

FINRA Fines Ameriprise and Clearing Firm \$750,000 for Failing to Supervise Transmittal of Customer Funds to Third-Party Accounts

WASHINGTON — The Financial Industry Regulatory Authority (FINRA) announced today that it has fined Ameriprise Financial Services, Inc. and its affiliated clearing firm, American Enterprise Investment Services Inc. (AEIS), \$750,000 for failing to have reasonable supervisory systems in place to monitor wire transfer requests and the transmittal of customer funds to third-party accounts.

In February 2011, FINRA barred former Ameriprise registered representative [Jennifer Guelinas](#) for converting approximately \$790,000 from two customers over a four-year period by forging their signatures on wire transfer requests and disbursing the funds to bank accounts she controlled. Following the investigation, Ameriprise paid full restitution to the two customers.

FINRA found that Ameriprise and AEIS failed to establish, maintain and enforce supervisory systems designed to review and monitor the transmittal of funds from customer accounts to third-party accounts. The firms did not have policies or procedures to detect or prevent multiple transmittals of funds going to third-party accounts, instead relying on a manual review of wire requests without the benefit of exception reports that could have helped to discern suspicious patterns. Ameriprise and AEIS also failed to adequately track or further investigate wire transfer requests that had been rejected.

Ameriprise failed to detect Guelinas' scheme despite multiple "red flags." For instance, Guelinas submitted three requests to wire funds from a customer's account to a bank account that appeared to be under Guelinas' control. Ameriprise processed these forged wire transfer requests and disbursed the funds without any inquiries. In addition, there were at least three other occasions when Ameriprise initially rejected Guelinas' forged wire transfer requests, including one for an apparent signature discrepancy, then Guelinas simply resubmitted these requests on either the same day or the next day. Guelinas also forged and submitted a wire transfer request after Ameriprise had begun to investigate her misconduct. In all of these instances, Ameriprise disbursed the customer funds as Guelinas directed. Even after Ameriprise had terminated Guelinas, she submitted another forged wire transfer request. Ameriprise again disbursed the customer's funds to a bank account Guelinas controlled; however, the firm realized its mistake in time to prevent Guelinas from accessing those funds.

Brad Bennett, Executive Vice President and Chief of Enforcement, said, "Ameriprise and its affiliated clearing firm missed numerous supervisory red flags, including the fact that two of the wire transfers went to accounts in Guelinas' name. Firms must have robust supervisory systems to monitor and protect the movement of customer funds."

Ameriprise and AEIS neither admitted nor denied the charges, but consented to the entry of FINRA's findings.

FINRA's investigation was conducted by the Departments of Enforcement and Member Regulation.

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