

MONEY LAUNDERING RED FLAGS

GENERAL

This document lists various transactions and activities that may indicate potential money laundering. While not all-inclusive, the list does reflect ways that launderers have been known to operate. Transactions or activities listed here may not necessarily be indicative of money laundering if they are consistent with a customer's legitimate business. Also, many of the "red flags" involve more than one type of transaction.

1. **Refusal or reluctance to proceed with a transaction, or abruptly withdrawing a transaction.** A customer may be reluctant to proceed, or may even withdraw a transaction after being informed that a Currency Transaction Report will be filed, or that the purchase of a monetary instrument will be recorded. The customer may withdraw all or a portion of a transaction to avoid Bank Secrecy Act reporting and recordkeeping requirements.
2. **Customer refusal or reluctance to provide information or identification.** A customer may be reluctant, or even refuse to provide identifying information when opening an account, cashing a check, recording the purchase of a monetary instrument, or providing information necessary to file a CTR.
3. **Structured or recurring, non-reportable transactions.** An individual or group may attempt to avoid Bank Secrecy Act reporting/recordkeeping requirements by breaking up, or structuring a currency transaction or purchase of monetary instruments in amounts less than the reporting/recordkeeping thresholds. Transactions may also be conducted with multiple banks, branches, customer service representatives, accounts, and/or on different days in attempt to avoid reporting requirements.
4. **Multiple third parties conducting separate, but related, non-reportable transactions.** Two or more individuals may go to different tellers or branches and each conduct transactions just under the reporting/recordkeeping threshold.
5. **Even dollar amount transactions.** Numerous transactions are conducted in even dollar amounts. NOTE: Money laundering and check kiting schemes have similar characteristics.
6. **Transactions structured to lose the paper trail.** The bank may be asked to process internal debits or credits containing minimal or no description in attempt to "separate" a transaction from its account.
7. **Significant increases in the number or amount of transactions.** A large increase in the number of or amount of transactions involving currency, the purchase of monetary instruments, wire transfers, etc, may indicate potential money laundering.

8. **Transactions which are not consistent with the customer's business or income level.** Transactions should be consistent with the customers known business or income level.
9. **Transactions by non-account holders.** A non-account holder conducts or attempts to conduct transactions such as currency exchanges, the purchase or redemption of monetary instruments, etc., with no apparent legitimate reason.