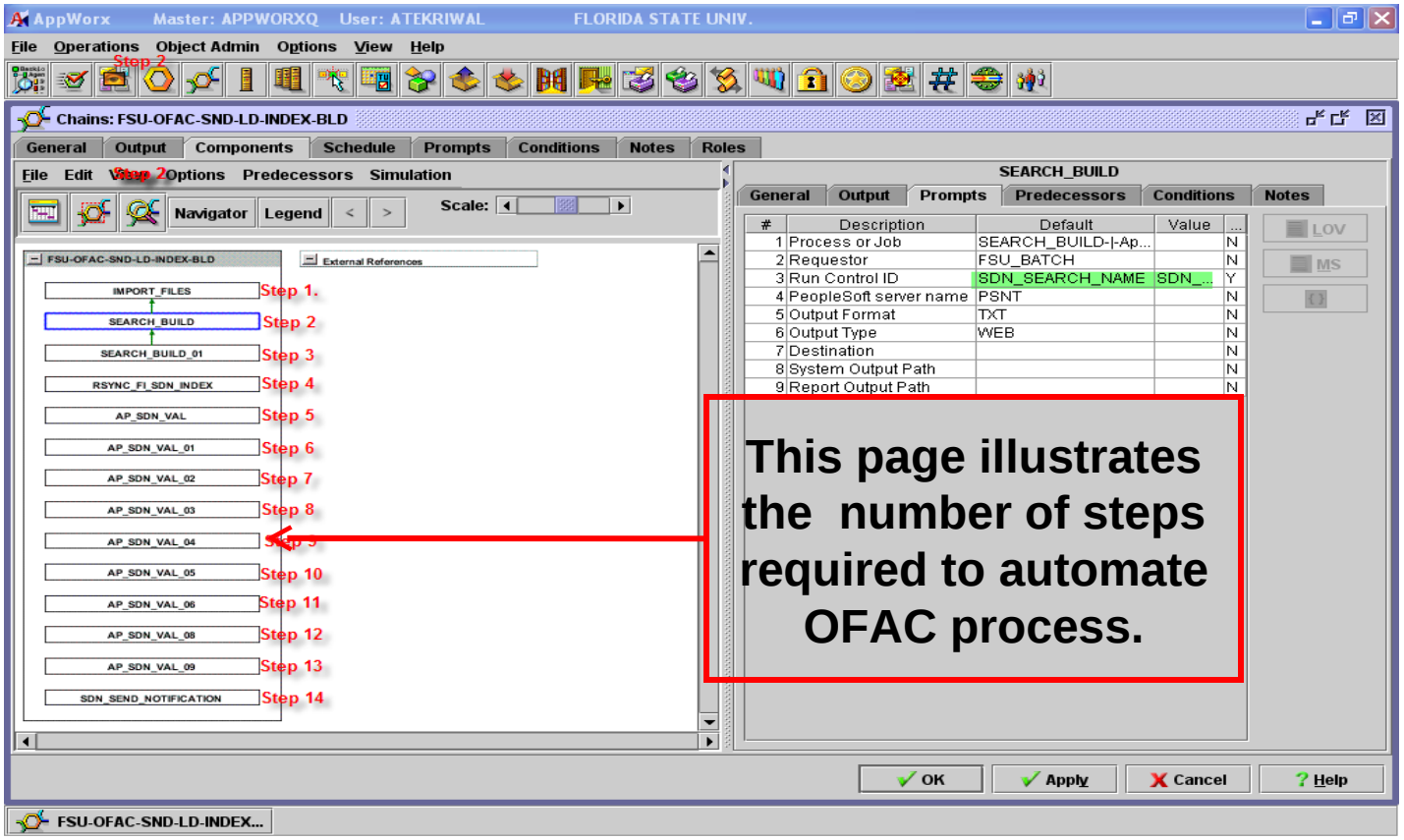
Business Unit	Advice ID	Advice Sequence	Entry ID	Financial Sanctions Inquiry	SetID	Vendor ID	Message Text	Error Message
FSU01	00538696	1	10128	Financial Sanctions Inquiry	SHARE	0000009373	A Potential match was found on a Financial Sanctions List. This vendor must be verified.	

Return to Search | Notify

Automating the OFAC Process

OFAC Automation

Configuring AppWorx to Run OFAC Processes



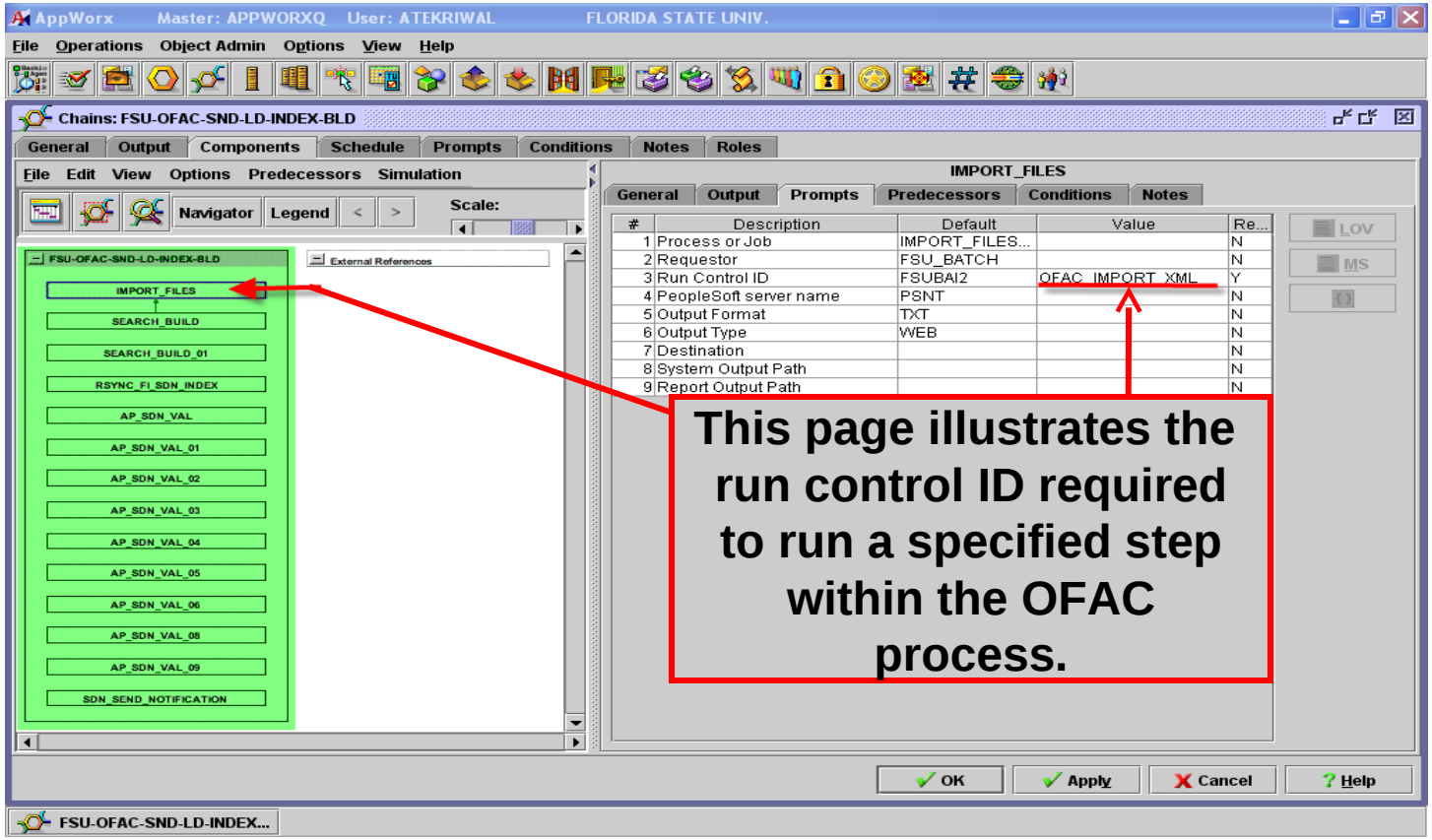
OFAC Automation

AppWorx Step Levels Process Details

- Subsequent steps 2 through 14
  - **Step 2: Search Build** – This step runs the process that builds the indexes for the SDN_SEARCH_NAME table. PeopleSoft recommends indexes be rebuilt whenever a new file is imported.
  - **Step 3: Search Build 01** - This step runs the process that builds the indexes for the SDN_SEARCH_ADDR table. PeopleSoft recommends indexes be rebuilt whenever a new file is imported.
  - **Step 4: RSYNC_FI_SDN_INDEX** – This step sync indexes on our servers.
  - **Steps 5–13: AP_SDN_VAL** – These steps validate our vendors against the latest SDN list. Each step processes a group of 5000 vendors at time.
  - **Step 14 : SDN_SEND_NOTIFICATION** - This step sends out email notifications to designated individuals.

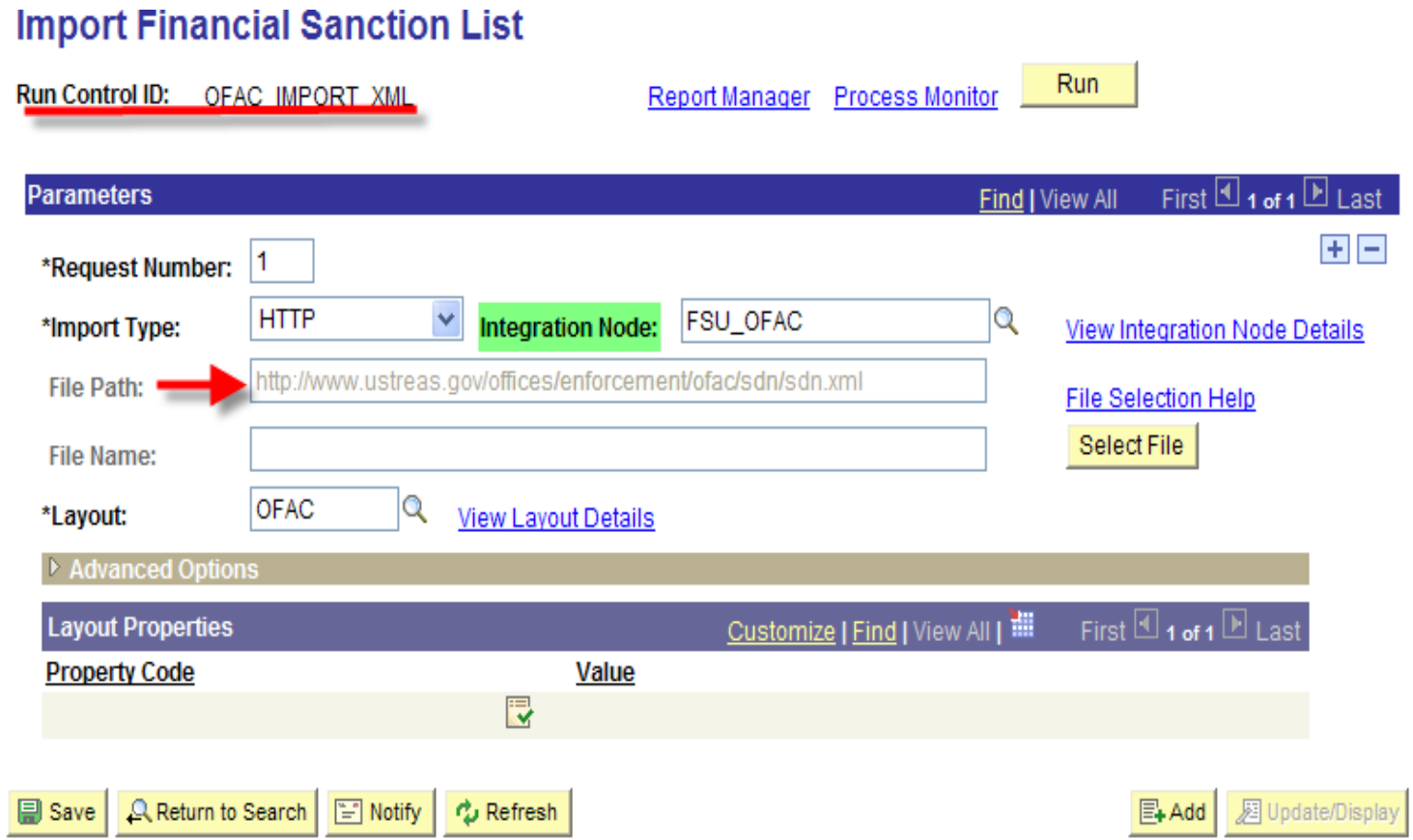
OFAC Automation

Establishing AppWorx Run Controls



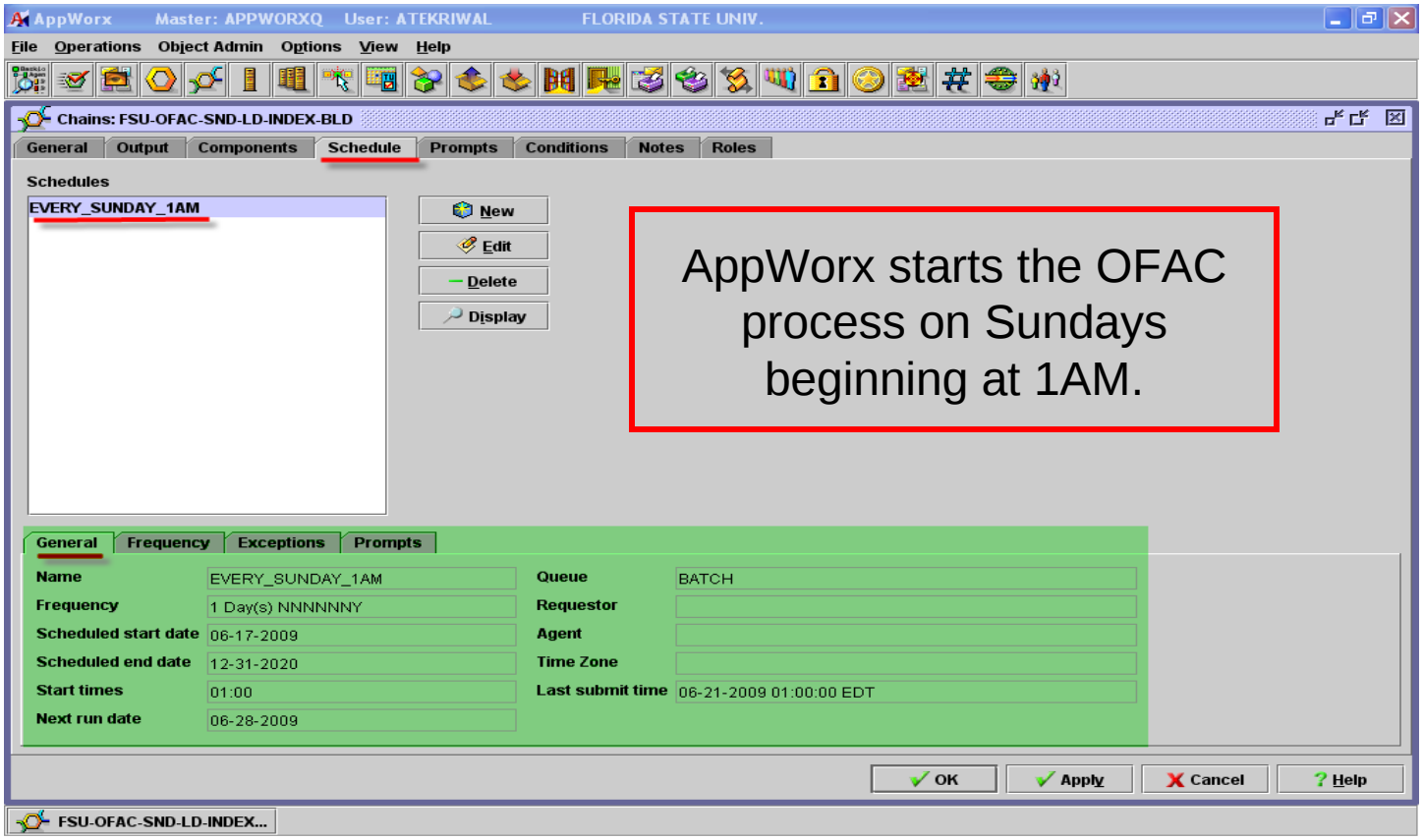
OFAC Automation

Creating AppWorx Integration Node



OFAC Automation

Scheduling AppWorx Processing Start Time



OFAC Automation

AppWorx's Email Notification

From: appworxp@admin.fsu.edu
Sent: Mon 6/22/2009 3:29
To: Tekriwal, Amardeep V; Williams, Michael V
Cc:
Subject: OFAC SDN list updated in OMNI

The latest SDN list has been retrieved from the U.S. Treasury website and uploaded into OMNI Financials. Please follow this navigation path to see if any of our vendors were designated as potential matches:

Vendors > Vendor Information > Maintain > Fin Sanctions Validations Log

Note: Please do not reply. This is a system generated message.

OFAC Automation

AppWorx's Email Notification

Financial Sanctions Validation Log

This listing represents Vendors requiring review for association with a Financial Sanctions Listing.

Customize | Find | First 1-2 of 2 Last

SetID	Vendor ID	Short Vendor Name	Entry ID	Sanctions List Type	Go To Vendor Info	Financial Sanctions Inquiry
1 SHARE	0000009373	NATLINSTIS	10128	OFAC	Go To Vendor Info	Financial Sanctions Inquiry
2 SHARE	0000028854	CPPAS	4700	OFAC	Go To Vendor Info	Financial Sanctions Inquiry

Vendor file team members are still required to research possible matches and update vendor file.

Lessons Learned

- PeopleSoft will not give you an exact verity score number to enter into your installation options. This number is based solely on your organizational requirements.
- The process will run for a very long time if you try to validate your entire vendor file at once.
- The process doesn't display active related documents for a possible match.
- Other U.S. Treasury Department lists can be imported as long as the XML format is the same.
- You must remember to include all vendor SETIDs.
- Security requirements were minimal.

Questions?

Contact Information

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