

Suspicious Activity Reports

Criminal Prosecutions of Financial Institutions



Suspicious Activity Report

Financial Institutions must file SAR with FinCEN w/in 30 days of detection where:

- **At least \$5,000 & bank knows or suspects:**
 - **Transaction involves \$ from illegal activity or intended/conducted to hide illegal source of \$;**
 - **Transaction designed to evade reporting requirements;**
 - **Transaction has no legitimate business purpose or not type customer normally engages in.**

Broadway National Bank

November 2002

- **First Criminal Prosecution for failure to file SARs.**
- **\$120 million in suspicious bulk cash and structured deposits.**
- **\$4 million penalty**
- **Guilty Plea to Three Counts:**
 - **Failure to File SARs**
 - **Failure to properly file CTRs**
 - **Failure to have an effective AML Program**

Banco Popular de Puerto Rico

January 2003

- **Deferred Prosecution**
- **Criminal Information charged bank with failing to file SAR on accounts of drug dealers and money remitters.**
- **More than \$30 million in drug money laundered through bank.**
- **\$21.6 million Forfeiture**
- **Concurrent \$20 million civil penalty by FinCEN.**

Delta National Bank & Trust

October 2003

- **Criminal Prosecution**
- **Guilty plea to charge of failing to file SAR.**
- **Account belonged to a Colombian national involved in foreign exchange.**
- **Transactions involved \$5-10 million.**
- **Bank agreed to \$950,000 forfeiture**

AmSouth Bank

October 2004

- **Deferred Prosecution**
- **Criminal Information charged bank with failing to file SAR.**
- **Suspicious transactions involved a \$20 million fraud scheme.**
- **Bank was uncooperative in investigation.**
- **\$40 million civil forfeiture.**
- **\$10 million civil penalty assessed by FinCEN and Federal Reserve.**

Riggs Bank

January 2005

- **Criminal Prosecution.**
- **Guilty Plea to Failure to File SARs.**
- **Suspicious transactions involved transactions with Pinochet and Equitorial Guinea.**
- **\$16 million Criminal Fine.**
- **\$25 million civil money penalty assessed by FinCEN.**