

MONEY LAUNDERING RED FLAGS

OTHER ACTIVITIES INVOLVING CUSTOMERS AND/OR BANK EMPLOYEES

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. **Questions or discussions on how to avoid reporting/recordkeeping.** This involves discussions by individuals about ways to bypass the filing of a Currency Transaction Report or recording the purchase of a monetary instrument.
2. **Customer attempt to influence a bank employee not to file a report.** This would involve any attempt by an individual or groups to threaten, bribe, or otherwise corruptly influence a bank employee to bypass the filing of a Currency Transaction Report, recording of purchases of monetary instruments, or filing a SAR.
3. **Lavish lifestyles of customers or bank employees.** Lavish lifestyles of customers or employees, which are not supported by their current salary, may indicate possible involvement in money laundering activities.
4. **Short-term or no vacations.** A bank employee may be reluctant to take any vacation time. or may only to take short vacations (one or two days).
5. **Circumvention of internal control procedures.** Overrides of internal controls, recurring exceptions, and out-of-balance conditions may indicate money laundering activities. For example, bank employees may circumvent wire transfer authorizations and approval policies, or could split wire transfers to avoid ceiling limitations.
6. **Incorrect or incomplete CTRs.** Employees may frequently submit incorrect or incomplete Currency Transaction Reports.