



BSA Coalition Anti-Money Laundering Conference

www.bsacoalition.org

SAR WRITING TIPS AND PRACTICAL GUIDANCE

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WHETHER TO FILE THE SAR?

“The problem here is that there is a major disconnect between those of us in trenches and those up in their ivory towers.”

www.bankersonline.com

5/6/11

TOP 5 EXCUSES FOR STRUCTURING:

5. "I'm afraid I'll get robbed."
4. "It's my accounting method."
3. "My Dad told me to and I didn't want to be disrespectful."
2. "The bank told me to do it."
1. \$9,999? . . . "I don't like five digit numbers."

WHY PEOPLE STRUCTURE?

- Cash Hoards
- Cultural practice
- Privacy from the Government
- Concerns About Robbery
- Impending Divorce – hiding assets

STRUCTURING MOTIVATED BY CRIME

- **Tax Violations**
- **Fraudulent Schemes**
- **Terrorist Financing**
- **Narcotics Trafficking**
- **Bribery and Corruption**

DISCLAIMER ON INTERPRETING SAR REPORTING REQUIREMENTS:

**REGULATIONS AND BANK
POLICY ARE YOUR ULTIMATE
AUTHORITY.**

PREPARING AN EFFECTIVE SAR:

- ❑ Keep the narrative concise and lead with the strongest facts
- ❑ Highlight different aspects of the pattern
- ❑ Monetary Thresholds
- ❑ Express WHY the activity is suspicious

PREPARING AN EFFECTIVE SAR:

- ❑ Identify the supporting documentation
- ❑ Information on the source of funds
- ❑ Where did the money go?
- ❑ Customer history – is this atypical?

PREPARING AN EFFECTIVE SAR:

- Identify all persons with signatory authority (or any authority)
- Identify Key Employees
- Statements which show transactor's knowledge
- CURRENT AND AVERAGE BALANCE**

OTHER BEST PRACTICES:

- Proof that customer received information detailing the BSA laws (shows knowledge of bank's reporting requirements)
- Consider contacting LE directly and/or before closing accounts
- Contact LE on multiple SARs filed
- Preserve video surveillance and photos

OTHER BEST PRACTICES: THE AGGREGATION RULE:

- Must aggregate deposits where bank has knowledge
- How do you implement this rule?
- What happens on the teller line and what happens in the back?

THE ELEMENTS:

- ❑ That person who deposited funds knowingly structured the transaction
- ❑ Knowledge of the Bank's obligation to report
- ❑ Purpose of the transaction was to evade the reporting requirement

RECORDS REQUEST: ACCOUNT RECORDS

- Signature cards of account owners, signors, or beneficiaries
- Bank statements
- Transactions over \$1,000.00: withdrawal slips, deposit slips, checks, debit and credit memos
- Deposit accounts
- Mortgage loans, lines of credit, consumer loans

RECORDS REQUEST: CORRESPONDENCE AND INVESTIGATIVE FILES

- Pamphlets and printed materials relating to BSA reporting requirements
- Investigative work and monitoring files, memoranda, notes, files or records EMAILS
- Compliance documentation relative to AML, Risk Assessment and KYC programs

RECORDS REQUEST: MISCELLANEOUS

- **SAFE DEPOSIT BOX RECORDS**
- **WIRE TRANSFERS:** domestic and international.
- **OTHER:** certified checks, money orders, cashier's checks;
source of funds as to how purchased
- **IMAGES:** preservation of all digital, video and
photographic images of individuals conducting transactions
- **CURRENT DISPOSITION OF ACCOUNT (s):** Current account
balance; date of closure, disposition of funds

INVESTIGATIVE OBSTACLES:

- ❑ Can't get the records fast enough
- ❑ Difficulty proving knowledge
- ❑ No videos or surveillance
- ❑ Structuring out and wiring overseas
- ❑ Incomplete supporting documentation

RICHMOND-TIDEWATER SAR TEAM

- **IRS-CI Richmond (804) 916-8800**
- **IRS-CI Norfolk (757) 213-3939**
- **USAO Richmond (804) 819-5512**