Financial Crimes Enforcement Network
June 17, 2009
Julie Hadley
Regulatory Policy and Programs Division
FinCEN Mission

To enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.
How we achieve our mission

- Administering the Bank Secrecy Act;
- Supporting law enforcement, intelligence, and regulatory agencies through sharing and analysis of financial intelligence;
- Building global cooperation with our counterpart financial intelligence units; and
- Networking people, ideas, and information.
FinCEN – Administrator of the Bank Secrecy Act
### Financial Institutions Subject to the Bank Secrecy Act

<table>
<thead>
<tr>
<th>Depository Institutions</th>
<th>Non-Bank Financial Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Commercial Banks</td>
<td>• Money Services Businesses</td>
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<tr>
<td>• Credit Unions</td>
<td>• Travel Check Businesses</td>
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<tr>
<td>• Savings and Thrift Institutions</td>
<td>• U.S. Postal Service</td>
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<tr>
<td>• Trust Companies</td>
<td>• Casinos/Card Clubs</td>
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<td>• Branches of Foreign chartered banks doing business in the U.S.</td>
<td>• Tribal Casinos</td>
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<td>• Broker Dealers</td>
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<td>• Futures Commission</td>
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<td>• Merchants/Introducing Brokers</td>
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<td>• Dealers in Precious Metals and Jewels</td>
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<td>• Insurance Companies</td>
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</table>
Regulatory Partners

- Federal Deposit Insurance Corporation
- Federal Reserve Board
- Office of the Comptroller of the Currency
- Office of Thrift Supervision
- National Credit Union Administration
- Securities and Exchange Commission
- Commodity Futures Trading Commission
- Internal Revenue Service – SB/SE
- State Regulatory Departments
Law Enforcement Partners

- Alcohol, Tobacco and Firearms (ATF)
- Federal Bureau of Investigation (FBI)
- Immigration and Customs Enforcement (ICE)
- U.S. Secret Service (USSS)
- Internal Revenue Service-Criminal Investigations Division (IRS-CID)
- U.S. Postal Inspection Service
- Drug Enforcement Agency (DEA)
- Naval Criminal Investigative Service
- Department of Homeland Security (DHS)
- Army – Criminal Investigations Division
- Department of Justice (DOJ)
FinCEN is one of 107 recognized national Financial Intelligence Units (FIU) across the globe.

FIUs play a lead role in international efforts to combat money laundering and terrorist financing.
Global Partners

Egmont Group

• Formed in 1995 to establish an informal group for the stimulation of international co-operation

• Meet regularly to find ways to cooperate, especially in the areas of information exchange, training & sharing of expertise
Global Partners

Membership in the Egmont Group permits FinCEN to:

• Support U.S. anti-money laundering policy initiatives on a global basis
• Provide technical assistance & training
• Exchange information
Egmont Group FIUs

Financial Intelligence Units (FIUs) Around the World
<table>
<thead>
<tr>
<th>Albania</th>
<th>Croatia</th>
<th>Italy</th>
<th>Peru</th>
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<tbody>
<tr>
<td>Andorra</td>
<td>Cyprus</td>
<td>Japan</td>
<td>Philippines</td>
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<tr>
<td>Antigua &amp; Barbuda</td>
<td>Czech Republic</td>
<td>Jersey</td>
<td>Poland</td>
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<td>Argentina</td>
<td>Denmark</td>
<td>Korea</td>
<td>Portugal</td>
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<td>Armenia</td>
<td>Dominica</td>
<td>Latvia</td>
<td>Qatar</td>
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<td>Aruba</td>
<td>Egypt</td>
<td>Lebanon</td>
<td>Romania</td>
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<td>Australia</td>
<td>El Salvador</td>
<td>Liechtenstein</td>
<td>Russia</td>
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<td>Austria</td>
<td>Estonia</td>
<td>Lithuania</td>
<td>San Marino</td>
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<td>Bahamas</td>
<td>Finland</td>
<td>Luxembourg</td>
<td>Singapore</td>
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<td>Bahrain</td>
<td>France</td>
<td>Macedonia</td>
<td>Slovakia</td>
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<td>Barbados</td>
<td>Georgia</td>
<td>Malaysia</td>
<td>Slovenia</td>
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<td>Belarus</td>
<td>Germany</td>
<td>Malta</td>
<td>S. Africa</td>
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<td>Belgium</td>
<td>Gibraltar</td>
<td>Marshall Isl.</td>
<td>Spain</td>
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<td>Belize</td>
<td>Greece</td>
<td>Mauritius</td>
<td>St. Kitts &amp; Nevis</td>
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<td>Bermuda</td>
<td>Grenada</td>
<td>Mexico</td>
<td>St. Vincent &amp; the Grenadines</td>
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<td>Bosnia &amp; Herzegovina</td>
<td>Guatemala</td>
<td>Moldova</td>
<td>Sweden</td>
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<td>Brazil</td>
<td>Guernsey</td>
<td>Monaco</td>
<td>Switzerland</td>
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<td>British Virgin Isl.</td>
<td>Honduras</td>
<td>Montenegro</td>
<td>Syria</td>
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<td>Bulgaria</td>
<td>Hungary</td>
<td>Netherlands</td>
<td>Taiwan</td>
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<td>Canada</td>
<td>Iceland</td>
<td>Netherlands Antilles</td>
<td>Thailand</td>
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<td>Cayman Isl.</td>
<td>India</td>
<td>New Zealand</td>
<td>Turkey</td>
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<td>Chile</td>
<td>Indonesia</td>
<td>Nigeria</td>
<td>Turks &amp; Caicos</td>
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<td>Colombia</td>
<td>Ireland</td>
<td>Niue</td>
<td>Ukraine</td>
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<td>Cook Isl.</td>
<td>Isle of Man</td>
<td>Norway</td>
<td>UAE</td>
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<td>Costa Rica</td>
<td>Israel</td>
<td>Panama</td>
<td>United Kingdom</td>
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<td>Paraguay</td>
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BSAAG: Bank Secrecy Act Advisory Group

A Convergence of...

FinCEN
Industry
Regulators
Law Enforcement
BSAAG

- Created by the Secretary of the Treasury as directed by Congress

- Active solicitation of advice on the administration of the BSA

- Forum to examine the benefits of the BSA, enhancing utility, and strive for increased efficiency and effectiveness.
Industry Partners

- BSA reports are the cornerstone of the U.S. government’s efforts to disrupt illicit financial activity.
- These reports do help put criminals in jail.
- FinCEN does recognize the significant costs and resources the industry invests in complying with these responsibilities.
Industry Partners

• FinCEN analysts use BSA data to:
  – support investigative efforts
  – conduct geographical threat assessments
  – study currency flows
  – develop information on emerging trends and issue comprehensive analytical reports
Law Enforcement Partners
The SAR Activity Review

Issue 10
May 2006

The SAR Activity Review
Trends, Tips & Issues

The SAR Activity Review
By the Numbers
Issue 6
May 2006
Suspicious Activity Report Filing Trend for the State of Virginia For the Period April 1, 1996 through December 31, 2008

Total SARs: 78,682
Characterizations of Suspicious Activity for the State of Virginia
For the Period April 1, 1996 through December 31, 2008

- **Counterfeit Check**: 4,151 (4%)
- **False Statement**: 4,246 (4%)
- **Identity Theft**: 4,621 (4%)
- **Wire Transfer Fraud**: 6,302 (6%)
- **Mortgage Loan Fraud**: 7,262 (7%)
- **Check Fraud**: 12,302 (12%)
- **Credit Card Fraud**: 15,548 (15%)
- **BSA/Structuring/Money Laundering**: 25,886 (24%)
- **Other**: 9,352 (9%)
- **Additional Characterizations**: 15,607 (15%)

Note: The pie chart represents the top nine characterizations plus additional characterizations in total. An individual SAR may cite more than one characterization. Hence, the number of characterizations detailed here significantly exceeds the total number of SARs. Total numbers are calculated by **Filing Branch Address** – not subjects address.
Virginia Mortgage Loan Fraud SAR Filing Trend
For the Period April 1, 1996 through December 31, 2008

Total SARs: 5,624

Note: Suspicious Activity Report statistical data is continuously updated as additional reports are filed and processed. For this reason, there may be minor discrepancies between the statistical figures contained in this report and those in previous FinCEN reports. Total numbers are calculated by Subjects Address – not filing address.
Suspicious Activity Report Geographic Pattern for the State of Virginia
For the Period January 1, 2007 through December 31, 2007

Note: Statistics based on Filer Branch Address
Suspicious Activity Report Geographic Pattern for the State of Virginia
For the Period January 1, 2008 through December 31, 2008

Note: Statistics based on Filer Branch Address
BSA Value - Sources of Feedback

- The SAR Activity Review, Trends, Tips, and Issues
- SAR Activity Review – By the Numbers
- Analytic Assessments
- NEW FinCEN web site – Law Enforcement Cases and Success Stories
Resources

• FFIEC BSA/AML Examination Manual
• Guidance/Rulings/Advisories
• 314(a) Secure Information Sharing System
• Guidance on Preparing SAR Narratives
• Electronic filing – Enrollment Information
• New FinCEN website - www.fincen.gov
Contact Information

FinCEN Regulatory Helpline
1-800-949-2732

Financial Institutions Hotline
1-866-556-3974

www.fincen.gov