



Suspicious Activity Reports

FIL-47-97
May 6, 1997

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *FinCEN Advisory - Preparation of Suspicious Activity Reports*

Attached is a copy of the Department of the Treasury's February 1997 issue of FinCEN Advisory, published by the Department's Financial Crimes Enforcement Network (FinCEN). This issue is devoted to guidance on preparing Suspicious Activity Reports (SARs) to help eliminate errors and promote consistency in reports filed.

In addition to the items addressed in the attached publication, the FDIC has found two areas of the report often completed incorrectly.

Item 14 (Date Closed) is intended primarily for use by the regulatory agencies to indicate the date a financial institution was permanently closed. Item 14 should not be completed by open financial institutions.

The instructions for completing the SAR clearly indicate that supporting documentation should not be included with the report, because attachments are not entered into the SAR database. However, financial institutions frequently write "see attached" in Part VII, "Suspicious Activity Information Explanation/Description," and attach documents to the report. This section should, instead, contain a clear and concise description of the activity that is being reported. This will assist law enforcement in determining whether the case needs further investigation and help eliminate unnecessary contacts with the institution to determine the reason for the report.

FinCEN Advisory is designed to keep financial institutions, regulatory agencies and law enforcement agencies advised of trends and developments related to money laundering and financial crime. The periodical provides intelligence and analysis for case support to federal, state, local and international law enforcement and regulatory agencies, while furnishing financial communities with the information they need to help prevent, detect and report financial crime.

In a continuing effort to assist banks in Bank Secrecy Act compliance, anti-money laundering efforts, and prevention and detection of other financial crimes, the FDIC forwards each issue of FinCEN Advisory to FDIC-supervised banks. Please circulate copies to each department of your institution with Bank Secrecy Act compliance and internal security responsibilities.

Comments about FinCEN Advisory should be addressed to the Financial Crimes Enforcement Network, Office of Communications, U.S. Department of the Treasury, 2070 Chain Bridge Road, Vienna, VA 22182. Comments also may be faxed to FinCEN at (703) 905-3885.

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Director

Attachment:

<http://www.fincen.gov/>

Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, N.W., Room 100, Washington, D.C. 20434 ((703) 562-2200 or 800-276-6003).

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