

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA

DATE: July 2000 LETTER NO.: 00-CU-04

TO: Federally Insured Credit Unions

SUBJ: Suspicious Activity Reporting

ENCL: (1) Revised Suspicious Activity Report Form (SAR)
Joint Press Release
(2) Revised SAR Form Guidelines
(3) SAR Form

I am writing to advise you that, effective immediately, the revised Suspicious Activity (SAR) Form is now available for your use in reporting suspicious activity pursuant to existing NCUA and FinCEN regulations. ***You may continue to use the existing SAR form while you update your systems and procedures to make use of the new form. However, no versions of the SAR form, other than the new revised SAR form that is being issued today, will be accepted after December 31, 2000.*** The revisions to the SAR form reflect comments from credit unions and others on how to make the SAR form easier to complete and to provide more useful and timely information.

In addition to the new SAR form, new software has been developed and is available to assist in the preparation and filing of SAR forms. The new SAR software is available from FinCen's website, www.treas.gov/fincen/forms. This site can be accessed directly or by hyperlink from NCUA's website, www.ncua.gov. The new SAR form and guidance are available on both websites.

With the issuance of the new SAR form and SAR software, credit unions will be able to file the new form by:

- ***Using the new SAR software to complete the SAR form, save it on a diskette and mailing it to the Detroit Computing Center, as set forth in the SAR instructions.***
- ***Using the new SAR software to complete the SAR form and then printing a paper version of the completed SAR form and mailing it to the Detroit***

Computing Center, as set forth in the SAR instructions.

- ***Producing a magnetic tape of SAR forms (using revised specifications obtained from the Detroit Computing Center) and mailing it to the Detroit Computing Center.***
- ***Completing (if none of the above options is available) the paper version of the SAR and mailing it to the Detroit Computing Center, as set forth in the SAR instructions.***

A copy of a press release announcing the revised SAR, a copy of the SAR form, and guidance to assist in completing it are attached as enclosures. For any questions regarding the newly issued SAR form, contact John Ianno at NCUA, 703-518-6540 or FinCEN.

Sincerely,

_____/s/_____
Norman E. D' Amours
Chairman
National Credit Union Administration Board

Enclosures

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency
Office of Thrift Supervision
Financial Crimes Enforcement Network

For Immediate Release

June 19, 2000

REVISED SUSPICIOUS ACTIVITY REPORT FORM (SAR)

The five federal financial institutions supervisory agencies- the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency and the Office of Thrift Supervision- together with the Financial Crimes Enforcement Network (FinCEN), today are issuing a newly revised Suspicious Activity Report (SAR) form.

Beginning immediately, financial institutions and organizations that are currently required to report suspicious activity pursuant to existing regulations of the federal financial institutions supervisory agencies and FinCEN may use the new SAR form to make these reports. Financial institutions and organizations may continue to use the existing SAR form while their procedures and systems are updated to make use of the new SAR form. However, no versions of the SAR form, other than the new SAR form that is being issued today, will be accepted after December 31, 2000.

The revisions to the SAR form reflect comments from filers and users on how to make the SAR form easier to complete and to provide more useful and timely information. Consistent with this goal, several revisions have been made to the new SAR form being issued today. In addition to modifying the layout of the SAR form for easier use, the agencies have:

- Added a check box for “ Computer Intrusion” to Part III, “ Suspicious Activity Information” , in recognition of the need to obtain more specific information with regard to computer related suspicious activity. Along with the addition of the check box in Part III, a specific definition of “ Computer Intrusion” has been added to the “ When to Make a Report” instructions at number 2.
- Deleted the two sections requiring witness and preparer information and have replaced these sections with Part IV, “ Contact for Assistance” .
- Replaced the requirements to provide the name and address of any law enforcement authorities contacted with regard to the suspicious activity being reported with Part III, “ Suspicious Activity Information” , items 40 through 44, to include check boxes for the law enforcement agencies contacted and to list the names and telephone numbers of law enforcement personnel contacted.
- Deleted the requirement to identify whether a SAR is an “ Initial Report” , “ Corrected Report” , or “ Supplemental Report” . Instead, filers will only be required to identify when a SAR is being filed to correct a prior SAR. Specific instructions on filing a SAR to correct a prior report have been added in the “ How to Make a Report” instructions at number 3.

Along with the issuance of the new SAR form, a copy of which is attached to this announcement, guidance for the preparation of SAR forms has been prepared and is being distributed with the new SAR form. The guidance provides valuable information on the preparation and filing of SAR forms.

In addition to the new SAR form, new software has been developed and is available to assist in the preparation and filing of SAR forms. The new SAR software, as well as the new SAR form, are available on the websites of the federal financial institutions supervisory agencies and FinCEN. The website addresses are: the Board of Governors of the Federal Reserve System, www.federalreserve.gov; the Federal Deposit Insurance Corporation, www.fdic.gov; the National Credit Union Administration, www.ncua.gov; the Office of the Comptroller of the Currency, www.occ.treas.gov; the Office of Thrift Supervision, www.ots.treas.gov; and FinCEN, www.treas.gov/fincen. Each of these websites will have available the new SAR form, the guidance for the SAR form and the new SAR software or instructions on how to obtain these materials from other websites.

With the issuance of the new SAR form and SAR software, financial institutions and organizations will be able to file the new form by:

- Using the new SAR software to complete the SAR form, save it on a diskette and mailing it to the Detroit Computing Center, as set forth in the SAR instructions.

- Using the new SAR software to complete the SAR form and then printing a paper version of the completed SAR form and mailing it to the Detroit Computing Center, as set forth in the SAR instructions.
- Producing a magnetic tape of SAR forms (using revised specifications obtained from the Detroit Computing Center) and mailing it to the Detroit Computing Center.
- Completing (if none of the above options is available) the paper version of the SAR and mailing it to the Detroit Computing Center, as set forth in the SAR instructions.

For any questions regarding the newly issued SAR form, financial institutions and organizations should contact their primary federal regulator or FinCEN.

Attachments

**PREPARATION GUIDELINES FOR
SUSPICIOUS ACTIVITY REPORT FORM (SAR)
June 2000**

This guidance is provided to assist financial institutions in preparing the revised Suspicious Activity Report (SAR), effective June 19, 2000 and supercedes guidance previously provided in February 1997.

General Guidelines

Dates - Whenever dates are requested, they should be entered using the format "mm/dd/yyyy," where "mm" is the month, "dd" the day, and "yyyy" is the year. Zero (0) should precede any single digit number. If the month or day is not available or unknown, enter zeros in the space for "mm" and "dd." For example, 01/00/2000 indicates an unknown day in January 2000.

Numbers - Wherever information about monetary amounts is requested, the amounts should be entered using the format "\$0,000,000". (Round to the nearest dollar.) All amounts should be reported in US Dollars (USD). No notation of cents should be made.

Item 1 - Corrects Prior Report - If you are correcting a previously filed report, check the box at the top of the report (line 1). Complete the report in its entirety and include the corrected information in the applicable boxes. Then describe the changes that are being made in Part V, (Suspicious Activity Information Explanation/Description), line k.

PART I -- REPORTING FINANCIAL INSTITUTION INFORMATION

Item 2 - Name of Financial Institution- You should enter the full legal [Trade] name of the financial institution (FI).

Item 3 - EIN - Enter the FI' s nine digit Employer Identification Number without any alpha characters or other substitutes.

Item 4 - Address of Financial Institution- Enter the street address of the FI shown in Item 2. A Post Office (P.O.) Box number should be used only if there is no street address.

Item 5 - Primary Federal Regulator - Box a, b, c, d or e **must always** be marked to reflect the reporting financial institution' s primary federal regulator.

Item 6 - City - Enter the city where the FI is located.

Item 7 - State - Use the U.S. Postal Service' s two letter state abbreviation.

Item 8 - Zip Code - Enter the zip code that corresponds with the address shown in Items 6 and 7. The first five digits are mandatory beginning from the left. If the last four digits are known, please include.

Item 9 - Address of Branch Office(s) where activity occurred- If the location of the suspicious activity is different from that provided in Item 4, enter the street address of the branch or office **where the activity occurred**. A P.O. Box number may be used only if there is no street address. Otherwise, leave Item 9 blank. If the suspicious activity occurred at more than one branch, check the box indicating multiple branches, and include this information in Part V, Suspicious Activity Information Explanation/Description.

Item 10 - City - Enter the city where the branch shown in Item 9 is located.

Item 11 - State - Use the U.S. Postal Service' s two letter state abbreviation.

Item 12 - Zip Code - Enter the zip code that corresponds with the address shown in Item 9. The first five digits are mandatory beginning from the left. If the last four digits are known, please include.

Item 13 - Date Closed - If the FI has closed, enter the date of closure by using the method for entering dates described at the beginning of these Guidelines. [mm/dd/yyyy]

Item 14 - Account Number(s) affected - Enter the numbers of any account(s) that were affected by the suspicious activity. If more than four accounts are affected, provide the additional account numbers in Part V. If no account is affected, leave Item 14 blank. For each account listed indicate by checking the appropriate box whether the account is still open or has been closed.

PART II -- SUSPECT INFORMATION

If no information about the Suspect is available, check the box “Suspect Information Unavailable”. This will alert the law enforcement and regulatory users of the SAR database that this information has not been inadvertently omitted.

Items 15, 16 and 17 - Name of Individual or Entity- If the suspicious activity involves an individual, enter his or her last name in Item 15, first name in Item 16 and middle name or initial in Item 17. If there is no middle name or initial, leave Item 17 blank. If an organization is involved in the suspicious activity, enter its name in Item 15 and leave Items 16 and 17 blank. If the FI has knowledge of a

separate “doing business as” name, enter the individual or organization’s name in Item 15 followed by the phrase “DBA” and the name of the business.

For example, John R. Smith DBA Smith Auto Sales or Johnson Enterprises DBA PJ’s Pizzeria. If additional space is needed to report the DBA, use Items 16 and 17. If more than one Part II is necessary, attach additional copies of page 1 to report the additional suspects. If both formal and alias names are established, enter the full legal name in Items 15, 16 and 17 and the alias name(s) in Part V.

Item 18 - Address - Enter the permanent street address to include any apartment or suite numbers of the person identified in Items 15, 16 and 17. A Post Office Box should only be used if there is no street address. If the individual or organization is from a foreign country, enter the foreign country address.

Item 19 - SSN, EIN or TIN - If an individual is shown in Items 15-17, enter his or her Social Security Number (SSN) or Taxpayer Identification Number (TIN). If an organization is shown, enter its Employer Identification Number (EIN).

Items 20, 21 and 22 - City, State, Zip Code - Enter the city in which the person shown in Items 15, 16 and 17 resides or in which the organization is located. Enter the state or territory in Item 21 and the Zip code in Item 22. The first five digits are mandatory beginning from the left. If the last four digits are known, please include. If the address is from a foreign country, provide the street address, city, province, or state and postal code (if known).

Item 23 - Country – Write out the full name of the country (other than U.S) that corresponds to the information in Items 20, 21 and 22.

Item 24 - Telephone Number - Enter the home telephone number, including the area code for the individual entered in Items 15- 17.

Item 25 - Telephone Number - Enter the business telephone number, including area code of the individual or organization entered in Items 15 - 17.

Item 26 - Occupation/Type of Business - Fully identify the occupation, profession or business of the person on whose behalf the transaction(s) was conducted. For example, secretary, shoe salesman, carpenter, attorney, housewife, restaurant owner, liquor store clerk, etc. Do not use non-specific terms such as merchant, self-employed, businessman, etc.

Item 27 - Date of Birth - If an individual is named in Items 15- 17, enter his or her date of birth by using the method for entering dates described at the beginning of these Guidelines. [mm/dd/yyyy]

Item 28 - Admission/Confession - If the suspect made an admission or confession, check box a. If not, check box b.

Item 29 - Forms of Identification for Suspect - Check appropriate box for the form of identification provided by the suspect and use the lines provided to give specific data such as driver' s license or passport number and issuing authority.

For box d, “ other,”provide a brief explanation in the space provided. If more space is required, enter the information in Part V.

Item 30 - Relationship to Financial Institution- Check each box that identifies the suspect relationship with the FI. More than one box may be checked. If the “ other” box is checked, provide a brief explanation on the adjacent blank space. If more space is required, enter the information in Part V.

Item 31 - Is the relationship an insider relationship?– If the suspect is an insider relationship, check box a., otherwise, check box b. If the relationship is an insider relationship indicate if the suspect is still employed, suspended, terminated or has resigned by checking box c, d, e or f.

Item 32 – Date of Suspension, Termination, Resignation - Enter the date the suspect was suspended, terminated or resigned by using the method for entering dates described at the beginning of these Guidelines. [mm/dd/yyyy]

PART III -- SUSPICIOUS ACTIVITY INFORMATION

Item 33 - Date or date range of suspicious activity - Enter the first known date of suspicious activity and the last date of related suspicious activity. If only one date applies, include this date in the**From field** using the instructions at the beginning of these Guidelines. If multiple orrelated activity is conducted by the individual during the reporting period, the FI may report all activity on one SAR. Enter the date of the initial activity in the**From field** and the last occurrence date in the **To field**. (The first known date is a mandatory field.) [mm/dd/yyyy]

Item 34 - Dollar amount involved - Enter the dollar amount involved in the suspicious activity. If less than a full dollar is involved, round it to the next highest dollar.

An aggregated total of all transactions for multiple or related suspicious activities by the same individual or organization within the same reporting period may be shown in this field. The break- out of this total may then be listed in Part V.

Item 35 - Summary characterization of suspicious activity- Check all box(es) which identify the suspicious activity. More than one box may be checked. If “ other” is checked, enter a brief explanation in the space provided. Do not use

this space in lieu of a full description of the activity in Part V, SuspiciousActivity Information Explanation/Description. (This is a mandatory field.)

Item 36 - Amount of loss prior to recovery - If the Financial Institution has lost funds or assets, enter the dollar value prior to any recovery.

Item 37 - Dollar amount of recovery - If funds or assets are recovered by the FI, enter the dollar value of the recovery. Use whole dollars only, rounding up to the next dollar.

Item 38 - Has the suspicious activity had a material impact on or otherwise affected the financial soundness of the institution? - Check box a or box b, as appropriate.

Item 39 - Has the institution' s bonding company been notified? Check box a. or b. as appropriate.

Items 40, 41, 42, 43, 44 – If the violation requires immediate attention contact appropriate law enforcement agencies. Check appropriate box(es) to indicate which law enforcement agencies have been advised by telephone, written communication or otherwise. List the name of the person(s) contacted, and telephone number(s) in Items 41-44. **CONTACT WITH LAW ENFORCEMENT AGENCIES DOES NOT ELIMINATE THE REQUIREMENT TO FILE THE SAR.**

PART IV – CONTACT FOR ASSISTANCE

Items 45, 46, and 47 - Contact Person' s Name- Enter the name of the person who can be contacted for additional information. It wouldbe extremely helpful if the individual identified in this section has specific knowledge of the underlying facts.

Item 48 - Title/Occupation - Enter the contact person' s title or occupation.

Item 49 - Phone Number - Enter a phone number, including area code, where the contact person can be reached.

Item 50 – Date Prepared - Enter the date the SAR was prepared in the format described at the beginning of this Guidance. [mm/dd/yyyy]

Item 51 - Agency - If the SAR is not being filed by the financial institution, enter the name of the government agency or organization.

PART V -- SUSPICIOUS ACTIVITY INFORMATION EXPLANATION/DESCRIPTION

As stated in Part V of the SAR, this section of the report is **critical**. The care with which it is written may determine whether or not the described conduct and its possible criminal nature are clearly understood. Provide a complete chronological account of what is unusual, irregular or suspicious about the transaction. The narrative should include the material indicated in Part V but you should also include any other information that you believe is necessary to better enable investigators to understand the transaction you are reporting. If necessary, continue the narrative on a copy of this page of the SAR

Remember that any supporting documentation such as spreadsheets, photocopies of canceled checks or other documents, surveillance photos, etc., must be retained at the financial institution. Indicate in Part V what documentation is being retained.

Suspicious Activity Report

1

FRB: FR 2230 OMB No. 7100-0212
 FDIC: 6710/06 OMB No. 3064-0077
 OCC: 8010-9,8010-1 OMB No. 1557-0180
 OTS: 1601 OMB No. 1550-0003
 NCUA: 2362 OMB No. 3133-0094
 TREASURY: TD F 90-22.47 OMB No. 1506-0001

Revised June 2000 (This revision supersedes all others)

**ALWAYS COMPLETE ENTIRE REPORT
(see instructions)**

- 1 Check box below only if correcting a prior report.
 Corrects Prior Report (see instruction #3 under "How to Make a Report")

Part I Reporting Financial Institution Information

2 Name of Financial Institution			3 EIN		
4 Address of Financial Institution			5 Primary Federal Regulator		
6 City			7 State		
8 Zip Code			a <input type="checkbox"/> Federal Reserve d <input type="checkbox"/> OCC		
			b <input type="checkbox"/> FDIC e <input type="checkbox"/> OTS		
			c <input type="checkbox"/> NCUA		
9 Address of Branch Office(s) where activity occurred <input type="checkbox"/> Multiple Branches (include information in narrative, Part V)					
10 City			11 State		
12 Zip Code			13 If institution closed, date closed		
			MM / DD / YYYY		
14 Account number(s) affected, if any		Closed?		Closed?	
a _____		<input type="checkbox"/> Yes <input type="checkbox"/> No		c _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
b _____		<input type="checkbox"/> Yes <input type="checkbox"/> No		d _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Suspect Information Suspect Information Unavailable

15 Last Name or Name of Entity		16 First Name		17 Middle	
18 Address				19 SSN, EIN or TIN	
20 City		21 State		22 Zip Code	
				23 Country	
24 Phone Number - Residence (include area code) ()			25 Phone Number - Work (include area code) ()		
26 Occupation/Type of Business		27 Date of Birth		28 Admission/Confession?	
		MM / DD / YYYY		a <input type="checkbox"/> Yes b <input type="checkbox"/> No	
29 Forms of Identification for Suspect:					
a <input type="checkbox"/> Driver's License/State ID		b <input type="checkbox"/> Passport		c <input type="checkbox"/> Alien Registration	
Number _____		Issuing Authority _____		d <input type="checkbox"/> Other _____	
30 Relationship to Financial Institution:					
a <input type="checkbox"/> Accountant		d <input type="checkbox"/> Attorney		g <input type="checkbox"/> Customer	
b <input type="checkbox"/> Agent		e <input type="checkbox"/> Borrower		h <input type="checkbox"/> Director	
c <input type="checkbox"/> Appraiser		f <input type="checkbox"/> Broker		i <input type="checkbox"/> Employee	
				j <input type="checkbox"/> Officer	
				k <input type="checkbox"/> Shareholder	
				l <input type="checkbox"/> Other _____	
31 Is the relationship an insider relationship?			32 Date of Suspension, Termination, Resignation		
a <input type="checkbox"/> Yes b <input type="checkbox"/> No			MM / DD / YYYY		
If Yes specify: c <input type="checkbox"/> Still employed at financial institution			e <input type="checkbox"/> Terminated		
d <input type="checkbox"/> Suspended			f <input type="checkbox"/> Resigned		

Explanation/description of known or suspected violation of law or suspicious activity.

This section of the report is **critical**. The care with which it is written may make the difference in whether or not the described conduct and its possible criminal nature are clearly understood. Provide below a chronological and **complete** account of the possible violation of law, including what is unusual, irregular or suspicious about the transaction, using the following checklist as you prepare your account. **If necessary, continue the narrative on a duplicate of this page.**

- a **Describe** supporting documentation and retain for 5 years.
- b **Explain** who benefited, financially or otherwise, from the transaction, how much, and how.
- c **Retain** any confession, admission, or explanation of the transaction provided by the suspect and indicate to whom and when it was given.
- d **Retain** any confession, admission, or explanation of the transaction provided by any other person and indicate to whom and when it was given.
- e **Retain** any evidence of cover-up or evidence of an attempt to deceive federal or state examiners or others.

- f **Indicate** where the possible violation took place (e.g., main office, branch, other).
- g **Indicate** whether the possible violation is an isolated incident or relates to other transactions.
- h **Indicate** whether there is any related litigation; if so, specify.
- i **Recommend** any further investigation that might assist law enforcement authorities.
- j **Indicate** whether any information has been excluded from this report; if so, why?
- k If you are correcting a previously filed report, describe the changes that are being made.

For Bank Secrecy Act/Structuring/Money Laundering reports, include the following additional information:

- l **Indicate** whether currency and/or monetary instruments were involved. If so, provide the amount and/or description of the instrument (for example, bank draft, letter of credit, domestic or international money order, stocks, bonds, traveler's checks, wire transfers sent or received, cash, etc.).
- m **Indicate** any account number that may be involved or affected.

Paperwork Reduction Act Notice: The purpose of this form is to provide an effective and consistent means for financial institutions to notify appropriate law enforcement agencies of known or suspected criminal conduct or suspicious activities that take place at or were perpetrated against financial institutions. This report is required by law, pursuant to authority contained in the following statutes. Board of Governors of the Federal Reserve System: 12 U.S.C. 324, 334, 611a, 1844(b) and (c), 3105(c) (2) and 3106(a). Federal Deposit Insurance Corporation: 12 U.S.C. 93a, 1818, 1881-84, 3401-22. Office of the Comptroller of the Currency: 12 U.S.C. 93a, 1818, 1881-84, 3401-22. Office of Thrift Supervision: 12 U.S.C. 1463 and 1464. National Credit Union Administration: 12 U.S.C. 1766(a), 1786(q). Financial Crimes Enforcement Network: 31 U.S.C. 5318(g). Information collected on this report is confidential (5 U.S.C. 552(b)(7) and 552a(k)(2), and 31 U.S.C. 5318(g)). The Federal financial institutions' regulatory agencies and the U.S. Departments of Justice and Treasury may use and share the information. Public reporting and recordkeeping burden for this information collection is estimated to average 30 minutes per response, and includes time to gather and maintain data in the required report, review the instructions, and complete the information collection. Send comments regarding this burden estimate, including suggestions for reducing the burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503 and, depending on your primary Federal regulatory agency, to Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551; or Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429; or Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; or Office of Thrift Supervision, Enforcement Office, Washington, DC 20552; or National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314; or Office of the Director, Financial Crimes Enforcement Network, Department of the Treasury, 2070 Chain Bridge Road, Vienna, VA 22182. The agencies may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Suspicious Activity Report Instructions

Safe Harbor Federal law (31 U.S.C. 5318(g)(3)) provides complete protection from civil liability for all reports of suspected or known criminal violations and suspicious activities to appropriate authorities, including supporting documentation, regardless of whether such reports are filed pursuant to this report's instructions or are filed on a voluntary basis. Specifically, the law provides that a financial institution, and its directors, officers, employees and agents, that make a disclosure of any possible violation of law or regulation, including in connection with the preparation of suspicious activity reports, "shall not be liable to any person under any law or regulation of the United States or any constitution, law, or regulation of any State or political subdivision thereof, for such disclosure or for any failure to notify the person involved in the transaction or any other person of such disclosure."

Notification Prohibited Federal law (31 U.S.C. 5318(g)(2)) requires that a financial institution, and its directors, officers, employees and agents who, voluntarily or by means of a suspicious activity report, report suspected or known criminal violations or suspicious activities may not notify any person involved in the transaction that the transaction has been reported.

In situations involving violations requiring immediate attention, such as when a reportable violation is ongoing, the financial institution shall immediately notify, by telephone, appropriate law enforcement and financial institution supervisory authorities in addition to filing a timely suspicious activity report.

WHEN TO MAKE A REPORT:

1. All financial institutions operating in the United States, including insured banks, savings associations, savings association service corporations, credit unions, bank holding companies, nonbank subsidiaries of bank holding companies, Edge and Agreement corporations, and U.S. branches and agencies of foreign banks, are required to make this report following the discovery of:
 - a. **Insider abuse involving any amount.** Whenever the financial institution detects any known or suspected Federal criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction, and the financial institution has a substantial basis for identifying one of its directors, officers, employees, agents or other institution-affiliated parties as having committed or aided in the commission of a criminal act regardless of the amount involved in the violation.
 - b. **Violations aggregating \$5,000 or more where a suspect can be identified.** Whenever the financial institution detects any known or suspected Federal criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution and involving or aggregating \$5,000 or more in funds or other assets, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction, and the financial institution has a substantial basis for identifying a possible suspect or group of suspects. If it is determined prior to filing this report that the identified suspect or group of suspects has used an "alias," then information regarding the true identity of the suspect or group of suspects, as well as alias identifiers, such as drivers' licenses or social security numbers, addresses and telephone numbers, must be reported.
 - c. **Violations aggregating \$25,000 or more regardless of a potential suspect.** Whenever the financial institution detects any known or suspected Federal criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution and involving or aggregating \$25,000 or more in funds or other assets, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction, even though there is no substantial basis for identifying a possible suspect or group of suspects.
 - d. **Transactions aggregating \$5,000 or more that involve potential money laundering or violations of the Bank Secrecy Act.** Any transaction (which for purposes of this subsection means a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument or investment security, or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected) conducted or

attempted by, at or through the financial institution and involving or aggregating \$5,000 or more in funds or other assets, if the financial institution knows, suspects, or has reason to suspect that:

- i. The transaction involves funds derived from illegal activities or is intended or conducted in order to hide or disguise funds or assets derived from illegal activities (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under Federal law;
- ii. The transaction is designed to evade any regulations promulgated under the Bank Secrecy Act; or
- iii. The transaction has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the financial institution knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

The Bank Secrecy Act requires all financial institutions to file currency transaction reports (CTRs) in accordance with the Department of the Treasury's implementing regulations (31 CFR Part 103). These regulations require a financial institution to file a CTR whenever a currency transaction exceeds \$10,000. If a currency transaction exceeds \$10,000 and is suspicious, the institution must file both a CTR (reporting the currency transaction) and a suspicious activity report (reporting the suspicious or criminal aspects of the transaction). If a currency transaction equals or is below \$10,000 and is suspicious, the institution should only file a suspicious activity report.

2. **Computer Intrusion.** For purposes of this report, "computer intrusion" is defined as gaining access to a computer system of a financial institution to:

- a. Remove, steal, procure or otherwise affect funds of the institution or the institution's customers;
- b. Remove, steal, procure or otherwise affect critical information of the institution including customer account information; or
- c. Damage, disable or otherwise affect critical systems of the institution.

For purposes of this reporting requirement, computer intrusion does not mean attempted intrusions of websites or other non-critical information systems of the institution that provide no access to institution or customer financial or other critical information.

3. A financial institution is required to file a suspicious activity report no later than 30 calendar days after the date of initial detection of facts that may constitute a basis for filing a suspicious activity report. If no suspect was identified on the date of detection of the incident requiring the filing, a financial institution may delay filing a suspicious activity report for an additional 30 calendar days to identify a suspect. In no case shall reporting be delayed more than 60 calendar days after the date of initial detection of a reportable transaction.
4. This suspicious activity report does not need to be filed for those robberies and burglaries that are reported to local authorities, or (except for savings associations and service corporations) for lost, missing, counterfeit or stolen securities that are reported pursuant to the requirements of 17 CFR 240.17f-1.

HOW TO MAKE A REPORT:

1. Send each completed suspicious activity report to:

Detroit Computing Center, P.O. Box 33980, Detroit, MI 48232-0980

2. For items that do not apply or for which information is not available, leave blank.
3. If you are correcting a previously filed report, check the box at the top of the report (line 1). Complete the report in its entirety and include the corrected information in the applicable boxes. Then describe the changes that are being made in Part V (Description of Suspicious Activity), line k.
4. **Do not include any supporting documentation with the suspicious activity report.** Identify and retain a copy of the suspicious activity report and all original supporting documentation or business record equivalent for five (5) years from the date of the suspicious activity report. All supporting documentation must be made available to appropriate authorities upon request.
5. If more space is needed to report additional suspects, attach copies of page 1 to provide the additional information. If more space is needed to report additional branch addresses, include this information in the narrative, Part V.
6. Financial institutions are encouraged to provide copies of suspicious activity reports to state and local authorities, where appropriate.