

The SAR Activity Review

Trends

Tips &

Issues

Issue 5

February 2003

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SAR
Activity
Review

Trends

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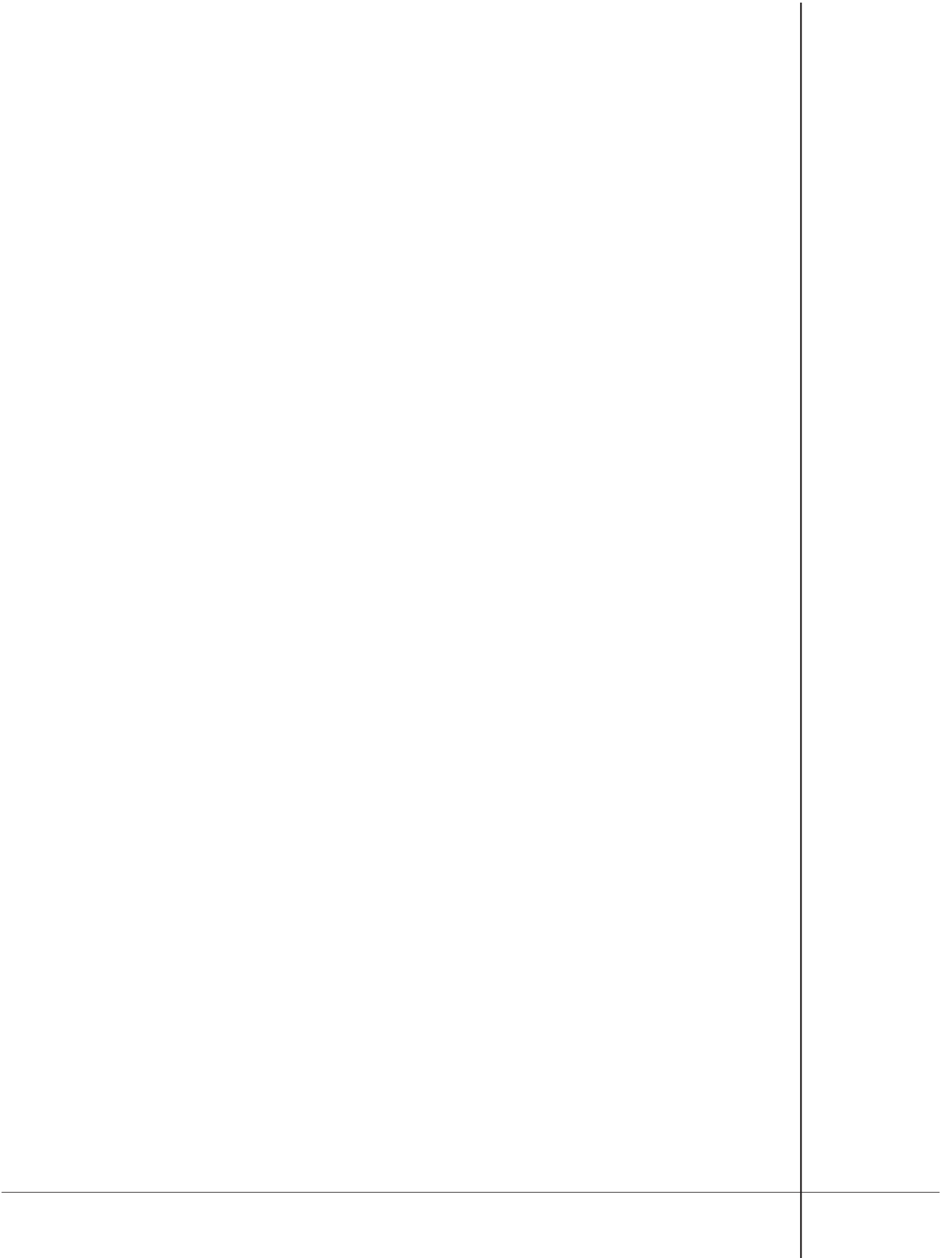
Issue 5

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February 2003

Table of Contents

Introduction.....	1
Feedback Form.....	3
Section 1 – Suspicious Activity Report Statistics.....	5
Section 2 – Trends and Analysis.....	17
Section 3 – Other SAR Analysis Issues.....	25
Section 4 – Law Enforcement Cases.....	51
Section 5 – Tips on SAR Form Preparation & Filing.....	55
Section 6 – SAR News Update.....	61
Section 7 – Issues and Guidance.....	65
Section 8 – Industry Forum.....	69
Appendix 1 – Characterization of Suspicious Activity by States and Territories by Year.....	72



Introduction

The *SAR Activity Review-Trends, Tips and Issues* is a product of continuing dialogue and close collaboration among the nation's financial institutions, law enforcement officials, and regulatory agencies to provide meaningful information about the preparation, use, and value of suspicious activity reports (SARs) filed by financial institutions.

Significant topics presented in this issue include terrorist financing methods through Informal Value Transfer Systems (IVTS) such as hawalas, as well as through non-profit organizations. Also, the money laundering vulnerabilities and indicators of suspicious activity are identified for certain financial institutions that may, in the future, be subject to anti-money laundering program rules required by Section 352 of the USA PATRIOT Act. Those institutions include travel agencies, automobile and boat dealers, pawnbrokers, life insurance companies, and certain segments of the securities industry. Additionally, information concerning the new Patriot Act Communication System (PACS) is provided in the Issues and Guidance Section of this publication.

This publication reflects the recognition of relevant government agencies and the nation's financial institutions of the desirability of a continuing exchange of information between the private and public sectors to improve the SAR System. These financial institutions and government agencies include, among others, the American Bankers Association; Independent Community Bankers of America; American Institute of Certified Public Accountants; Securities Industry Association; Futures Industry Association; Non-Bank Funds Transmitters Group; Federal Reserve Board (FRB); Office of the Comptroller of the Currency (OCC); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision (OTS); National Credit Union Administration (NCUA); Federal Bureau of Investigation (FBI); U.S. Department of Justice's Criminal Division and Asset Forfeiture & Money Laundering Section; U.S. Department of Treasury's Office of Enforcement; U.S. Customs Service (USCS); U.S. Secret Service (USSS); Internal Revenue Service (IRS); and the Financial Crimes Enforcement Network (FinCEN).

The *SAR Activity Review* is published semiannually. The previous issues were released in October 2000, June 2001, October 2001, and August 2002. Analytic

reports, issue papers, and other publications related to, or resulting from, information contained in the *SAR Activity Review* may be published separately.

Questions, comments, and other feedback concerning the *SAR Activity Review* are welcome. A feedback sheet is included on the next page. Comments may also be addressed to either or both of the *SAR Activity Review* project co-chairs:

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Feedback Form

Financial Crimes Enforcement Network - U.S. Department of the Treasury

Your feedback is important and will assist us in planning future issues of the SAR Activity Review. Please take the time to complete this form. Thank you for your cooperation.

A. Please indicate your level of satisfaction with each section of the SAR Activity Review.

1=Not Useful, 5=Very Useful

a. SAR Statistics	1	2	3	4	5
b. Trends and Analysis	1	2	3	4	5
c. Other SAR Analysis Issues	1	2	3	4	5
d. Law Enforcement Cases	1	2	3	4	5
e. Tips on SAR Form Preparation and Filing	1	2	3	4	5
f. SAR News Update	1	2	3	4	5
g. Issues and Guidance	1	2	3	4	5
h. Industry Forum	1	2	3	4	5

B. How do you use this report? (Check all that apply)

- a. Training _____
- b. Background information resource _____
- c. Analytic tool _____
- d. Increase management awareness _____
- e. Comparison of statistics _____
- f. Make changes to your compliance program _____
- g. Audit/exam preparation _____
- h. Other (identify) _____

C. With whom have you shared the SAR Activity Review? (Check all that apply)

- a. Your staff _____
- b. Your colleagues _____
- c. Senior management _____
- d. Board/audit committee _____

D. Have you discussed the SAR Activity Review at management meetings? [] Yes [] No

E. How did you receive the SAR Activity Review?

- a. At the ABA/ABA Money Laundering Enforcement Seminar _____
- b. On an agency's website _____
- c. From a law or accounting firm _____
- d. Other (identify) _____

F. Which of the following best describes your job position? (Check one)

- | | | |
|---|--|--|
| a. <input type="checkbox"/> CEO/COO | d. <input type="checkbox"/> Operations | g. <input type="checkbox"/> Security |
| b. <input type="checkbox"/> Compliance | e. <input type="checkbox"/> Legal | h. <input type="checkbox"/> Government |
| c. <input type="checkbox"/> Risk Management | f. <input type="checkbox"/> Audit | i. <input type="checkbox"/> Other_____ |

G. Which of the previous issues have you read? (Check all that apply)

- October 2000 June 2001 October 2001 August 2002

H. Any Additional Suggestions or Comments?

Thank you for your feedback.

Send your Feedback Form to:

FinCEN Office of Strategic Analysis
Fax 703-905-3698
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Section 1

Suspicious Activity Report Statistics

April 1, 1996 through October 31, 2002

The following statistics¹ relate to SARs filed since April 1996 by depository institutions (i.e., banks, thrifts, savings and loans, and credit unions). A small part of the total volume relates to reports filed by affiliates of depository institutions or, in some cases, filed voluntarily by money services businesses (MSBs) prior to 2002, and by brokers and dealers in securities who are not affiliated with banks, or gaming businesses that, during this time frame, were not yet required under the Bank Secrecy Act (BSA) to file SARs.

Note: SAR 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 the various portions of this report or in previous reports.

Exhibit 1 SAR Filings by Year and Month

	Number of Filings						
	1996	1997	1998	1999	2000	2001	2002
January	-	6,123	6,832	8,621	13,399	13,767	19,424
February	-	5,519	7,055	9,949	13,634	14,660	17,881
March	-	6,850	8,938	11,492	15,154	16,084	25,037
April	2,170	7,184	8,057	9,478	11,499	15,357	19,249
May	4,404	6,754	7,409	10,400	13,674	16,335	27,313
June	6,070	6,696	8,737	10,956	13,963	14,387	16,590
July	6,907	7,175	8,757	8,518	12,611	16,823	26,600
August	6,567	6,332	8,532	10,484	14,111	19,203	22,433
September	6,938	7,561	7,577	8,471	13,321	14,283	24,571
October	7,474	7,439	8,165	9,843	13,148	20,571	25,134
November	5,029	5,960	7,848	11,243	14,437	20,444	
December	6,510	7,604	8,614	11,050	13,769	21,624	
Subtotal	52,069	81,197	96,521	120,505	162,720	203,538	224,232
Total Filings	940,782						

¹ Statistics generated for this study were based on the Document Control Number (DCN) of each record within the SAR system. The DCN is a unique number assigned to each SAR submitted. Numeric discrepancies between total number of filings and the combined number of filings of states and/or territories are a result of multiple filers listed on one or more SARs.

Exhibit 2
SAR Filings by States and Territories
—For the Period April 1, 1996 through October 31, 2002—

State/Territory	1996	1997	1998	1999	2000	2001	2002
Alabama	362	445	406	528	689	1,156	1,034
Alaska	65	59	131	157	353	287	341
American Samoa	2	0	7	2	10	2	7
Arizona	1,905	3,104	2,392	2,505	3,894	4,350	10,020
Arkansas	206	335	297	430	560	694	775
California	12,631	18,143	22,836	24,995	43,304	54,467	52,163
Colorado	881	1,069	1,475	1,679	2,146	3,526	5,923
Connecticut	422	785	937	4,449	4,873	4,445	3,828
Delaware	1,136	1,429	1,657	2,004	3,670	4,360	5,490
District of Columbia	174	233	274	285	467	594	751
Federated States of Micronesia	1	3	3	1	3	1	3
Florida	4,195	6,560	6,988	7,913	9,918	12,434	14,406
Georgia	907	1,492	1,656	2,205	3,141	4,112	4,657
Guam	27	80	52	84	73	90	106
Hawaii	406	536	553	550	731	982	1,001
Idaho	109	150	120	186	402	401	287
Illinois	1,601	2,763	2,863	3,793	4,790	5,727	8,271
Indiana	596	764	955	1,163	1,349	1,638	2,112
Iowa	267	363	325	427	493	838	762
Kansas	275	287	362	555	520	838	1,243
Kentucky	271	388	424	751	853	1,334	1,536
Louisiana	500	594	666	902	1,943	2,312	2,422
Maine	120	186	189	213	241	325	372
Marshall Islands	0	0	0	2	0	1	3
Maryland	652	937	1,182	1,537	2,069	2,249	2,975
Massachusetts	885	1,402	1,828	2,477	2,747	3,220	4,319
Michigan	1,175	1,719	1,848	2,746	3,765	4,880	4,758
Minnesota	1,000	2,266	2,208	2,511	2,893	3,379	3,546
Mississippi	160	251	222	283	521	693	617
Missouri	638	966	1,139	1,215	1,590	2,472	2,307
Montana	71	107	100	152	220	284	198
Nebraska	194	249	315	371	615	835	2,165
Nevada	695	1,486	1,966	2,063	3,074	3,221	2,872
New Hampshire	273	506	416	573	448	1,018	823
New Jersey	949	1,530	2,377	3,349	4,197	5,694	6,600

Exhibit 2 (continued)
SAR Filings by States and Territories
—For the Period April 1, 1996 through October 31, 2002—

State/Territory	1996	1997	1998	1999	2000	2001	2002
New Mexico	237	237	286	307	403	502	743
New York	5,511	9,661	13,297	17,748	19,138	23,737	25,502
North Carolina	939	1,621	2,063	2,366	2,978	3,238	3,049
North Dakota	43	215	212	122	224	224	204
Northern Mariana Islands	22	5	13	33	57	41	65
Ohio	975	1,722	2,198	2,295	3,319	4,536	5,052
Oklahoma	395	497	503	698	813	897	1,054
Oregon	602	1,117	1,196	1,807	2,471	2,813	1,611
Overseas	12	39	7	2	22	20	11
Palau	0	0	0	0	0	3	1
Pennsylvania	1,510	2,481	2,409	3,571	3,535	4,498	5,542
Puerto Rico	188	562	440	316	1,063	1,237	1,555
Rhode Island	166	290	283	503	495	530	923
South Carolina	312	563	627	668	733	963	1,125
South Dakota	326	430	547	675	267	478	2,930
Tennessee	569	799	890	993	1,555	2,036	1,732
Texas	4,001	4,913	6,158	7,605	10,119	13,426	14,202
U.S Virgin Islands	3	9	12	17	32	58	59
Unknown/Blank	318	205	28	26	19	34	120
Utah	387	882	1,068	1,361	2,219	2,673	2,756
Vermont	57	88	61	58	69	98	113
Virginia	634	1,208	1,501	1,535	2,001	3,014	2,863
Washington	771	1,733	2,176	3,124	3,362	3,989	2,665
West Virginia	114	154	161	154	182	173	241
Wisconsin	372	551	649	755	1,006	1,260	1,293
Wyoming	27	43	54	40	67	201	128

Exhibit 3

Frequency Distribution of SAR Filings Ranked by States and Territories in Descending Order

—For the Period April 1, 1996 through October 31, 2002—

Rank	State/Territory	Filings (Overall)	Percentage ² (Overall)
1	California	228,539	24.30%
2	New York	114,594	12.20%
3	Florida	62,414	6.65%
4	Texas	60,424	6.40%
5	Illinois	30,258	3.20%
6	Arizona	28,170	3.00%
7	New Jersey	24,696	2.60%
8	Pennsylvania	23,546	2.50%
9	Michigan	20,891	2.20%
10	Ohio	20,097	2.15%
11	Delaware	19,746	2.10%
12	Connecticut	19,739	2.10%
13	Georgia	18,170	1.95%
14	Washington	17,820	1.90%
15	Minnesota	17,803	1.90%
16	Massachusetts	16,878	1.80%
17	Colorado	16,699	1.75%
18	North Carolina	16,254	1.70%
19	Nevada	15,377	1.65%
20	Virginia	12,756	1.35%
21	Oregon	11,617	1.25%
22	Maryland	11,601	1.25%
23	Utah	11,346	1.20%
24	Missouri	10,327	1.10%
25	Louisiana	9,339	Less than 1%
26	Indiana	8,577	Less than 1%
27	Tennessee	8,574	Less than 1%
28	Wisconsin	5,886	Less than 1%
29	South Dakota	5,653	Less than 1%
30	Kentucky	5,557	Less than 1%
31	Puerto Rico	5,361	Less than 1%
32	South Carolina	4,991	Less than 1%
33	Oklahoma	4,857	Less than 1%
34	Hawaii	4,759	Less than 1%

Exhibit 3 (continued)
**Frequency Distribution of SAR Filings Ranked by States
and Territories in Descending Order**
—For the Period April 1, 1996 through October 31, 2002—

Rank	State/Territory	Filings (Overall)	Percentage² (Overall)
35	Nebraska	4,744	Less than 1%
36	Alabama	4,620	Less than 1%
37	Kansas	4,080	Less than 1%
38	New Hampshire	4,057	Less than 1%
39	Iowa	3,475	Less than 1%
40	Arkansas	3,297	Less than 1%
41	Rhode Island	3,190	Less than 1%
42	District of Columbia	2,778	Less than 1%
43	Mississippi	2,747	Less than 1%
44	New Mexico	2,715	Less than 1%
45	Idaho	1,655	Less than 1%
46	Maine	1,646	Less than 1%
47	Alaska	1,393	Less than 1%
48	North Dakota	1,244	Less than 1%
49	West Virginia	1,179	Less than 1%
50	Montana	1,132	Less than 1%
51	Blank/Unknown	750	Less than 1%
52	Wyoming	560	Less than 1%
53	Vermont	544	Less than 1%
54	Guam	512	Less than 1%
55	Northern Mariana Islands	236	Less than 1%
56	U.S. Virgin Islands	190	Less than 1%
57	Overseas	113	Less than 1%
58	American Samoa	30	Less than 1%
59	Federated States of Micronesia	15	Less than 1%
60	Marshall Islands	6	Less than 1%
61	Palau	4	Less than 1%

² All percentages are approximate.

Exhibit 4
Frequency Distribution of SAR Filings
by Characterization of Suspicious Activity in Descending Order
—For the Period April 1, 1996 through October 31, 2002—

Rank	Violation Type	Filings (Overall)	Percentage³ (Overall)
1	BSA/Structuring/Money Laundering	491,988	48.20%
2	Check Fraud	124,141	12.15%
3	Other	83,645	8.20%
4	Counterfeit Check	49,290	4.80%
5	Credit Card Fraud	44,743	4.40%
6	Unknown/Blank	39,140	3.85%
7	Check Kiting	36,485	3.60%
8	Defalcation Embezzlement	36,400	3.55%
9	Mortgage Loan Fraud	21,069	2.10%
10	Consumer Loan Fraud	19,188	1.90%
11	False Statement	17,704	1.75%
12	Mysterious Disappearance	12,963	1.27%
13	Misuse of Position or Self Dealing	12,916	1.27%
14	Wire Transfer Fraud	7,967	Less than 1%
15	Commercial Loan Fraud	7,767	Less than 1%
16	Debit Card Fraud	5,781	Less than 1%
17	Counterfeit Credit/Debit Card	4,125	Less than 1%
18	Counterfeit Instrument (Other)	2,998	Less than 1%
19	Computer Intrusion ⁴	1,777	Less than 1%
20	Bribery/Gratuity	1,078	Less than 1%

³ All percentages are approximate.

⁴ Separate box for this violation was added to form TD F 90-22.47 in June 2000. Statistics date from that period.

Exhibit 5
Frequency Distribution of SAR Filings
by Characterization of Suspicious Activity
—For the Period April 1, 1996 through October 31, 2002—

Violation	1996	1997	1998	1999	2000	2001	2002
BSA/Structuring/Money Laundering	21,655	35,625	47,223	60,983	90,606	108,925	126,971
Bribery/Gratuity	94	109	92	101	150	201	331
Check Fraud	9,078	13,245	13,767	16,232	19,637	26,012	26,170
Check Kiting	2,902	4,294	4,032	4,058	6,163	7,350	7,686
Commercial Loan Fraud	583	960	905	1,080	1,320	1,348	1,571
Computer Intrusion ⁵	0	0	0	0	65	419	1,293
Consumer Loan Fraud	1,190	2,048	2,183	2,548	3,432	4,143	3,644
Counterfeit Check	2,405	4,226	5,897	7,392	9,033	10,139	10,198
Counterfeit Credit/Debit Card	391	387	182	351	664	1,100	1,050
Counterfeit Instrument (Other)	219	294	263	320	474	769	659
Credit Card Fraud	3,340	5,075	4,377	4,936	6,275	8,393	12,347
Debit Card Fraud	261	612	565	721	1,210	1,437	975
Defalcation/Embezzlement	3,286	5,284	5,252	5,178	6,117	6,182	5,101
False Statement	1,880	2,200	1,970	2,376	3,051	3,232	2,995
Misuse of Position or Self Dealing	952	1,532	1,640	2,064	2,186	2,325	2,217
Mortgage Loan Fraud	1,318	1,720	2,269	2,934	3,515	4,696	4,617
Mysterious Disappearance	1,216	1,765	1,855	1,854	2,225	2,179	1,869
Wire Transfer Fraud	302	509	593	771	972	1,527	3,293
Other	4,836	6,675	8,583	8,739	11,148	18,318	25,346
Unknown/Blank	1,539	2,317	2,691	6,961	6,971	11,908	6,753

For statistical information on the Characterization of Suspicious Activity by States/Territories by Year see Appendix 1.

⁵ Separate box for this violation was added to form TD F 90-22.47 in June 2000. Statistics date from that period.

Exhibit 6
SAR Filings by Primary Federal Regulator
 —For the Period April 1, 1996 through October 31, 2002—

Regulator	Total Filings by Year						
	1996	1997	1998	1999	2000	2001	2002
Federal Reserve Board	5,875	9,581	10,800	14,656	18,269	23,198	24,412
Federal Deposit Insurance Corporation	10,339	14,909	14,735	15,883	20,089	28,750	34,240
Office of the Comptroller of the Currency	26,298	41,425	51,556	64,946	93,447	113,263	109,228
Office of Thrift Supervision	6,014	9,122	11,375	12,316	15,980	19,560	20,143
National Credit Union Administration	2,141	2,631	2,846	3,041	3,674	5,275	6,024
Unspecified ⁶	1,402	3,529	5,209	9,663	11,257	13,492	10,439
MSB (Bank Form Filings)	0	0	0	0	0	0	19,746

⁶ Unspecified regulator indicates that the SAR form was filed by a non-bank financial institution that is not directly supervised by one of the five agencies listed above. Such entities that have no regulatory requirements for the relevant periods that mandate SAR filings include, but are not limited to: money services businesses, insurance companies, and securities broker/dealers who are not affiliated with banks.

Exhibit 7

Direct Referrals of SARs by Financial Institutions to Law Enforcement⁷ and Regulatory Agencies

—For the Period April 1, 1996 through October 31, 2002—

Exhibit 7 shows the number of times financial institutions that file SARs have also directly referred certain situations to law enforcement officials. The "direct referrals" in this edition of the *SAR Activity Review* have been tabulated by recording a count for each agency to which a direct referral was made. This method is appropriate since a situation giving rise to a single SAR can be referred to more than one agency. Such a tabulation accurately reflects the number of times particular law enforcement agencies received SAR information directly from filing institutions.

Agencies	1996	1997	1998	1999	2000	2001	2002	Total
Federal Law Enforcement								
Federal Bureau of Investigation	2,355	3,833	4,174	4,779	4,493	7,733	6,020	33,387
Internal Revenue Service	1,138	2,687	2,183	2,118	1,730	2,259	1,849	13,964
U.S. Secret Service	894	1,609	1,223	1,060	1,401	2,654	2,259	11,100
Postal Inspection Service	340	610	636	644	1,012	1,601	1,402	6,245
U.S. Attorney's Office	185	132	84	106	101	223	362	1,193
U.S. Customs Service	52	62	101	83	97	239	430	1,064
High Intensity Financial Crime Area	0	0	0	0	0	326	323	649
Department of Treasury	55	56	30	43	23	64	27	298
Drug Enforcement Administration	11	18	23	8	123	79	81	343
Department of Justice	9	4	10	8	10	77	25	143
Office of Foreign Assets Control	1	2	3	0	5	66	53	130
Social Security Administration (IG)	4	9	11	8	9	31	51	123
<i>Sub-Total</i>	5,044	9,022	8,478	8,857	9,004	15,352	12,831	68,588
Other Federal Law Enforcement	42	85	101	103	108	228	818	1,485
Total Federal Law Enforcement	5,086	9,107	8,579	8,960	9,112	15,580	13,649	70,073
Regulatory								
Federal Deposit Insurance Corporation	24	26	25	22	42	153	140	432
Federal Reserve Board	46	29	27	13	15	263	34	427
Office of the Comptroller of the Currency	17	21	19	24	37	102	82	302

Exhibit 7 (continued)
Direct Referrals of SARs by Financial Institutions
To Law Enforcement⁷ and Regulatory Agencies
—For the Period April 1, 1996 through October 31, 2002—

Agencies	1996	1997	1998	1999	2000	2001	2002	Total
Regulatory (continued)								
Securities & Exchange Commission	15	11	21	8	44	30	29	158
Office of Thrift Supervision	7	3	3	6	0	15	14	48
National Credit Union Administration	4	5	1	4	2	6	28	50
Federal Trade Commission	0	0	0	7	2	8	7	24
National Association of Securities Dealers	0	1	1	1	1	1	5	10
Total Regulatory	113	96	97	85	143	578	339	1,451
State & Local Law Enforcement								
City/Local Police Department	4,407	6,978	7,588	7,994	8,976	14,290	7,908	58,141
County/Parish	789	1,235	938	1,253	1,533	1,893	270	7,911
D/A, A/G, or Prosecutor's Office ⁸	317	445	347	401	373	500	120	2,503
State Police	181	295	263	289	375	555	1,369	3,327
Other State and Local	89	106	107	135	129	785	3,139	4,490
Total State & Local Law Enforcement	5,783	9,059	9,243	10,072	11,386	18,023	12,806	76,372
Other								
Pending	8	56	40	50	31	44	1	230
Unspecified	254	184	164	234	351	264	81	1,532
Private Industry ⁹	29	27	33	12	15	91	24	231
Foreign Law Enforcement ¹⁰	51	74	69	86	59	58	21	418
FinCEN/DCC	45	224	153	131	186	388	162	1,289
GRAND TOTAL	11,369	18,827	18,378	19,630	21,283	35,026	27,083	151,596

⁷ Some SARs may reference making referrals to multiple law enforcement agencies.

⁸ City, County, or State.

⁹ Includes referrals stating law firm, corporate security, etc.

¹⁰ Includes referrals made to Interpol.

Exhibit 8
 Relationship of Suspect to Financial Institution
 —For the Period April 1, 1996 through October 31, 2002—

Relationship	1996	1997	1998	1999	2000	2001	2002
Accountant	52	53	39	51	63	82	130
Agent	73	142	207	358	503	523	990
Appraiser	29	26	35	80	122	372	444
Attorney	21	31	28	40	45	47	55
Borrower	2,453	3,231	3,727	4,531	5,100	6,151	5,747
Broker	159	283	357	514	965	1,512	1,584
Customer	30,698	49,595	62,524	78,803	110,463	142,780	163,047
Director	160	88	122	130	154	190	177
Employee	5,588	8,438	8,385	8,632	10,851	11,693	9,364
Officer	495	548	492	519	565	694	604
Shareholder	629	381	390	408	562	740	557
Other	9,378	12,927	14,476	15,213	21,822	28,256	29,725
None Indicated	16,925	12,364	14,491	22,206	25,582	25,969	26,818

Section 2 - Trends and Analysis

Highlighted Topic—Terrorist Financing Methods

The U.S. Departments of the Treasury, Justice, and State have worked together to disrupt and dismantle the sources of terrorist financing. The United States has also worked closely with other countries and multilateral organizations to continue to build on its successful record in persuading jurisdictions to adopt anti-money laundering and anti-terrorist financing regimes. Due to the successes resulting from the blockings of terrorist assets and enhanced cooperation and scrutiny from law enforcement, the financial war on terrorism has entered a new phase. This phase is characterized by an increased need to focus on the methods of financing terrorism outside the mainstream financial system. The significance of identifying and regulating those methods, specifically those involving unlicensed money transmitters, is demonstrated by inclusion of Sections 359 and 373 in the USA PATRIOT Act. An understanding by members of the financial community about informal value transfer systems (IVTS), corrupted charitable organizations, and other informal methods for transferring funds across borders and between terrorist cells is critical to ensure the reporting of suspicious activity related to those systems.

Informal Value Transfer Systems

In November 2002, the Department of the Treasury issued its report on IVTS in its ongoing effort to gain a more complete understanding of the nature of these systems.¹¹ The report, required under Section 359, addresses the complexity of IVTS, provides information for the law enforcement and financial communities, and offers recommendations to further educate those communities about IVTS to help stem their use as potential avenues for money laundering and other financial crime.

IVTS is a term used to describe money or value transfer systems that operate informally to transfer money. In the past, some of those informal networks were labeled by various terms including “alternative remittance systems” and “underground banking.” Depending on the ethnic group, IVTS are called by a

¹¹ See Report to Congress in Accordance with Section 359 of the USA PATRIOT Act, available on FinCEN's website, www.fincen.gov, USA PATRIOT Act Info.

variety of names including, for example, "hawala" (Middle East, Afghanistan, Pakistan); "hundi" (India); "fei ch'ien" (China); "phoe kuan" (Thailand); and "Black Market Peso Exchange" (South America).

U.S. citizens and persons residing in this country, who are from nations where the use of IVTS is commonplace, employ the system for various reasons. In countries lacking a stable financial sector or containing substantial areas not served by formal financial institutions, IVTS may be the only method for conducting financial transactions. For example, foreign aid money going to Afghanistan is being disbursed through IVTS due to a lack of a banking infrastructure in that country. Individuals and organizations often use IVTS due to inadequate payment systems, foreign exchange or capital controls, or because the formal financial sector is not readily accessible, is significantly more expensive, or is more difficult to navigate.

Indicators of the Misuse of Informal Value Transfer Systems in Terrorist Financing

While the majority of IVTS activity is legitimate in purpose,¹² some of these systems have been used to facilitate the financing of terrorism. The very features that make the systems attractive to legitimate customers — efficiency, convenience, trust, speed, anonymity, and the lack of a paper trail — also appeal to terrorists and terrorist organizations. Also, criminals use the networks to launder dirty money, make illicit payments, and commit other offenses such as tax evasions and customs violations.

The following activity may be suspicious and indicate misuse of IVTS.

- Transactions divergent from the normal activity (or expected low income) of a business entity or customer including:
 - sudden influxes of activity and/or unexplained funds deposits;
 - high volumes of financial transactions in comparison with those of other same scale businesses located and operating in the area (e.g.,

¹² IVTS traditionally serves the purpose of remitting funds of expatriate communities to their home countries.

grocery stores; travel agencies; boutiques; import/export businesses; shipping and trading companies; restaurants; jewelry stores or businesses; textile stores or businesses); or

- large and/or mixed deposits of cash and monetary instruments, inconsistent with the expected type of transactions for the business.
- Unusually high levels of cash shipments detected in conjunction with a small business operation;
- Transactions involving unusual business trade connections (e.g., small scale auto parts dealer sending aggregate wire transfers to a precious metal dealer or agricultural importer);
- Separate (or lack of) records kept for certain clients and/or large transactions;
- Account activity involving only deposits and one-way wire transfers;
- Varying methods of funds delivery and/or collection;
- Unusually high volume or patterns of incoming express/priority mail.

Many uncertainties and complex issues are associated with this segment of the financial industry, and additional indicators of suspicious activity may be identified in the future. The Treasury Department will, therefore, work closely with law enforcement, regulators, and the financial community to gain a complete understanding of these informal networks and how they interact with the more formal financial industry.

Hawalas

FinCEN closely examined the workings of the hawala system, a widely used form of IVTS. The system works by transferring money without actually moving it. The basic hawala transaction involves a sender, two trusted intermediaries, and a recipient. For example, a U.S. resident who wants to send money to a friend in another jurisdiction [Country B] would give it to a U.S. hawaladar,¹³ who typically provides the sender with a specific code or other identification mechanism. The

¹³ The term hawaladar refers to a hawala dealer or provider of hawala money transfer services.

U.S. hawaladar then contacts a local hawala operator in Country B by telephone, fax, or e-mail and the sender contacts the intended recipient to convey the designated code. The local hawaladar in Country B then delivers the specified funds to the recipient upon presentation of the code. The hawaladar charges a flat fee, commission, or may alternatively or in addition, profit from the exchange rate differential between the official and black market price of U.S. dollars in Country B. The accounts between the two operators may be settled in various ways including compensatory payments (i.e., when someone from Country B sends money to the United States), conventional wire transfers or checks, physical movement of money (by courier), invoice manipulation or other trade-based mechanisms, and the trade/smuggling of gold and precious gems.

The USA PATRIOT Act strengthened our government's ability to disrupt the movement of funds and, together with existing statutes, provided additional statutory basis for prosecuting terrorist financing-related offenses connected to the use of hawalas and other IVTS.

Specifically, 18 U.S.C. §1960 was amended to tighten the prohibition against knowingly conducting any "unlicensed money transmitting business." The prohibition against operating any such business without an appropriate state license was amended to state that this prohibition exists "whether or not the defendant knew that the operation was required to be licensed" or knew that operation without such a license was a criminal offense. This means that ignorance of the law cannot be raised as an excuse.¹⁴ In addition, the scope of §1960 was expanded to include any business, licensed or unlicensed, that involves the movement of funds that the defendant knows were derived from a criminal offense, or were intended "to promote or support unlawful activity."

The USA PATRIOT Act also created a new provision, codified in 31 U.S.C. §5332(a), that makes it an offense for any person, with the intent to evade a currency reporting requirement under Section 5316, to conceal more than \$10,000 in currency in any fashion, and to transport, or attempt to transport, such currency into or out of the United States. This provision also provides for criminal forfeiture of property involved in the offense, including a personal money

¹⁴ However, this amendment did not apply to the prohibition in the statute against operating a money transmitting business without registering (when required to do so) with FinCEN. FinCEN has identified this discrepancy to Congress. See Report to Congress under Section 359 of the USA PATRIOT Act.

judgment if directly forfeitable property cannot be found, and the defendant does not have sufficient substitute assets to satisfy the forfeiture judgment.

Non-Profit Organizations

Those persons who finance terrorism have used certain charities and non-profit organizations designed to siphon off money from humanitarian purposes and funnel it to support terrorism. Contributors are led to believe they are donating to good humanitarian causes when, in reality, some or all of the donations are diverted for terrorist funding. In response to this problem, law enforcement officials in the United States have acted to block assets of non-profit organizations suspected of having ties to terrorist organizations and prosecute, where possible, those responsible for diverting funds from charitable purposes.¹⁵ Additionally, in November 2002, a document entitled "U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities" was published to assist U.S.-based charities in avoiding being used in terrorist financing schemes.¹⁶

A FinCEN Advisory will be published in the near future to further address the use of IVTS and non-profit organizations in terrorist financing.

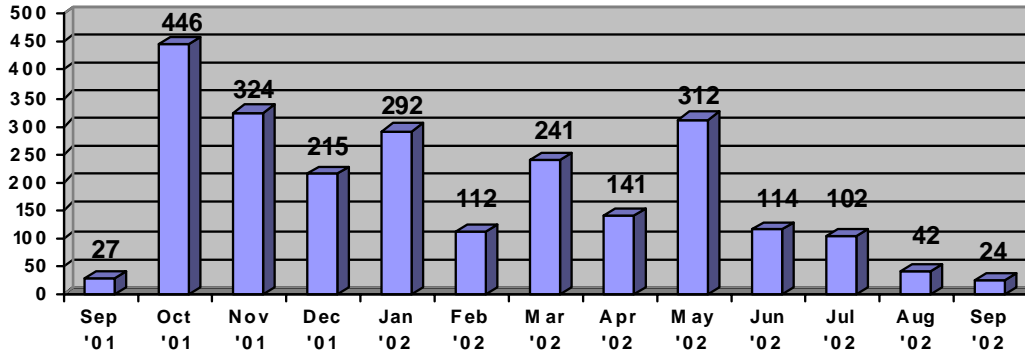
SARs Filed That Refer to Terrorism (March 2002 through September 2002)

FinCEN continued to examine the SAR database to determine the extent to which SARs have been filed relating to terrorism. Searches were conducted for certain keywords in the narrative portion that included: terror, terrorism, terrorist(s), September 11(th), 9/11 9/11/01, World Trade Center (WTC), Pentagon, control list, watch list, hijacking(s), and hijacker(s). Another search involved querying the violation field. The terms searched in the "**Other**" violation field included the words: terrorist(s) and terrorism.

Between April 1, 2002 and September 30, 2002, 717 SARs were filed that contained references to terrorism or terrorists. The following chart represents SARs filed pertaining to terrorism for the 13-month period, commencing September 1, 2001 and ending September 30, 2002.

¹⁵ Drawn from Contributions by the Department of the Treasury to the Financial War on Terrorism - Fact Sheet, September 2002.

¹⁶ This document is available through the Department of the Treasury's website, www.ustreas.gov.



As shown in the above chart, the number of filings began to steadily decline following a series of spikes between October 2001 and May 2002.

Listed below is more information about these SARs that reference terrorism.

- Seventy-three financial institutions, including six foreign banks licensed to conduct business in the United States, filed SARs.
- The suspicious activity reported in the SARs occurred in 29 states and the District of Columbia.
- Violation amounts ranged from \$0 to \$48 million.
- Financial institutions indicated that 113 (15.76%) SARs were referred directly to law enforcement. (Box 40 was checked on the SAR.)

Most of the SARs filed (531 or 74.05%) were the result of apparent matches of names on the Office of Foreign Assets Control (OFAC) and FBI watch lists, names gleaned from media reports, and as a result of subpoenas issued by law enforcement.

The activity cited in the SARs remained consistent with the activity described in Issue 4 of the *SAR Activity Review* (August 2002). The activity included wire transfers predominantly to and from Middle Eastern countries, the use of Automated Teller Machines (ATMs), and large cash transactions.

One hundred and fifty-three (21.33%) SARs were filed as the result of reviews of accounts with foreign indicators, unusual account activity, or unusual relationships

that were not typical for a particular type of account. The focus of those SARs included:

- charitable organizations and Islamic foundations;
- individuals presenting personal identification from such countries as Iraq, Afghanistan and certain West Asian countries;
- aviation (plane rentals and aviation schools);
- wire activity to or from suspect countries (mostly the Middle East);
- large cash deposits followed by wires out to suspect countries — usually structured to avoid reporting requirements; or
- large and frequent ATM activity.

Section 3 - Other SAR Analysis Issues

This section of the *SAR Activity Review* outlines examples and patterns of suspicious activity reported in a SAR. The value of this information is that financial institutions reported these activities as suspicious and these examples can be used to help other financial institutions identify similar suspicious activities that may be occurring within their operations.

Section 352 of the USA PATRIOT Act prescribes requirements for anti-money laundering (AML) programs for all financial institutions. The definition of "financial institution" in Sections 5312(a)(2) and (c)(1) of the BSA is broad and includes institutions already subject to federal regulation such as banks, savings associations, credit unions, MSBs, registered securities broker-dealers and futures commission merchants. The BSA definition of "financial institution" also includes a variety of businesses that have not yet been brought under FinCEN's regulations; indeed, most have never been subject to any federal regulation. Travel agencies, automobile and boat dealers, pawnbrokers, life insurance companies, and segments of the securities industry are some of the new entities being studied by FinCEN in conformance with the mandate of Section 352.¹⁷

On September 26, 2002, FinCEN issued proposed AML program rules for life insurance companies and unregistered investment companies. In November 2002, these institutions, along with all others not yet subject to a final rule mandating AML program requirements, were granted an extension of temporary deferral of the AML program requirements. In the meantime, FinCEN completed an analysis of SARs filed that related to some of these institutions in order to determine their money laundering vulnerability and to identify possible indicators of suspicious activity occurring through those institutions. The following is the result of that analysis.

SAR Analysis – Indications of Suspicious Activity Related to the Travel Industry

The SAR database was searched for terms such as "travel" and "tour" to identify SARs where the suspects were listed as travel agents or travel agencies. The queries returned 5,406 unique SARs. A sample of 1,081 SARs was selected at random and reviewed, identifying 995 suspects as travel agents or travel agencies.

¹⁷ Currently, these entities must file IRS Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business. See 31 CFR Part 103.30 for additional information related to this reporting requirement.

The most frequently reported activity was structuring of currency deposits. Other frequently reported activities were deposits of large amounts of currency, structured currency withdrawals, electronic transfer of funds from the suspect's account, check fraud, and suspicious currency deposits. The following are summaries of these types of activities.

The most frequently reported suspicious activity involved *structured deposits*.

- The majority of the reports described either sequential daily transactions near the reporting threshold, or frequent deposits in amounts between \$9,500 and \$10,000.
- Also reported were multiple same-day deposits at different branches and same-day deposits at the same branch. Each of the deposits was well under the reportable level but daily total deposits exceeded \$10,000. The SAR filer often noted that the bank had reported the transactions by filing a currency transaction report (CTR) for the same-day deposits.

Structured currency withdrawals were also reported.

- Frequent withdrawals of currency in amounts at or just below \$10,000 were typically conducted by cashing checks written on the customer's account.
- Some reports indicated the withdrawal of a specified amount of currency. For example, one report described the withdrawal of \$29,000 over three days where each transaction fell below the reporting limit. The report noted that the original funds were provided through an incoming wire from East Asia.
- Other reports showed same-day withdrawals in excess of \$10,000 that were structured among different tellers, different branches, and ATMs so that no single transaction exceeded the reportable amount.

Suspicious currency deposits were identified.

- Currency deposits by travel agencies were reported as suspicious because the aggregate amounts were considered excessive for the filer. Such SARs described a series of deposits over a short period of time that totaled to a "large" amount.

- Other SARs described ongoing deposits that were considered not commensurate with the business of the customer.
- In some instances, the filer simply listed a travel agency's currency deposit transactions without any comment as to why such activity was deemed suspicious on the SAR.

Outgoing wire transfers were sent from travel agencies' accounts.

- Other wire transactions were apparently deemed suspicious because of the amounts involved. For example, one bank reported two domestic wire transfers that totaled \$200,000.
- "Structured" outgoing wires were also reported. Those included small-dollar wires from different persons to a single beneficiary, or multiple small-dollar wires from the same person. For example, an MSB reported several remittance agents for numerous small wire transfers to Colombia. (The MSB has a special identification rule for transfers to Colombia that exceed \$1,000.)

Check fraud was another reported violation involving the travel industry.

- The most commonly reported violation was check fraud by persons identified as travel agents withdrawing funds against worthless checks. In those cases, the travel agent deposited checks he knew were worthless and the bank honored withdrawals against those "uncollected" funds.
- Other common check fraud violations noted were the withdrawal of funds against checks with forged endorsements or maker's signatures, and counterfeit checks.
- The cashing of "credit card checks" for accounts that had been closed was also reported.

SAR Analysis – Indications of Suspicious Activity Related to the Automobile Retail Industry

A search of the SAR database revealed 1,765 SARs containing the terms "used cars," "car dealership," "automobile dealership," "automobile sales," or "car sales" in the narrative portion of the SAR. The top three reported violations were: 1) BSA /Structuring/Money Laundering (864 SARs); 2) Consumer Loan Fraud (257 SARs); and 3) Check Fraud (175 SARs). Forty-one SARs reported no violation.

Approximately 350 (20%) of the SARs were reviewed. The following are summaries of these types of activities.

The most common scenario involved *Structuring*.

- Individuals working in the automobile retail industry withdrew and/or deposited cash just under the CTR reporting requirements. Some individuals did so with unusual frequency within a short period of time (days) at various bank branches within close proximity. The SARs indicated that these transactions were unusual for that type of business. One SAR reported a used car dealer making numerous cash deposits, twice daily and all under \$10,000, at different area bank branches of the same bank. Deposits for one month totaled \$750,000. The owner of this car dealership also owns a grocery market. Within one day of each deposit, checks drawn on the car dealership account were written to the grocery market. These checks temporarily depleted the dealership account. Another SAR described a small used car dealer located in a poor neighborhood that typically maintained just 10-12 used cars on the lot on any given day. During a two-month period, the car dealer made deposits of cash and checks totaling over \$410,000. The cash deposits were always made under CTR reporting requirements.
- While attempting to conduct a transaction, some customers altered the cash amount transacted to fall below the CTR reporting requirements when informed a CTR would be completed.
- Individuals structured deposits and claimed the funds were derived from profits they made, on their own, buying and selling used cars. However, those individuals were not affiliated with any automobile retail business or formally involved in the automobile industry. The SARs described the suspicious activity but made no mention of similar withdrawals that may have been used to acquire the used cars. Suspects claimed to have

acquired the funds by selling used cars but there was no account activity that would suggest how they initially obtained the vehicles.

- Customers purchased cars by submitting structured checks/money orders.

Consumer Loan Fraud was also a frequently reported violation.

- Incidents of consumer loan fraud primarily involved the submission of false or forged statements by loan applicants in their attempt to purchase a car. These applicants were both automobile dealers and retail purchasers. Both dealers and retail consumers submitted loan applications with false financial information, addresses, phone numbers, social security numbers, and forged signatures. Dealers, in applying for a loan, knowingly understated the automobile mileage to the lending institution. This fraudulently inflated the value of the vehicle and resulted in a larger than justified loan.
- SARs also reported out-of-trust sales, by used car dealers, of vehicles in their possession whose acquisition was financed by various financial institutions. Some car dealers altered lien information on duplicate titles in order to obtain a 'clear' certificate of title. These vehicles would then be sold with a loss incurred by the lending institution. The banks advanced payment for the vehicles but failed to receive payment when they were sold.
- Automobile dealers used personal information of their customers, without the knowledge or consent of those individuals, in order to obtain loans.
- SARs also reported the development of relationships between bank employees and car dealerships. Some situations involved the inappropriate manipulation of loan applications by bank employees that enabled applicants for automobile loans to obtain credit in violation of bank guidelines. The bank employees earned commissions on these fraudulent loans and the automobile dealership made money on the sales.

Check Fraud was the third most frequently reported violation.

- SARs reported that checks, later returned for "insufficient funds available," were used to purchase automobiles from various car dealerships.

- Some SARs reported the theft of checks from car dealerships and then fraudulently negotiated by unauthorized individuals, in some cases by former employees.
- Other reports indicated that stolen, forged, and counterfeit checks were used to make payments on vehicles at various dealerships.
- Forged reproductions of a bank's counter-checks were made payable to a used car dealer located in a Gulf State. It is believed that these checks were computer generated.

Identity Theft was also reported.

- Individuals used someone else's social security number and personal data in order to obtain a car loan in that person's name. Fake identification (driver's license) was also used and forged signatures were employed. Some SARs reported that employees of the automobile dealerships were aware of this fraud. One incident involved a car salesman providing customers a "reference number" so they could qualify for the loan. This "reference number" appeared to be someone else's social security number.
- An unknown suspect established fraudulent bank accounts using the identities of numerous individuals. The only connection established between the victims was that each of them purchased automobiles from the same automobile dealership. The suspect deposited counterfeit checks into these accounts. The suspect then withdrew funds from these accounts via debit cards. The cash was then used to purchase postal money orders.

Commercial Loan Fraud also occurred involving automobile dealerships.

- Banks advanced loan funds to car dealers via floor plan lines of credit secured by the automobiles in inventory. This collateral was later sold, out-of-trust, and the proceeds were not applied to the loan, thus creating a loss for the lender.
- SARs reported that multiple suspects applied for used vehicle loans via the internet. After normal screening, the loans were approved and drafts were sent. These funds were intended to purchase used cars. No payments were received on the loan and attempts to repossess the vehicles were futile. Vehicle Identification Numbers (VIN) given were found to be non-existent. Attempts to locate the suspects failed. One SAR reported that the New Jersey State Police are currently investigating approximately 100 cases of this type of fraud.

Check-Kiting schemes were also reported. Owners of car dealerships were utilizing the float by writing checks on various accounts at different banks.

SAR Analysis – Indications of Suspicious Activity Related to the Boat/Yacht Retail Industry

A search of the SAR database revealed 61 SARs containing the terms "boat sales," "boat dealership," "yacht sales," or "yacht dealership" in the narrative portion of the SAR. The top three reported violations were: 1) BSA/ Structuring/Money Laundering (28 SARs); 2) Consumer Loan Fraud (14 SARs); and 3) Commercial Loan Fraud (12 SARs). One SAR reported no violation. Violation amounts ranged from \$0 to \$28,500,000. Twenty-seven SARs reported a violation amount between \$10,000 and \$99,999. Twenty SARs were between \$100,000 and \$999,999. The violation amount on eight SARs exceeded \$1,000,000. A total of 13 SARs were forwarded directly to federal, state or local law enforcement or regulatory authorities. The following are summaries of these types of activities.

The most common scenario involved *Structuring*.

- Individuals working in the boat retail industry withdrew and/or deposited cash just below the CTR reporting requirements. Some individuals conducted these transactions with unusual frequency within a short period of time (days) at various bank branches within close proximity. The SARs indicated that the transactions were unusual for that type of business. It was noted that many deposits were regularly made, even during the boat sale off-season. Cash is not typically used to purchase boats. One boat dealer deposited over \$255,000 from January 2002 to May 2002. Forty-three deposits were made, typically ranging from \$5,000 to \$9,000 (none over \$10,000). Another SAR revealed that the owners and employees of a particular boat dealer purchased cashier's checks, with cash, at a bank with which they had no relationship, and then deposited the cashier's checks in the dealership's business account at another bank. All transactions fell below \$10,000 and were, believed by the filer, to be intended to avoid CTR reporting requirements.

- When informed of CTR reporting requirements, while attempting to conduct a transaction, some customers would alter the cash amount transacted to fall below reporting requirements.
- Individuals structured deposits and claimed the funds were derived from boat sales.
- Customers purchased boats by submitting structured checks/money orders.
- Customers purchased boats by submitting large, one-time payments (in some cases in excess of \$100,000). During a two-month period in 2001, a yacht sales company received \$2,685,000 in seven wire transfers from the same individual located in a Middle Eastern country.
- One internet-based yacht brokerage firm filed a SAR regarding a suspicious acting customer. The customer wished to purchase a \$28.5 million yacht through the firm. The customer's behavior was erratic and the deal was never consummated.

Incidents of *Consumer Loan Fraud* primarily involved the submission of false or forged statements by loan applicants in their attempt to purchase a boat.

Commercial Loan Fraud also occurred involving boat dealerships.

- Several SARs reported boats may have been sold to more than one owner; serial numbers on boats were altered; and boats stored at the dealership/marina by legitimate owners were represented as inventory. These violations were discovered during audits performed by the lender.
- More than one bank financed the same boat (duplicate loans) maintained by a boat dealer. The invoices on these boats were later found to be fraudulent.
- Boat dealers, maintaining large lines of credit, substantially overstated the value of their boat inventory. A large portion of the overstatement resulted from the out-of-trust sale of boats without forwarding the sale proceeds to

the banks. It is believed that the borrowers may never have owned boats pledged to the loan.

- Boat dealerships diverted sales proceeds due the financing institution and loans from the financing institution to improper uses.

SAR Analysis – Indications of Suspicious Activity Related to Pawn Brokers

A search of the SAR database revealed 272 SARs containing the terms "pawn broker," "pawnbroker," "pawn shop," or "pawnshop" in the narrative portion of the SAR.

A total of 326 violations were reported in the 272 SARs (*note that a SAR may indicate no violation, one violation, or multiple violations*). The top five reported violations were: 1) BSA/Structuring/Money Laundering (52.15%); 2) Other (8.28%); 3) Credit Card Fraud (7.97%); 4) Check Kiting (7.36%); and 5) Check Fraud (4.91%). Nineteen SARs (5.83%) reported no violation.

Violation amounts ranged from \$0 to \$9,000,000. The violation amounts fell into the following categories: 27.94% reported a violation amount of \$0; 24.26% were between \$1 and \$9,999; 31.62% fell between \$10,000 and \$99,999; 12.87% between \$100,000 and \$999,999; and 3.31% exceeded \$1,000,000.

A total of 40 SARs (14.7%) were forwarded directly to federal, state, or local law enforcement or regulatory authorities. Of these referrals, 31 SARs (77.5%) were referred to state and local law enforcement organizations, three SARs (7.5%) were referred to the FBI, and two SARs (5%) were referred to the IRS.

Two hundred and forty-six SARs (90.4%) were reviewed from the years 1996 through 2002. The following are summaries of these types of activities.

The most common scenario involved ***Structuring***.

- Numerous pawnbrokers withdrew and/or deposited cash just falling under the CTR reporting requirements. Some customers did so with unusual frequency within a short period of time (days) at various bank branches within close proximity.
- When informed of CTR reporting requirements, while attempting to conduct a transaction, some customers would alter the cash amount

transacted to fall below reporting requirements. Some individuals walked away without completing the transaction.

- Some pawnbrokers structured cash deposits and made large withdrawals via checks written for cash on their own accounts.

Possible BSA/Structuring and Check-Kiting violations were found in a significant percentage of SARs.

- Fifty-seven SARs (21%) involved suspected BSA/Structuring and check-kiting violations. Numerous checks to various individuals and businesses, drawn on the accounts of a number of businesses, were cashed. The checks were large in number and amount. The SARs reported it is highly unusual for an individual to go to a pawnshop to cash checks in such high amounts.
- Check-Kiting schemes were also reported in which individuals were utilizing the float from writing checks at various banks and pawnshops.

A number of pawnbrokers conducted **unusually large cash deposits and withdrawals**, relative to the type of business, at various alternating bank branches. SARs were filed on those pawnbrokers exhibiting a high frequency of this activity relative to other closely located pawnshops.

Another scenario involved the use of **fraudulently obtained or stolen credit cards**.

- Stolen credit cards or those obtained fraudulently, via identity theft, were used to purchase merchandise at various pawnshops.
- Fraudulently obtained credit cards were used to purchase merchandise at non-pawnshop, retail outlets. This merchandise was later sold for cash at local pawnshops.
- In some instances, the owners/managers of pawnshops made purchases using fraudulently obtained credit cards.

Several SARs involved **stolen, forged, and counterfeit checks**.

- Numerous incidents involved the theft and forging of checks subsequently cashed at pawnshops. Occasionally, forged checks were used to purchase merchandise at a pawnshop.

- One incident involved 56 named suspects in a counterfeit check ring that utilized pawnshops to cash these checks.
- In a few instances, the owner/employee of the pawnshop called the bank to inquire as to the legitimacy of a suspect check. According to one filing, the FBI notified the bank that a particular owner of a pawnshop was the victim of check fraud.

Commercial Loan Fraud also occurred involving pawnshops.

- Most incidents involved individuals who defaulted on a loan and then sold personal property to a pawnshop that had been used as collateral for the loan. In some instances, a court order required the pawnshop to transfer the property to the bank.
- A few pawnshop owners/employees reportedly submitted fraudulent information while applying for a loan.

Incidents of **embezzlement and theft** were also reported.

- Banks reported employee theft of bank or customer property that was later discovered to have been pawned for cash. This property mostly consisted of computer equipment (laptops) or customer property held in safe deposit boxes.

SAR Analysis — Indications of Suspicious Activity Related to Life Insurance

In August 2002, FinCEN conducted an analysis of all SARs submitted by depository institutions, affiliates of depository institutions, and those voluntarily filed by broker-dealers, MSBs, or gaming businesses from the years 1996 through 2002 in which activity was reported in the narrative section that could be linked to a set of specific terms related to the insurance industry. This analysis was not conducted to assess the money laundering risks associated with the insurance sector; rather, it was conducted to provide a snapshot of what SAR filers were reporting regarding key terms related to the insurance industry.

A search of the SAR database revealed 1,032 SARs containing the term "life insurance" in the narrative portion of the SAR.

- A total of 97 SARs were filed by eight life insurance companies/providers.

- A total of 1,130 violations were reported in the 1,032 SARs (*note that a SAR may report no violation, one violation, or multiple violations.*)
- The violation amounts reported in the SARs fell into the following categories: 69% - \$51 to \$99,000; 19.7% - \$100,000 to \$975,000; and 5.8% - \$1 million to \$500 million. [Note: 57 SARs (5.5%) reported no violation amount.]
- The BSA/Structuring/Money Laundering violation totaled 19.2% of all the violation categories reported.
- A total of 154 SARs (14.9%) were forwarded directly to federal, state or local law enforcement or regulatory authorities. Of these referrals, 50 SARs (32.5%) were referred to the FBI, 40 SARs (26.0%) were referred to the Drug Enforcement Administration (DEA), and 30 SARs (19.5%) were referred to state and local law enforcement organizations.

A sample of 206 SARs (20.0%) was randomly selected and reviewed from the years 1996 through 2002. The following are summaries of these types of activities.

The most common scenario found involved *fraud with respect to checks* of life insurance companies.

- The principal check fraud involved counterfeit checks. There were numerous reports of counterfeit checks on the accounts of life insurance companies that were deposited into the suspect's bank account. Often, the false checks cleared and the suspect transferred the funds before the bank was notified that the checks were counterfeit.
- Another check fraud involved checks written by life insurance companies that were altered by the suspect. Often, the checks were stolen and the suspect altered the payee, dollar amount, or both. In many cases, the suspect was able to withdraw funds against these altered checks.
- Blank checks of life insurance companies were also reported as having been stolen and then made out to the suspects for various amounts. The maker's signature was forged and the suspect deposited the forged instrument and withdrew the funds.
- There were also many reported instances of checks that were stolen and the payee's signature forged by the suspect.

Another common scenario involved the *suspicious transfer of funds* to or from life insurance companies.

- Financial institution customers made structured cash withdrawals from an account funded with the proceeds of a life insurance company check.
- Withdrawals and transfers from accounts funded with the proceeds of a life insurance company check were reported as suspicious. Some of these transfers were to persons or accounts located in foreign countries.
- Some financial institution customers made structured cash deposits into an account and then transferred the funds, by wire or check, to a life insurance company. Other customers made structured cash purchases of cashier's checks made out to life insurance companies.
- When informed of the CTR reporting requirements when attempting to cash a check from a life insurance company, customers either reduced the amount of cash back or demanded to have the transaction completed without filing a CTR. Some individuals walked away without completing the transaction.

A significant percentage of SARs that contained the term "life insurance" described various types of *loan fraud*.

- Borrowers who had pledged life insurance policies as loan security cashed-out the policies and then defaulted on the loans.
- Credit applicants overstated the cash value of life insurance policies on credit applications or listed term life policies as whole life policies.
- Borrowers pledged life insurance policies to obtain loans from one financial institution while such policies were already the security for loans from other financial institutions.

Life insurance companies were targets of "Nigerian Advanced Fee" scams. There were reports of letters and e-mails from purported former government officials of African countries (Nigeria, South Africa, Sierra Leone, Congo) who were seeking assistance in moving millions of dollars to accounts in the United States. The solicitor promised the participant fees up to 35% of the amount to be transferred.

A number of SARs were filed relating to the *embezzlement or theft* of insurance proceeds by bank employees.

- A bank employee sold an annuity issued by a life insurance company to a bank customer. The customer and his beneficiary both died shortly thereafter. The bank employee then diverted the annuity's death benefit to himself.
- Several bank officers used bank funds, without proper authorization, to purchase whole life insurance policies on their lives.
- One bank employee conspired with the bank's life insurance agent to have premium rebates paid to the bank employee instead of the bank.

SAR Analysis – Indications of Activity Related to the Securities Industry

A small part of the total volume of SARs filed is for reports filed voluntarily¹⁸ by brokers and dealers in securities that are not affiliated with banks. In August 2001, FinCEN conducted a study to determine the number of SARs being filed voluntarily. Between April 1996 and April 2001, securities, investment, and brokerage services had filed 1,930 SARs of the 572,835 SARs filed.

FinCEN has not performed a full analysis of the SARs that were submitted specifically by broker-dealers. However, FinCEN's staff conducted an analysis of all SARs submitted by depository institutions, affiliates of depository institutions, and those voluntarily filed by broker-dealers, MSBs or gaming businesses from the years 1996 through 2002. These SARs were identified by searching the narrative section for key words related to the securities industry (e.g., investment companies, mutual funds, hedge funds, private investment trusts, venture capital funds, investment advisers). This analysis was not conducted to assess the money laundering risks associated with securities sector; rather, it was done to provide a snapshot of what SAR filers were reporting related to the securities industry.

¹⁸ Some broker-dealers have filed SARs for years, either since 1996, pursuant to bank regulators' rules for bank holding company affiliates, or since 1989, voluntarily pursuant to guidance issued by the New York Stock Exchange and National Association of Securities Dealers. (Note: Effective January 1, 2003, all broker-dealers were required to file SARs.)

For each of the sets of SARs linked to the terms, an analysis was conducted to identify baseline statistical information, including the total number of BSA violations reported; the range of violation amounts; and violation categories. In addition, an analysis was conducted to identify the primary types of suspicious activity reported by the filing institutions. Due to the large number of SARs identified for several of the terms, those data sets were sampled to provide a workable number of significant findings from the narratives. The following provides a synopsis of the data related to key terms of the securities industry.

INVESTMENT COMPANIES

Baseline Statistical Information

- The terms "investment company" or "investment companies" were found in 536 SARs.
- Securities broker/dealers filed 13 SARs.
- 630 violations were identified.
- The reported range of violations consisted of the following amounts:

\$700 to \$99,000	39.9%
\$100,000 to \$891,000	25.7%
\$ 1 million to \$ 1 billion	25.8%
Other amounts	8.6%
- BSA/Structuring/Money Laundering violations accounted for 49.2% of the violations.

Significant Findings from a Review of 114 Sample SARs

The most common scenario involved the *suspicious movement of funds* through wire transfers and checks and cash deposited and withdrawn from investment company accounts.

The wire transfer activity into and out of investment companies indicated that wires originated from the Philippines, Hong Kong, Macao, Vietnam, Israel, Nigeria, Russia, Japan, Latin America, and Austria. Outgoing wire transfers were

to the Philippines, United Kingdom, Singapore, India, Vietnam, Indonesia, Thailand, Lebanon, Korea, and the UAE.

Numerous examples cited deposits and withdrawals using a combination of these activities, whereby funds were deposited into investment companies' accounts and soon after (same day or within days), withdrawals were made from the accounts.

Examples of this activity include:

- wire transfers and cash deposited into investment accounts followed by checks used to transfer funds to other accounts;
- wire transfers received from an investment company and deposited into a personal account followed by checks used to move the funds to other accounts; and
- large cash deposits into personal accounts followed by large-dollar checks written to investment companies.

Another common scenario involved the use of *structured cash deposits* under \$10,000 or cash withdrawals under \$10,000 involving investment companies' accounts. Financial institutions indicated that the structured cash deposits and withdrawals did not seem commensurate for an investment company.

- Financial institution customers often made structured cash deposits into an account and then used wire transfers or checks to transfer funds into an investment company account.
- Structured deposits often occurred on the same day or over several days in the same week.
- When informed of the CTR reporting requirements, customers either altered or reduced the amount deposited or demanded to have the deposit made without completing a CTR form. Some individuals walked away without completing the transaction.

Other SARs of interest are described below.

- Seven SARs were filed by financial institutions as a result of media reporting that the owners of the investment companies were under investigation in other countries for fraud and corruption.
- Five SARs were filed relating to September 11th activity and the OFAC list of "specially designated global terrorists" — organizations and individuals engaged in international terrorism. Two SARs identified activity of investment companies on the OFAC list. Three SARs described activity of individuals or entities on the OFAC list that included transactions involving investment companies.

INVESTMENT ADVISORS

Baseline Statistical Information

- The terms "investment advisors" or "investment advisers" were found in 128 SARs.
- Securities broker/dealers filed 26 SARs.
- BSA/Structuring/Money Laundering violations accounted for 34 (26.6%) of SARs filed.
- Embezzlement-defalcation and misuse of position were cited in 20 SARs (15.6%) as the major violation.

Significant Findings from a Review of Sample SARs

Many SARs describe *mismanagement of investor funds* through various fraudulent schemes. One particular scheme involved a "collateralized investment agreement" that offered to pay a specified rate of return for a fixed period and claimed that it would be fully protected or collateralized by a pool of securities equal to the amount of the principal investment. Clients who invested in this scheme suffered a combined loss of approximately \$71 million.

Fifteen SARs filed described three *Ponzi/pyramid schemes* being operated by numerous individuals and companies. Over 350 bank customers, whose investments exceeded \$26 million, invested in these schemes based on advice of their financial advisors.

Twelve SARs noted *check fraud* as the main violation. Most of the narratives discuss checks being provided to the advisor for investments in previously agreed funds, but were never invested or were redirected to other companies without the client's knowledge.

Three SARs described *fraud by the investment advisor* assigned to a family custodian trust. Each advisor had submitted fraudulent bills/fees for payment for services never rendered or forged documents/checks.

Other SARs include the following scenarios:

- An investment advisory company introduced three accounts to a major investment corporation (broker-dealer). It was later learned that one of the account holders utilized an alias when setting up the account and that the account was actually for the widow of a deceased Colombian narcotics trafficker. During the period of December 1995 to February 1999, the account was credited with \$1.5 million in the form of wire transfers from U.S. banks and financial institutions and debited \$1.4 million via wire transfer and checks. The monies remaining in the account were transferred to another account in the same alias and another individual. In October 1999, the remaining monies were transferred to a third account owned by two individuals domiciled in Medellin, Colombia.
- An investment advisor, with a 12-year relationship with a brokerage company, wire transferred \$3.25 million during a four-month period through a third party. He then requested that the originator's name not be used on the wire transfer record. His explanation for the third party account was that he wanted to "break the trace" between both banks.
- An investment advisor operating in the United States provided fraudulent brokerage statements to a Canadian client, resulting in a loss in excess of \$300 million.

VENTURE CAPITAL

Baseline Statistical Information

- ❑ The term "venture capital" was found in 60 SARs.
- ❑ Securities broker/dealers filed four SARs.

Significant Findings from a Review of Sample SARs

The SAR narratives depicted several different scenarios. The most common of these scenarios discussed *suspicious wire transfers* to and from accounts held by venture capital companies.

- Incoming wires originated from Switzerland, France, the United Kingdom, Germany, Liechtenstein, Luxembourg, Poland, Egypt, Israel, China, Taiwan, Hong Kong, Singapore, Barbados, the Bahamas, Guinea, and Canada.
- Outgoing wires were sent to Nicaragua, the Netherlands, and Poland.
- The wire totals were high-dollar amounts.
- Nine of the 22 SARs that discussed wire transfers ranged between \$260,000 to \$999,962.
- Thirteen SARs had aggregate totals that ranged from just over \$1 million to \$16 million.
- Some banks reported that funds for the wire activity appeared structured to avoid CTR reporting requirements.

Six SARs reported various *attempted scams* perpetrated against a bank.

- Two SARs involved Nigerian scams that attempted to bilk millions of dollars from the financial institutions under the guise of venture capital.
- Some SARs reported schemes to defraud individuals to allegedly raise start-up capital by offering high rates of return on investment.

Three SARs described the use of *false letters of credit* allegedly issued by foreign banks. When the filing banks attempted to verify the letters, they usually found that the foreign bank did not issue the letters of credit. The bearers of the letters were seeking to invest in venture capital companies.

Two SARs involved *identity theft*.

- Stolen bona fides were used to obtain an application into an investment/venture capital company.
- Stolen identity was used in an attempt to secure an indirect loan through a venture capital company.

PRIVATE INVESTMENT TRUST

Baseline Statistical Information

- No SARs contained the term "private investment trust."
- The term "investment trust" appeared in 54 SAR narratives.
- Securities broker/dealers filed eight SARs.
- 61 violations were reported.
- BSA/Structuring/Money Laundering violations accounted for 29% of SARs filed.
- 51.9% of the SARs were filed in 2001 and 2002.

Significant Findings from a Review of Sample SARs:

The most common activity identified in the narratives involved *suspicious wire transfers*, and *suspicious checks, cash, and money orders* deposited into and withdrawn from investment trust accounts. The wire transfer activity into and out of investment trust accounts indicated that wires originated from Nigeria, Lebanon, Saudi Arabia, and the Netherlands. Outgoing wire transfers were to Saudi Arabia, Taiwan, and Pakistan.

- Numerous examples cited deposits and withdrawals using a combination of these activities, whereby funds were deposited into investment company

accounts and soon after (the same day or within days) withdrawals were made from the accounts.

- Wire transfers and checks were deposited into an investment trust account followed by wire transfers to other accounts.
- Wire transfers were deposited into an investment trust account followed by cash withdrawals.

Other SARs of interest included the following scenarios.

- A large amount of cash was removed from a safe deposit box and deposited into a checking account. On the same day as the cash deposit, a "debit memo" of approximately the same cash amount mentioned above was taken out of the checking account and placed into an investment trust. The movement of money from the safe deposit box was considered suspicious by the financial institution.
- An investment trust account was involved in several instances of alleged fraudulent activities involving investment instruments such as "report guarantees." The financial institution reported this as a possible investment fraud/advance fee scheme.

HEDGE FUNDS

Baseline Statistical Information

- The term "hedge funds" was found in 17 SARs.
- Securities broker/dealers filed seven SARs.

Significant Findings from a Review of Sample SARs

The most common activity described the use of *false statements* and possible *fraudulent activities*.

- Three narratives described employees/broker dealers misusing their position for personal gain. The SARs included insider trading, embezzlement, and a foreign corporation routing its hedge fund account funds through the United States before routing to its final destination in

order to avoid the money laundering identification documentation regulation in the United Kingdom.

- Several instances were reported about the use of false documentation and false statements to attempt to open hedge fund accounts. New accounts were declined when the reporting financial institution was unable to confirm the credentials supplied by requestors.

Some SARs described *suspicious wire transfer activity* involving hedge fund accounts, including two that involved international activity.

- Suspicious transactions conducted the same day were reported involving a wire transfer sent to a hedge fund account by its managing service. The wire transfer activity was followed by large cash withdrawals from the hedge fund and from a personal account by a managing service employee.
- Two investment firms wire transferred \$2.2 million from their accounts in Massachusetts to their accounts in California; the following day, they wired the funds to the credit of an individual account at another California financial institution. The names for both firms included "hedge fund" and the accounts were opened and closed within a five-day period.
- A Middle Eastern business wire transferred \$2.1 million to four offshore hedge funds accounts, most of which was eventually returned to the U.S. accounts of the business and then wire transferred to an account in Switzerland. All wire transfer activity took place over an approximate two-month period.

Two SARs described financial institutions closing hedge fund accounts due to name similarities between their clients and individuals mentioned in the media who are suspected of laundering money.

MUTUAL FUNDS

Baseline Statistical Information

- The terms "mutual fund" or "mutual funds" were found in 557 SARs.
- Securities broker/dealers filed 86 SARs.
- 631 violations were reported.

- ❑ Violation amounts, ranging from \$1 to \$50,000, were reported in 223 SARs (40%).
- ❑ BSA/Structuring/Money Laundering violations accounted for 25.20% of SARs filed.
- ❑ 44.17% of the SARs were filed in the years 2001 and 2002.

Significant Findings from a Review of 92 Sample SARs

The most common scenario described the *use of checks that were stolen, altered, and used along with forged signatures* to either establish mutual fund accounts or redeem funds.

- Numerous examples were cited of established corporate or individual bank customers as fraud victims via theft of corporate or personal checks through the U.S. mail system. These checks were later used to establish personal checking accounts (with funds later transferred to mutual fund accounts) or mutual fund accounts. Corporate theft cases often involved company employees with access to company mail. Most other thefts were determined to be principally through U.S. Postal delivery sites as well as other family members.
- Numerous examples were cited of recent or low bank account balance holders using stolen or altered checks, or checks later returned as "non-sufficient funds" to establish mutual fund accounts.

Another common scenario described the use of *structured cash deposits or withdrawals* under \$10,000 involving mutual fund accounts.

- Bank customers often made structured cash deposits on the same day or on multiple days during a week, and then used a personal check or purchased a bank or cashier's check to deposit into a mutual fund account.
- Bank customers deposited checks from a mutual fund account into personal checking accounts and would then redeem funds through a series of structured withdrawals via the branch or ATM over days or weeks.
- When informed of the CTR reporting requirements when making a deposit, bank customers either altered or reduced the amount deposited or demanded to have the deposit made without completing a CTR form.

A small percentage of transactions involved *suspicious wire transfers* to or from mutual fund accounts based either in the United States or abroad.

- Incoming wires into U.S.-based bank accounts often described proceeds from "offshore mutual fund accounts" located in countries including Switzerland, Brazil, Venezuela, and the Bahamas.
- Outgoing wires from U.S. accounts were sent to locations including Thailand, Cayman Islands, and the Netherlands Antilles.
- Wire transfer aggregate totals were of dollar amounts significantly higher than the average transaction.

Other SARs of interest included the following scenarios.

- Two bank customers who operated various business investment accounts valued in the millions of dollars were under investigation by the Securities and Exchange Commission for multiple violations of the securities and banking regulations, including illegal operation of a mutual fund.
- A bank customer operated a convalescent center and deposited \$540,000 in patients' Social Security/Medicare/Medicaid checks. Funds were moved from the convalescent center's business account to a personal checking account, and then wired to a personal mutual fund account, then back to the convalescent center business account.
- A bank customer conducted nearly \$2 million in suspect wire transfers using mutual fund accounts inside as well as outside the United States over a period of several months.

SARs filed by Money Services Businesses

The suspicious reporting requirements of the BSA became applicable to certain MSBs, effective January 1, 2002.¹⁹ Money transmitters and issuers, sellers, and

¹⁹ See 31 CFR Part 103.20.

redeemers of money orders and traveler's checks are now required to report suspicious activity.

A search of the SAR database from January 1, 2002 through September 31, 2002, revealed 16,692 SARs submitted by MSBs. The MSB SARs were filed by 518 separate entities, including both money transmitter companies and/or individual authorized agents.

Violation amounts ranged from \$0 dollars to \$705 million (which included an unsolicited e-mail offer for foreign exchange totaling more than \$700 million; no currency or other monetary instruments were actually involved.) The following is a breakout of violation amounts reported:

Dollar Range	Number of Filings	Percentage
\$0	583	3.49%
\$1 - \$9,999	11,374	68.14%
\$10,000 - \$19,999	2,657	15.91%
\$20,000 - \$29,999	737	4.41%
\$30,000 - \$39,999	350	2.09%
\$40,000 - \$49,999	241	1.44%
\$50,000 - \$59,000	353	2.11%
\$60,000 - \$99,999	249	1.49%
\$100,000 - \$999,000	129	Less than 1%
Over 1 million	19	Less than 1%

The MSB SARs were filed in 49 states as well as the District of Columbia, Guam, Puerto Rico, Canada, the Dominican Republic, and Japan (by the U.S. Navy Exchange.) The following top five state filers (by volume) accounted for 57.33% of all filings:

State	Number of Filings	Percentage
New York	4,145	24.83%
Colorado	2,405	14.40%
Arizona	1,908	11.43%
California	691	4.13%
Florida	425	2.54%

The MSB SARs referenced 15,235 violations. Often, more than one violation was cited per SAR. In 1,408 (8.43%) cases, the violation field was blank. The top three reported violations were: BSA/Structuring/Money Laundering - 12,304 (80.76%); Other-1,282 (8.41%); and Wire Transfer Fraud - 686 (4.50%).

More than half of the narratives dealt with *structured money transfer activity*. The majority of those SARs described outgoing wire activity and to a lesser degree, incoming wires. Outgoing wires were primarily destined for recipients in Central America (predominantly the Dominican Republic), as well as within the United States, the Middle East, and Europe. The typical scenarios involved multiple senders to the same recipient, individual senders to multiple recipients in a very short period of time (often within minutes), and an individual remitter to a single recipient.

Other reported activity dealt with the *suspicious purchase of money orders*.

- Customers purchased excessive amounts of money orders for no apparent reason.
- The source of cash used for the purchases was unknown.
- Individuals purchased money orders in structured amounts at multiple locations.
- The purchaser line on the money order was left blank or was illegible.
- The payee and purchaser names on the money order were the same.

Identity theft or *fraud* was reported in a number of SAR narratives. One particular MSB reported numerous cases of identity theft where the perpetrator obtained the log-in and user ID to access victims' accounts on-line. The perpetrator then moved funds to his own accounts or used the victims' money to effect wire transfers to a third party.

Most high-dollar violations reported by MSBs dealt with "Nigerian Advance Fee" scams via unsolicited faxes or e-mails.

Section 4 - Law Enforcement Cases

This section of the *SAR Activity Review* provides law enforcement agencies with the opportunity to summarize investigative activity in which SARs and other BSA information played an important role in a successful investigation and/or prosecution of criminal activity. Each issue of the *SAR Activity Review* includes new examples based on information received from law enforcement.

SAR Initiates Investigation of Illegal Money Transfers to Iran

In February 2002, SAR information provided by an investment account firm revealed wire transfers in excess of \$500,000 originated from an individual's account, through a trading company in Dubai, UAE, for transfer to Iran. Investigation disclosed the account holder had made comments to the reporting firm indicating the money was being wired for investment in Iran, in violation of the U.S. embargo.

In April 2002, USCS and IRS agents executed a search warrant on the account holder's residence, which resulted in the seizure of considerable documentation substantiating the allegation, along with several computer systems. Review of the documents and records seized identified other bank records revealing the account holder used other accounts to wire transfer funds from London, England, to Dubai, and ultimately Iran. In addition, an account was being used to wire transfer funds to various Iranian individuals in the United States, including one for \$50,000, made at the direction of a suspect in Iran. Investigations continue in the United States, Hong Kong and the United Kingdom. (Source: U.S. Customs Service)

SARs Lead to Approximately \$427,000 Being Seized From an Unlicensed Money Remitter

Information gleaned from a review of SARs filed by financial institutions identified two brothers who are under investigation for operating an illegal money remitter business. USCS agents have documented in excess of \$12 million being wired to foreign locations, primarily Singapore and Indonesia, over the past three years.

In October 2002, federal agents executed a seizure warrant on a bank account controlled by one of the subjects. Pursuant to the warrant, approximately

\$318,000 was seized. A search warrant was also executed on one of the subject's residences, where approximately \$74,000 in currency, along with numerous documents related to the operation of a wire remitter service was seized. Approximately \$35,000 was seized from the other subject's bank account.

Both subjects admitted to operating a hawala-type business from the residence. (Source: U.S. Customs Service)

SARs Lead to \$3 Million Being Seized From an Unlicensed Money Remitter

In January 2002, an investigation was initiated, subsequent to receiving SARs, into the operation of an unlicensed money remitter.

A foreign bank account, containing approximately \$3 million, was frozen at the request of USCS agents. A federal search warrant was also executed at the subject's residence. The subject admitted to using the Italian bank account as a means to further forward the funds to his brother's bank account in the Middle East.

Both subjects admitted to operating as an unlicensed money remitter. (Source: U.S. Customs Service)

SAR Assists in Identifying Money Remitter Sending Money to Iraq

In March 2002, as a result of a lead provided from a SAR, an investigation was initiated into an individual doing business as an unlicensed money remitter. The funds were being wired to a bank account in Jordan.

In October 2002, U.S. Customs agents executed a search warrant on three residences and seized approximately \$6,600, along with computers and numerous documents. The subject admitted during an interview to sending money to Iraq through his brother in Jordan. Moreover, the subject admitted that he knew a portion of the funds was going to Saddam Hussein, as part of the cost of doing business in Iraq.

In conjunction with the search warrants, agents interviewed clients of the unlicensed money remitter, who admitted that they knew the money was being sent to Iraq via Jordan. (Source: U.S. Customs Service)

SARs Assist in Money Laundering Investigation Involving the Insurance Industry

Information generated from cooperating individuals during Operations Cornerstone, a major narcotics trafficking investigation in the Miami area, revealed narco-traffickers placed their drug proceeds into investments in the insurance industry. Policies were identified in various Channel Island insurance companies containing the criminal proceeds. The investigation determined that a network of insurance brokers in the United States, soliciting clients in Colombia and other South American countries, deposited drug proceeds into investment accounts on behalf of narcotics traffickers. Financial institutions submitted three SARs to report structuring and suspicious activity by the insurance brokers.

To date, this investigation has resulted in the seizure of approximately \$9.5 million dollars. The seizures are being made through 18 U.S.C. 981 and the funds are being forfeited as proceeds of narcotics trafficking. (Source: U.S. Customs Service)

SARs Lead to Conviction of Former Investment Firm CEO

The former head of an investment firm was sentenced to nearly five years in prison as a result of a guilty plea to one felony count each for mail fraud and filing a false tax return, in a \$146 million dollar scheme that targeted senior citizens. The subject pled guilty for his role in the investment scam that defrauded over 1,800 investors over a four-year period. This individual operated a company that claimed to run a real estate investment program and promised investors a 12% to 15% annual return. In reality, the company operated as a Ponzi-type scheme, paying early investors with funds obtained from later investments. The average age of the investors was 67. The case was initiated from the filing of SARs by a local financial institution detailing the subject's activity. The information was provided by the financial institution to local and federal law enforcement authorities, which successfully investigated the allegations.

Agencies participating in this investigation included the IRS-Criminal Investigation, FBI and local law enforcement authorities. (Source: IRS-Criminal Investigation)

SARs Assist in Conviction of Pharmacist

A business owner who ran a pharmaceutical business that defrauded drug manufacturers was sentenced to nearly two years in prison, three months of supervised probation and ordered to make restitution of \$513,369.40. The sentence resulted from a guilty plea to one felony count each for conspiracy to commit mail fraud and money laundering. The target pled guilty for his role in obtaining pharmaceuticals at a greatly reduced price based on false representations to drug manufacturers and buying groups that the drugs would be only sold to institutional customers such as nursing home patients and adult foster home clients. However, the target diverted the pharmaceuticals and resold them to wholesalers, generating large and illicit profits. This case was initiated from evaluation of informant information and supplemented by a review of SARs, which described large unexplained currency deposits.

Agencies participating in this investigation included IRS-Criminal Investigation, FBI, and the Food and Drug Administration. (Source: IRS-Criminal Investigation)

SARs Identify Internal Fraud at Local Bank

On December 12, 2002, the Delaware State Police obtained a federal conviction for bank fraud against a former bank employee. The subject was sentenced to two years federal incarceration and an additional five years federal probation. The Delaware State Police received information from a local city bank that a current bank employee was responsible for a bank fraud scheme at their bank. The subsequent investigation revealed that the subject was drafting cashiers checks in his own name, and adjusting bank entries in an attempt to conceal the transactions. SARs were used to identify previous similar transactions by the subject, which occurred during employment at another bank. Also, BSA records assisted in the expansion of the case investigation. Use of the SAR data and other BSA records of banking transactions were instrumental in the investigation to identify bank accounts and the identification of expensive automobile and other cash purchases. (Source: Delaware State Police)

Section 5 - Tips on SAR Form Preparation & Filing

Importance of Accurate and Complete Narratives

Law enforcement and regulatory agencies, the primary users of SAR data, continue to report to FinCEN that SARs are filed with missing and incomplete data. Approximately 1% of SARs filed have neither an activity characterization nor sufficient narrative to explain what activity is being reported. This condition most often occurs when filers check the activity characterization box marked "other" but fail to specify the suspicious activity on the line provided. The problem is compounded when filers enter the phrase "see attached" in the narrative section of the form and attach items such as spreadsheets or computer printouts as documentation. When forms are received at the IRS Detroit Computing Center (DCC), only information in an explicit, narrative format is keypunched; thus, tables and other numeric data are not included in the narrative. SARs that do not specify the suspicious activity being reported or fail to provide an explanation as to what led the institution to become suspicious are of minimal value to law enforcement or regulators.

Financial institutions should review and follow the instructions found in the "Suspicious Activity Information Explanation/Description" section of the SAR form. Remember, the narrative 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 possible criminal nature are clearly understood by law enforcement and regulators. Also, do not attach any supporting documents to the SAR but rather, provide a detailed description of the documentation in the narrative and retain the documentation for five years. Also, always select and mark the appropriate box(es) in the "summary characterization of suspicious activity" section.

Reporting Potential Terrorist-Related Activity on a SAR Form

General Instructions for Completing the SAR Form

FinCEN has received a number of calls from financial institutions requesting assistance in completing a SAR when the suspicious activity may be terrorist-related. The following guidance is offered: 1) report the information on the SAR accurately and completely; and 2) complete the narrative section by describing the suspicious transaction as completely as possible and include the following information, if applicable — any correspondent bank name/account information; names/locations of business entities; names of cities, countries and foreign financial institutions linked to the transaction, especially if funds transfer activity is involved; and account numbers and beneficiary names.

Specific Instructions for a Particular Industry

Financial institutions reporting potential terrorist-related activity on Form TD F 90-22.47 are requested to check the "**Other**" box on Part III, Line 35(s) of the form and note the word "**terrorism**" in the space following the box. However, in some situations, the suspicious activity may also involve money laundering; therefore, the institution should also check Box 35(a).

Casinos and card clubs reporting potential terrorist-related activity on Form TD F 90-22.49 (SARC) are requested to check the "**Other**" box on Part III, Line 32(n) and note the word "**terrorism**" in the space following the box. If the suspicious activity also involves money laundering, Box 32(h) or 32(j) should also be checked.

MSBs reporting potential terrorist-related activity on Form TD F 90-22.56 should check Box 28 (c) (**Terrorist financing**) on Part II, Line 28. If the suspicious activity also involves money laundering, Box 28(a) should also be checked.

Regardless of which form is used, all filers should ensure that the narrative includes as much detail as possible regarding the potential terrorist-related and money laundering activities.

It is important to remember that a SAR should not be filed based on a person's ethnicity. In addition, a SAR should not be filed solely because a person appears to have the same name as individuals identified by the media as terrorists.

Transactions to or from, or conducted by persons with possible affiliations with jurisdictions associated with terrorist activity should not be the only factor that prompts the filing of a SAR. However, this information may be relevant and should be considered in conjunction with other relevant information in deciding whether a SAR is warranted, as set forth in 31 CFR 103.18 and the regulations prescribed by the bank regulatory agencies, such as a lack of any apparent legal or

business purpose to a transaction or series of transactions. Resources that should be consulted about such jurisdictions include: the State Department's list of State sponsors of terrorism²⁰; the Treasury Department's OFAC's lists of foreign terrorists²¹; and FATF's list of non-cooperative countries and territories.²²

Special SAR Form Completion Guidance for Reporting Potential Informal Value Transfer System Activity

Financial institutions should be alert to the use of IVTS in the movement of funds linked to laundering of criminal proceeds or used to finance terrorism. The indicators of IVTS abuse for those purposes may be found in Section 2 — Trends and Analysis, of this publication. If any financial institution knows or suspects that an IVTS is being used in illegal funds transfer, a SAR should be filed.

Specific Instructions for a Particular Industry

Financial institutions reporting any known or suspected criminal or terrorist-related activity conducted through IVTS on Form TD F 90-22.47 are requested to check the "**Other**" box in Part III, Line 35(s) of the form and note the abbreviation "**IVTS**" in the space following the box. However, in some situations, the suspicious activity may also involve money laundering; therefore, the institution should also check Box 35(a). If the activity involves terrorism and an IVTS, check the "**Other**" box in Part III, Line 35(s) and note the phrases, "**Terrorism/IVTS**" in the space following the box. Also, the narrative should include an explanation why the financial institution knows or believes an IVTS may be involved in the reported activity.

²⁰ Pursuant to Section 6(j) of the Export Administration Act of 1979, the Departments of State and Commerce have designated the following countries as state sponsors of terrorism: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. Further information about these designations is available at www.state.gov. Additional information about countries in which terrorists are highly active is available on that site in the State Department's Travel Warnings and Public Announcements page http://travel.state.gov/warnings_list.html.

²¹ OFAC designates and blocks the assets of specially designated global terrorists (SDGTs) - organizations and individuals engaged in international terrorism. For further information, see OFAC's website at www.ustreas.gov/ofac.

²² FATF is an international organization, of which the United States is a member, established to combat money laundering. Among other things, FATF evaluates the adequacy of countries' counter-moneylaundering systems, and designates those that have inadequate systems as non-cooperative countries and territories (NCCTs). Currently, FATF lists as NCCTs the following: Cook Islands, Egypt, Guatemala, Indonesia, Myanmar, Nauru, Nigeria, Philippines, St. Vincent and the Grenadines, and Ukraine.

Financial institutions reporting any known or suspected criminal or terrorist-related activity conducted through IVTS on Form TD F 90-22.56 (MSB SAR) are asked to check the **"Other"** box in Part II, Line 28(d) on the form and note the abbreviation **"IVTS"** in the space following the box. However, in some situations, the suspicious activity may also involve money laundering and/or terrorist financing; therefore, the institution should also check Box 28(a) and/or Box 28(c). Additionally, the narrative should include an explanation why the financial institution knows or believes an IVTS may be involved in the reported activity.

Casinos and card clubs reporting any known or suspected criminal or terrorist-related activity conducted through IVTS on Form TD F 90-22.49 (SARC) are requested to check the **"Other"** box in Part III, Line 32(n) and write the abbreviation **"IVTS"** in the space following the box. In some situations, the suspicious activity may also involve money laundering; therefore, the institution should also check Box 32(h). If the activity involves terrorism and an IVTS, check the **"Other"** Box in Part III, Line 32(n) and note the phrases, **"Terrorism/IVTS"** in the space following the box. The narrative should include an explanation why the financial institution knows or believes an IVTS may be involved in the reported activity.

Where to Send Completed SAR Forms

SARs (Treasury Form TD F 90-22.47) filed in paper format by either a depository institution, broker/dealer in securities, or others should be mailed to:

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

SARs for Money Services Businesses (Treasury Form TD F 90-22.56) filed in paper format should be mailed to:

FinCEN
Detroit Computing Center
ATTN: SAR-MSB
P.O. Box 33117
Detroit, MI 48232-5980

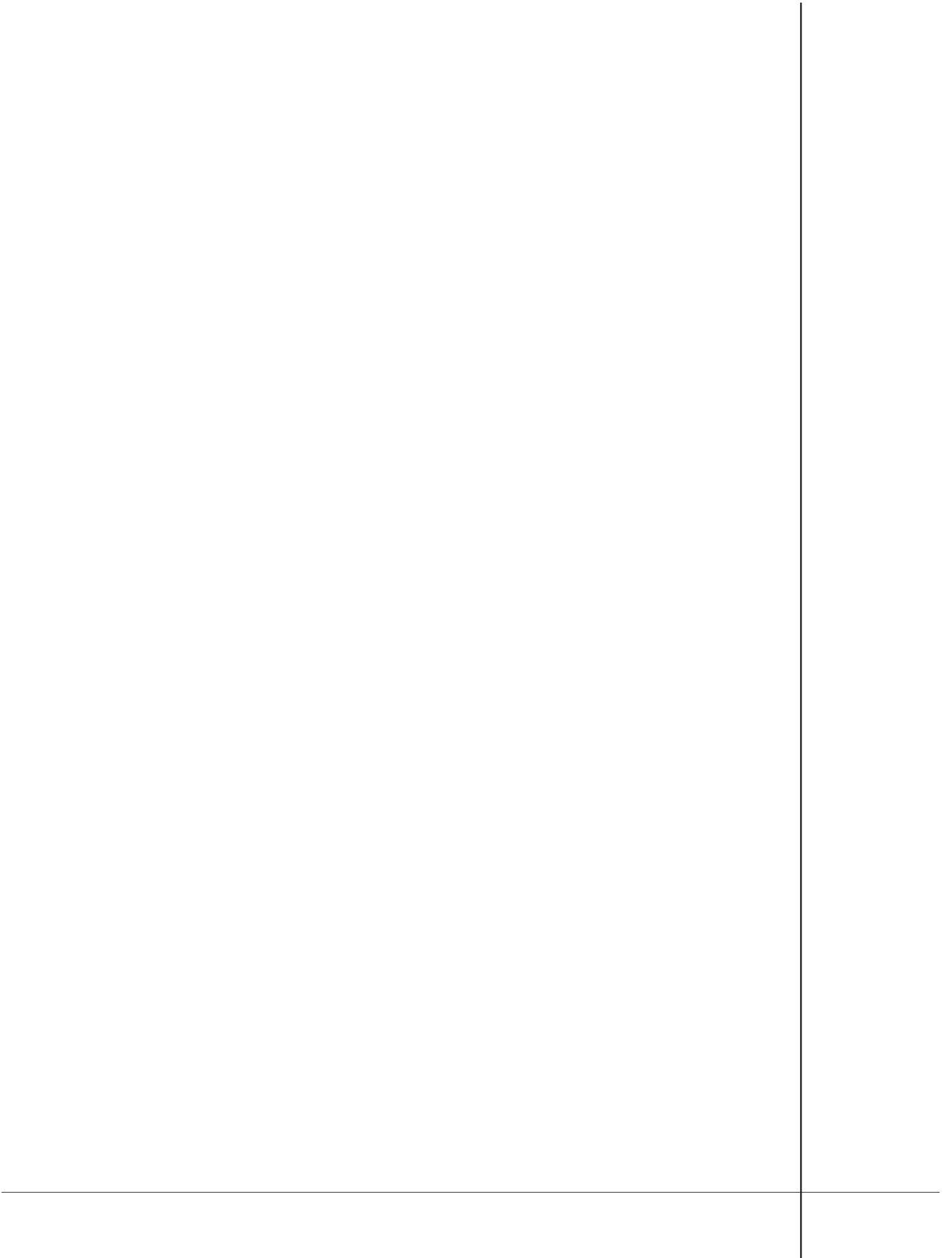
SARs for casinos (Form TD F 90-22.49) filed in paper format should be mailed to:

FinCEN
Detroit Computing Center
ATTN: SARC

P.O. Box 32621
Detroit, MI 48232-5980

SARs or SARCs filed by magnetic media/diskette format, should be mailed to:

IRS Detroit Computing Center
Attn: Tape Library
985 Michigan Ave.
Detroit, MI 48232



Section 6 – SAR News Update

Expansion of SAR Requirements to New Industries

FinCEN is in the process of expanding SAR requirements to other financial services industries and will be evaluating additional industries for future SAR requirements.

In September 2002, FinCEN issued a final rule that requires casinos and card clubs to report suspicious transactions that involve or aggregate at least \$5,000 in funds or other assets.²³ The applicability date for suspicious transaction reporting by casinos and card clubs is March 25, 2003. All casinos and card clubs will report suspicious transactions to FinCEN by submitting Treasury Form TD F 90-22.49, Suspicious Activity Report by Casinos (SARC). The reporting deadlines and record retention requirements mirror those for other financial institutions already subject to SAR reporting requirements.

In October 2002, FinCEN issued a notice of proposed rulemaking to require insurance companies to report suspicious transactions that involve or aggregate at least \$5,000 in funds or other assets.²⁴ The rule applies to businesses that offer life insurance policies, annuity contracts, and other insurance products with similar features used to store value and transfer that value to another person. The rule applies only to insurance companies rather than their agents or brokers. The suspicious transactions would be reported using a new form, the Suspicious Activity Report by Insurance Companies (SAR-IC). Written comments on the proposed rule were due on or before December 16, 2002.

Also, in October 2002, a notice of proposed rulemaking was issued to require currency dealers and exchangers to report suspicious transactions.²⁵ The proposed rule amends 31 CFR 103.20(a)(2) by adding a fourth reporting category for transactions suspected to involve the use of a money services business to facilitate criminal activity. Currency dealers and exchangers will report suspicious transactions by filing Treasury Form TD F 90-22.56, Suspicious Activity Report by Money Services Business. Written comments were due on or before December 16, 2002.

²³ See 31 CFR Part 103.21

²⁴ See 31 CFR Part 103.16

²⁵ See 31 CFR Part 103.20

Proposed Revision of the Suspicious Activity Report

In November 2002, a notice and request for comments, issued jointly by FinCEN and the federal regulatory agencies (OCC, OTS, FRB, FDIC, and NCUA), was published in the Federal Register. The notice proposes three minor revisions to the SAR Form to add two new check boxes for terrorist financing and identity theft in Part III, Box 35, suspicious activities, and to update the language in the Safe Harbor provision to that contained in the USA PATRIOT Act. The OCC is also soliciting comments on all information collections contained in 12 CFR Part 21. No new reporting requirements are being added. The deadline for written comments was on or before January 3, 2003.

Treasury Department Invokes USA PATRIOT Act/Section 311 Authority

Section 311 (31 U.S.C. 5318A) authorizes the Treasury Department to designate a foreign jurisdiction, financial institution, class of transactions, or type of account as being of "primary money laundering concern" and to impose one or more of five "special measures." In December 2002, this authority was invoked for the first time.²⁶

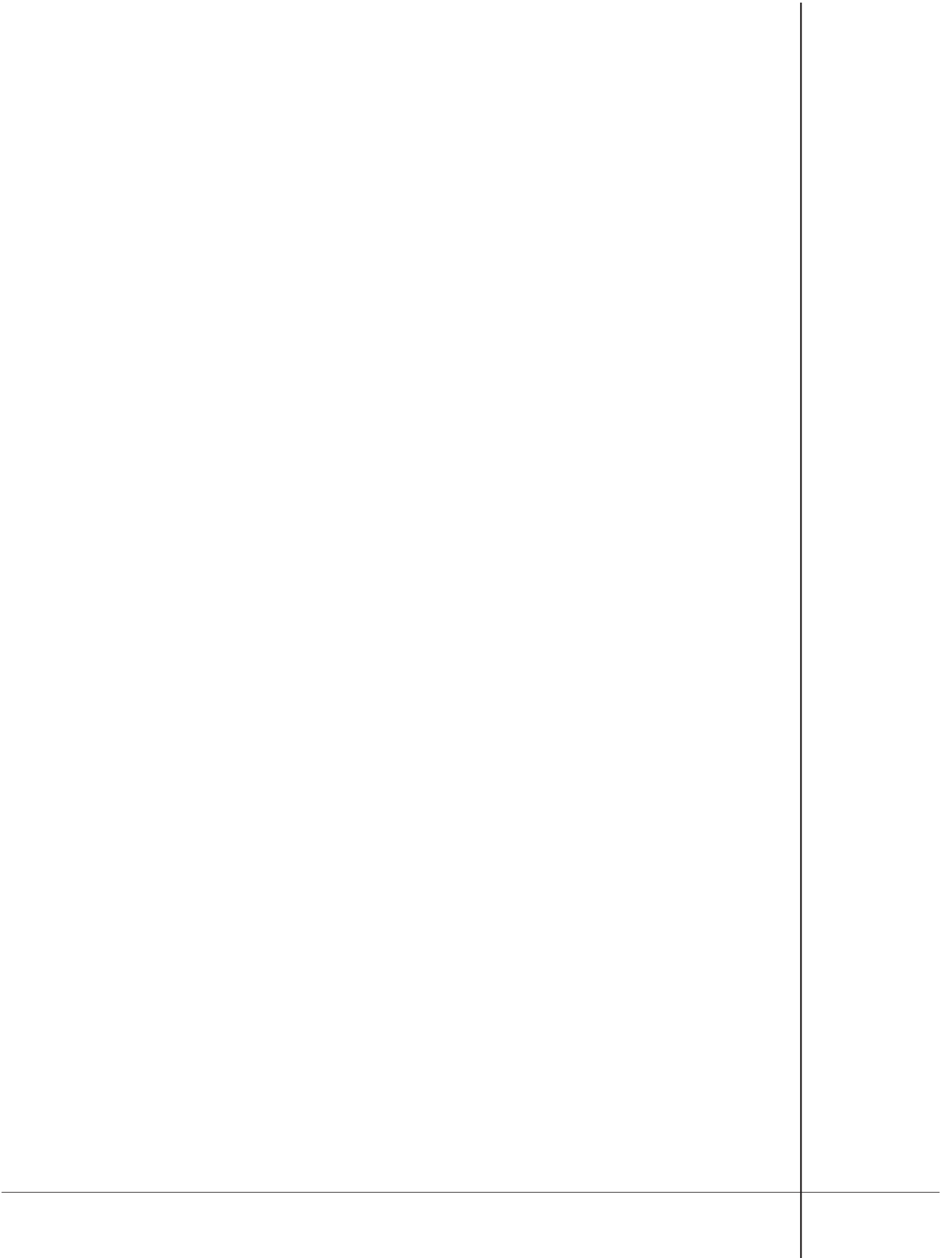
On December 20, 2002, the Treasury Department, in consultation with other U.S. agencies, designated Ukraine as being of primary money laundering concern. Unless Ukraine demonstrates that it has taken proactive steps to address the concerns giving rise to its designation, the Treasury Department may impose conditions based on Special Measures 1—4 of Section 311, which establish information gathering and record keeping requirements upon U.S. financial institutions dealing directly with Ukraine, or dealing with those having direct dealings with Ukraine.

Also on December 20, 2002, the Treasury Department, in consultation with other U.S. agencies, designated Nauru as being of primary money laundering concern. The Treasury Department may impose Special Measure 5, which will prohibit U.S. financial institutions from opening or maintaining correspondent accounts with Nauru-licensed financial institutions except the Bank of Nauru (which serves as the Central Bank for the country) to ensure the people of Nauru can continue to meet their legitimate banking needs.

²⁶ See Federal Register Notice, Vol. 67, No.248, December 26, 2002, p. 78859-78863.

The deadline to submit comments on certain aspects of the designation notice to the Treasury Department was January 27, 2003.

FATF, through its NCCT process, works to generate the necessary political will to bring about national legislative and regulatory reforms to combat money laundering by the designated countries. As a result of their failure to put into place sufficient anti-money laundering frameworks, FATF called upon its members to impose countermeasures with respect to Ukraine and Nauru.



Section 7 - Issues and Guidance

This section of the *SAR Activity Review* discusses current issues raised with regard to the preparation and filing of SARs. This section is intended to identify SAR-related issues and then provide meaningful guidance to filers. In addition, the section reflects the collective positions of the government agencies that require organizations to file SARs.

FinCEN Introduces the PATRIOT Act Communication System

Pursuant to Section 362 of the USA PATRIOT Act, FinCEN was tasked with developing a highly secure network to allow financial institutions to electronically file certain BSA forms. FinCEN met this goal by making the PATRIOT Act Communication System (PACS) available to the financial community on October 1, 2002. Initially, only the forms filed by depository institutions, the Currency Transaction Report (Form 4789 or CTR) and the Suspicious Activity Report (Form TD F 90-22.47 or SAR) will be accepted through the electronic filing process.

Financial institutions are not mandated to use PACS, but the system does provide a third, cost effective option for filing CTRs and SARs. PACS allows participating financial institutions to electronically file CTRs and SARs in a highly secure fashion via the Internet, including both single forms and electronic batches of forms. PACS enhances the security of the BSA form filing process through the use of digital signatures and secure Internet connectivity. PACS accelerates the delivery of BSA information to federal and state law enforcement and it reduces the expense to the financial institution by eliminating the need for magnetic tapes and paper forms.

An institution incurs no cost to sign up or use PACS. However, financial institution personnel may access PACS only after they have applied for and received a digital certificate.

Visit the PACS website at <http://www.pacs.treas.gov> to find out more information about how PACS operates and how to become a PACS user.

Status of the USA PATRIOT Act Section 314(a)/Information Requests

On November 4, 2002, FinCEN's Section 314(a) system began operation. The system is designed to enable law enforcement to transmit the names of suspected money launderers and terrorists to financial institutions through e-mail and facsimile, and obtain responses of positive matches for certain account and transaction information for the suspects within seven business days. Ten transmissions were made, arising from both money laundering and terrorist financing investigations. Although, only the first request went through the entire process, each request resulted in the provision of useful information to law enforcement. However, responding financial institutions raised a number of questions and issues. The concerns led FinCEN, after consultation with the federal functional regulators and law enforcement officials, to place a moratorium on the Section 314(a) process until the issues could be addressed. On February 17, 2003, a public notice announced the resumption of the Section 314(a) system.

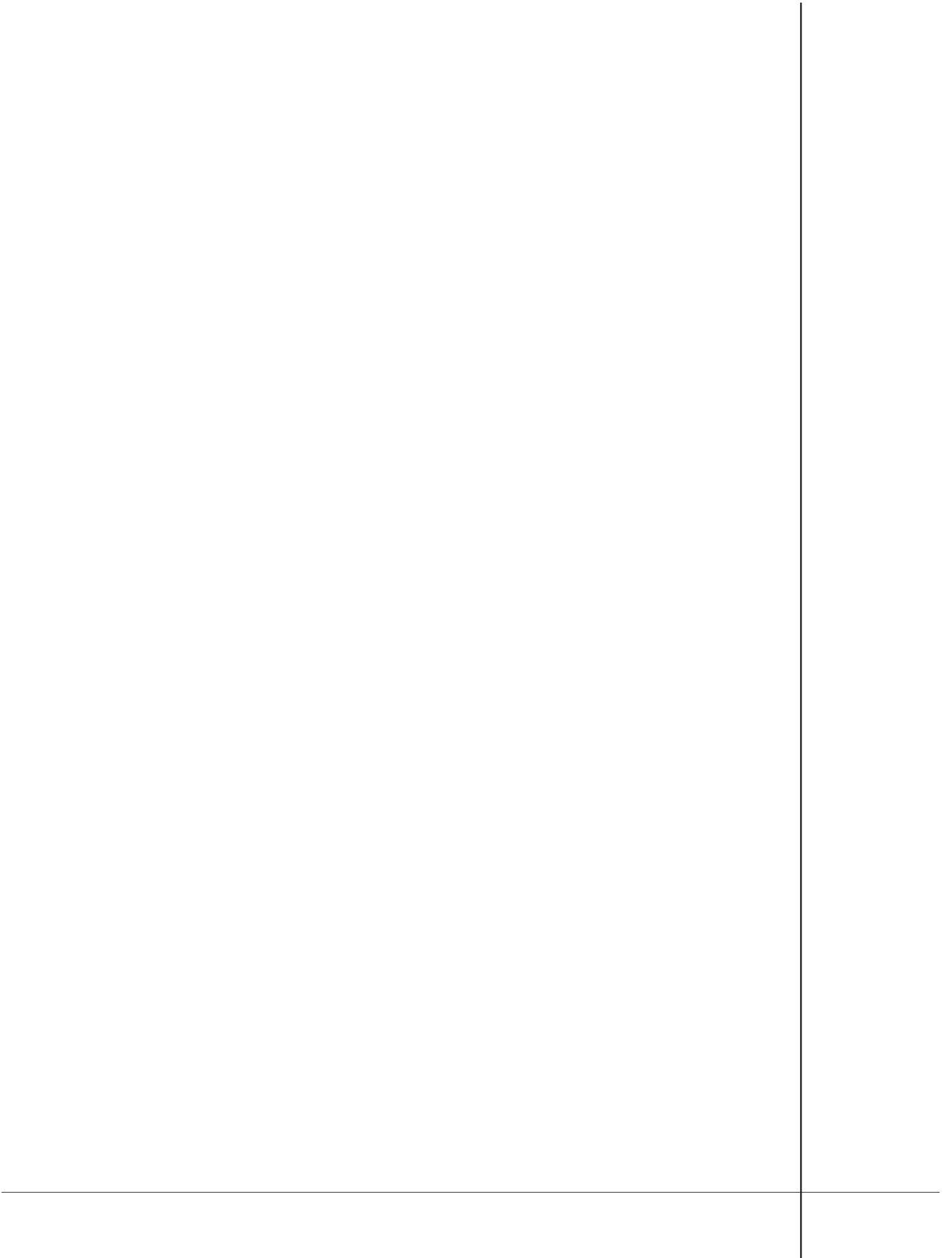
Court Agrees With FinCEN That SARs And Documents That Would Disclose Existence Of A SAR Are Absolutely Privileged From Discovery In Civil Litigation

The previous issue of *The SAR Activity Review* discussed cases finding that Section 5318(g)(2) of the BSA and its implementing regulations prohibit the disclosure of a SAR in civil litigation. In a recent case, a magistrate judge in Chicago determined that these regulations protect not only the SAR itself, but also documents that would disclose that a SAR had been prepared and filed. Cotton v. Privatebank, ___ F.Supp.2d ___ (N.D. Ill. 2002), available at 2002 U.S. Dist. LEXIS 22155.

In Cotton, the principal of an entity that had established a trust to pay a structured settlement to a personal injury victim converted the funds. The victim sued the bank that had originally been the settlement fund trustee, as well as the broker-dealer at which the account was held during the period. (The converter pled guilty three years prior to this decision). The bank sought discovery from the broker-

dealer to prove that the broker-dealer knowingly permitted improper withdrawals from the account, including documents relating to an internal investigation, and any SAR and documents referring to the SAR. The broker-dealer (an affiliate of a bank holding company and thus, subject to the SAR requirement) resisted discovery, citing the BSA, and notified FinCEN of the demand. In response to a motion to compel by the bank, FinCEN wrote to the magistrate-judge explaining the legal and policy bases that should lead the court to deny the motion. The magistrate-judge agreed, finding that the regulations issued by FinCEN and the federal bank regulators establish an absolute privilege, even if the discovery is necessary to raise an affirmative defense. He further found that the regulations were valid. Finally, he found that the regulations require the withholding of any documents that discuss whether a SAR has been prepared or filed, as opposed to underlying factual documents, which are not privileged.

Remember, an institution that finds itself in the position of receiving a request for disclosure of a SAR as part of discovery in civil litigation should notify the court of the prohibition from disclosure and, also, pursuant to the regulations of the federal financial institution supervisory agencies, notify its federal supervisor, or if it has no such supervisor, notify FinCEN that such a demand has been made.



Section 8 - Industry Forum

In each issue of the *SAR Activity Review*, representatives from the financial services industry offer insights into some aspect of compliance management or fraud prevention that presents their view of how they implement the BSA within their institution. Although the Industry Forum Section provides an opportunity for the industry to share its views, the information provided in it may not represent the official position of the regulators. In this issue, the American Bankers Association (ABA) offers their "Check Fraud Loss Report" from the second quarter of 2002. For more information, please contact John Byrne, ABA Senior Counsel and Compliance Manager, at jbyrne@asa.com.

TOP FIVE LOSS CATEGORIES (by Number of Accounts)

1. Forged maker's signature (2)
2. Counterfeit (1)
3. NSF's (4)
4. Return losses excluding closed accounts, NSF's, stop payments, refer to maker, government reclamations, and uncollectable funds (other return loss reasons) (3)
5. Closed accounts (5)

*Last quarter's rank in parentheses

HIGHLIGHTS:

- In the second quarter, check-related losses averaged \$1.02 per transaction account. This is an 11 percent decrease from the previous quarter and a year ago (both at \$1.14 per transaction account). Losses decreased 22.5 percent in the West region, 7.8 percent in the Southwest region, 4.5 percent in Central region, and 0.3 percent in the Southeast region. There was a 5.6 percent increase in losses in the Northeast region.

- The West had the highest losses per transaction account (at \$1.19), followed by the Southwest (at \$1.02), Southeast (at \$0.99), Central (at \$0.99), and the Northeast (at \$0.80).
- Overall, forged makers signature became the number one loss category, followed by counterfeits, NSF's, other return loss reasons, and closed accounts. By region, the top loss categories were forged makers signature in the Northeast, Southeast, and Southwest regions, and counterfeit in the Central and West regions.
- Three check fraud loss categories showed an increase in losses this quarter. Government reclamations increased by 26.4 percent, followed by kiting (25.4% increase) and forged maker's signature (10.6% increase). Other return loss reasons decreased the most, down 30.1 percent, followed by stop payments (down 25.9%), NSF's (down 20.7%), and closed accounts (down 18.1%).
- Compared to the same period last year, losses decreased in most categories. Only two categories showed an increase from the previous year, closed accounts (increased by 3.5%) and forged makers' signature (increased by 2.3%). By contrast, kiting decreased 65.5 percent and other return loss reasons decreased 53.7 percent.
- Nationally, losses per case averaged \$1,405, lower than \$1,503 in the previous quarter, but higher than the \$1,169 a year ago. Losses per case averaged \$2,822 in the Northeast, \$1,444 in the Central region, \$1,271 in the West, \$1,183 in the Southeast, and \$1,150 in the Southwest.
- New account losses decreased in the second quarter to \$0.26 per transaction account or \$7.32 per new account (\$0.27 and \$8.15, respectively, in the first quarter). By region, new account losses increased in the Northeast and Southeast, but decreased in the Central, Southwest and West regions. New account losses were 25.4 percent of total losses in second quarter, higher than the 23.6 percent in the first quarter.
- Losses from identity fraud increased to \$0.05 per transaction account in the second quarter, compared to \$0.03 in the first quarter.

Appendix 1

Characterization of Suspicious Activity by
States and Territories by Year

Violations by State by Year
For the Period April 1, 1996 through October 31, 2002

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Alabama																			
1996	77	0	46	38	7	0	8	19	1	1	9	1	23	8	9	2	25	2	27
1997	89	1	68	44	14	0	17	51	0	1	20	1	52	17	20	7	53	2	38
1998	93	1	71	46	14	0	18	24	2	1	19	3	47	14	21	1	48	1	49
1999	91	0	121	63	9	0	10	32	9	2	26	2	61	10	27	3	33	4	70
2000	179	2	162	92	15	2	18	47	2	2	25	4	77	37	45	6	33	4	114
2001	315	1	267	95	20	4	21	105	3	3	46	11	88	27	46	11	32	3	195
2002	267	4	245	85	12	4	24	84	2	4	28	15	68	23	32	9	29	18	153
TOTAL	1,111	9	980	463	91	10	116	362	19	14	173	37	416	136	200	39	253	34	646
Alaska																			
1996	39	0	9	5	0	0	0	2	0	0	0	1	2	0	3	0	3	0	4
1997	36	0	6	2	1	0	1	2	0	0	0	0	7	0	1	0	4	0	4
1998	95	0	6	6	0	0	0	2	0	1	1	1	3	2	6	0	3	2	10
1999	119	0	8	6	0	0	0	1	0	2	4	0	4	2	0	0	2	1	12
2000	285	0	16	11	2	0	4	2	0	4	5	2	6	4	1	1	5	3	24
2001	233	0	11	1	0	2	3	5	0	1	7	0	8	3	1	0	2	6	26
2002	272	0	22	8	0	0	0	9	0	1	2	1	13	10	11	0	3	5	46
TOTAL	1,079	0	78	39	3	2	8	23	0	9	19	5	43	21	23	1	22	17	126

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
American Samoa																			
1996	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1
2000	2	0	1	0	0	0	0	0	0	0	0	0	2	0	1	0	1	0	6
2001	0	0	1	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
2002	2	1	1	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	2
TOTAL	4	1	3	0	0	0	0	1	0	0	0	0	15	0	2	1	1	0	9
Arizona																			
1996	361	0	187	71	3	0	87	38	12	4	212	7	82	73	13	9	8	2	53
1997	598	0	290	57	4	0	59	141	241	13	1,232	27	162	55	28	10	6	5	84
1998	955	0	317	52	2	0	20	179	51	11	559	23	102	23	32	10	13	8	136
1999	1,526	0	268	51	8	0	30	206	1	3	191	22	83	30	45	30	7	6	138
2000	1,726	0	435	102	6	0	22	213	23	7	798	43	130	59	38	51	16	13	479
2001	2,317	3	643	82	12	3	44	245	9	4	432	39	191	80	66	72	28	17	472
2002	4,531	3	647	104	12	2	60	162	81	8	2,806	23	125	61	42	55	9	163	928
TOTAL	12,014	6	2,787	519	47	5	322	1,184	418	50	6,230	184	875	381	264	237	87	214	2,290

State/Territory	Violation																			
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
Arkansas																				
1996	44	0	22	19	6	0	3	4	0	1	4	0	23	6	21	0	26	6	23	
1997	95	2	47	37	28	0	11	7	0	1	5	2	41	30	17	7	24	5	34	
1998	86	1	42	40	15	0	10	7	0	2	17	1	42	15	9	3	27	1	45	
1999	96	0	123	63	21	0	18	18	0	3	17	2	34	13	19	8	20	8	115	
2000	164	7	103	59	40	2	24	48	0	1	12	3	38	18	28	6	43	10	88	
2001	199	5	98	76	54	2	29	22	0	3	16	5	47	31	35	16	64	13	127	
2002	238	1	147	55	40	3	12	29	1	6	25	1	42	22	29	10	37	11	205	
TOTAL	922	16	582	349	204	7	107	135	1	17	96	14	267	135	158	50	241	54	637	
California																				
1996	5,241	12	2,438	278	58	0	281	767	17	13	78	25	767	512	112	682	61	35	536	
1997	9,202	13	2,960	480	115	0	488	1,237	24	25	203	85	1,223	564	185	1,025	166	65	906	
1998	13,498	13	3,114	479	104	0	402	1,331	22	29	274	97	1,276	440	171	759	215	61	1,245	
1999	16,513	12	3,037	347	170	0	570	923	34	39	413	184	1,026	639	169	599	122	102	1,017	
2000	32,139	27	4,034	482	156	10	782	1,516	122	59	637	239	1,049	813	219	638	135	114	1,110	
2001	39,067	35	5,313	812	141	51	1,390	1,979	197	101	788	190	1,064	616	246	1,074	153	202	2,468	
2002	39,110	69	4,719	844	109	25	744	1,950	46	52	325	175	794	580	229	1,314	103	223	2,694	
TOTAL	154,770	181	25,615	3,722	853	86	4,657	9,703	462	318	2,718	995	7,199	4,164	1,331	6,091	955	802	9,976	

State/Territory	Violation																		
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Colorado																			
1996	275	0	156	34	2	0	15	58	5	0	20	5	45	22	11	5	24	1	52
1997	420	2	283	71	7	0	17	56	4	8	40	7	52	19	21	4	33	7	163
1998	602	10	299	64	7	0	15	82	4	4	99	10	89	24	34	19	43	40	146
1999	832	0	245	108	9	0	18	83	12	2	110	19	70	26	23	18	34	3	114
2000	1,088	2	310	142	17	2	21	181	2	7	44	13	98	44	34	32	41	10	143
2001	1,817	5	469	169	21	15	53	219	8	11	47	22	142	73	50	57	62	21	346
2002	4,669	9	351	113	19	2	50	126	4	18	67	10	83	66	53	45	40	46	394
TOTAL	9,703	28	2,113	701	82	19	189	805	39	50	427	86	579	274	226	180	277	128	1,358
Connecticut																			
1996	149	0	60	30	5	0	9	12	0	1	2	0	26	6	11	4	15	1	56
1997	373	0	115	60	6	0	21	27	1	0	23	0	60	15	13	12	15	3	79
1998	480	0	114	55	7	0	31	45	1	9	20	5	46	34	15	16	24	7	74
1999	583	1	77	40	10	0	11	50	0	7	13	2	35	27	8	20	14	12	179
2000	868	0	164	43	9	0	9	66	3	10	23	7	34	18	12	20	32	9	85
2001	874	2	152	28	4	1	15	63	6	3	45	4	42	22	9	25	25	14	835
2002	1,228	1	212	48	69	3	15	108	3	7	32	13	64	48	23	13	31	23	2,015
TOTAL	4,555	4	894	304	110	4	111	371	14	37	158	31	307	170	91	110	156	69	3,323

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Delaware																			
1996	12	0	28	12	0	0	1	30	4	1	153	1	5	5	8	2	0	0	57
1997	45	0	132	80	0	0	1	136	12	18	811	3	13	11	10	1	1	6	210
1998	40	0	229	18	3	0	11	205	11	2	800	5	12	10	10	0	3	22	317
1999	170	1	253	23	5	0	34	290	15	6	795	5	23	10	8	0	6	54	211
2000	128	0	427	1,080	8	1	44	496	39	22	1,189	107	24	14	9	14	4	126	347
2001	123	1	651	933	2	4	132	420	52	14	1,675	16	24	21	9	145	5	35	669
2002	251	1	793	1,097	6	3	280	476	57	9	2,528	9	18	19	9	73	3	22	736
Total	769	3	2,513	3,243	24	8	503	2,053	190	72	7,951	146	119	90	63	235	22	265	2,547
District of Columbia																			
1996	53	0	35	12	0	0	6	10	0	2	0	2	14	3	2	1	5	1	8
1997	66	1	59	15	1	0	2	21	0	1	5	4	14	7	2	0	10	4	20
1998	80	0	69	9	3	0	6	21	1	3	2	3	39	6	2	0	7	6	23
1999	146	0	67	4	1	0	3	35	0	1	4	1	15	5	4	3	1	3	19
2000	242	0	70	11	4	0	11	47	3	3	1	8	39	11	11	11	6	6	51
2001	313	2	79	6	1	1	7	43	0	2	4	3	34	18	6	4	14	8	78
2002	311	0	102	10	3	0	2	40	2	3	23	4	29	8	7	6	11	11	110
TOTAL	1,211	3	481	67	13	1	37	217	6	15	39	25	184	58	34	25	54	39	309

State/Territory	Violation																		
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self-Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Federated States of Micronesia																			
1996	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
1997	0	0	1	1	0	0	0	0	0	0	0	0	2	0	0	0	0	0	2
1998	1	0	1	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	1
1999	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
2000	0	0	1	0	0	0	0	1	0	1	0	0	0	0	2	0	0	0	1
2001	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0
2002	0	0	0	1	0	1	1	0	0	0	1	0	0	1	1	0	2	0	1
TOTAL	1	0	3	2	0	1	1	1	0	1	1	0	4	2	6	0	2	0	5
Florida																			
1996	2,302	8	672	158	19	0	51	34	0	8	11	14	105	69	39	44	67	17	200
1997	4,149	8	925	235	25	0	126	148	3	18	55	18	198	112	59	58	88	26	368
1998	4,873	5	573	130	16	0	68	190	8	19	142	15	171	64	64	110	69	46	399
1999	5,077	10	677	173	33	0	93	458	8	15	245	20	210	102	82	358	82	26	517
2000	5,881	11	991	278	65	2	231	511	84	24	158	74	306	186	122	420	116	56	804
2001	7,487	10	1,351	277	71	16	117	497	131	89	222	61	274	155	70	416	92	106	842
2002	8,808	12	1,867	395	70	12	141	798	29	43	455	49	222	118	97	413	77	140	1,404
Total	38,577	64	7,056	1,646	299	30	827	2,636	263	216	1,288	251	1,486	806	533	1,819	591	417	4,534

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Georgia																			
1996	207	1	68	36	7	0	20	15	0	2	74	2	60	25	17	13	28	5	66
1997	473	3	262	100	18	0	30	123	5	8	193	8	96	53	46	37	77	11	122
1998	648	2	259	67	35	0	52	141	3	9	119	13	130	62	60	24	94	8	162
1999	926	0	286	86	23	0	60	241	4	11	164	11	115	86	57	70	91	13	147
2000	1,246	5	574	104	26	0	68	383	20	3	111	36	145	58	59	96	96	33	336
2001	1,363	8	834	156	27	18	104	537	31	12	230	24	143	38	65	103	63	40	516
2002	1,848	5	870	195	23	2	83	394	30	15	265	28	135	52	49	187	93	63	652
TOTAL	6,711	24	3,153	744	159	20	417	1,834	93	60	1,156	122	824	374	353	530	542	173	2,001
Guam																			
1996	5	0	5	0	1	0	0	0	0	0	0	0	1	2	1	0	0	1	6
1997	19	0	14	1	0	0	3	0	0	0	1	14	6	0	3	0	3	1	15
1998	29	0	8	3	0	0	0	0	0	0	0	1	2	1	2	0	1	1	11
1999	47	4	5	4	0	0	0	0	0	0	0	1	4	4	12	0	2	0	17
2000	39	1	9	7	1	0	0	0	0	1	0	0	6	3	6	0	0	0	10
2001	42	0	9	3	3	0	2	4	0	1	1	0	10	2	7	0	1	2	11
2002	63	0	15	0	0	0	1	2	0	0	1	0	9	3	7	0	0	0	16
TOTAL	244	5	65	18	5	0	6	6	0	2	3	16	38	15	38	0	7	5	86

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Hawaii																			
1996	224	0	44	6	2	0	0	10	0	1	2	1	24	6	4	1	5	1	62
1997	348	0	40	11	1	0	8	6	1	0	16	1	31	5	3	0	5	2	82
1998	369	1	39	4	0	0	0	21	3	0	16	3	17	4	3	0	3	2	91
1999	382	0	37	4	1	0	5	14	4	1	7	0	19	0	8	0	10	1	69
2000	579	5	31	13	3	0	6	15	2	1	13	1	25	3	8	4	6	1	49
2001	799	0	43	17	2	2	4	30	0	1	7	2	18	0	1	5	0	0	59
2002	634	1	38	8	1	3	7	24	4	2	6	1	10	5	3	8	5	7	251
TOTAL	3,335	7	272	63	10	5	30	120	14	6	67	9	144	23	30	18	34	14	663
Idaho																			
1996	11	0	17	7	1	0	1	4	0	0	1	0	7	2	1	3	1	0	3
1997	39	0	33	18	2	0	4	1	0	0	3	2	28	7	7	1	5	1	16
1998	42	0	19	12	3	0	3	7	1	0	4	0	15	3	6	3	2	0	10
1999	75	0	34	21	2	0	4	17	0	0	3	0	16	4	11	2	1	1	20
2000	274	0	35	24	0	1	4	6	0	1	2	1	19	8	3	6	6	1	13
2001	183	1	54	24	6	2	11	11	0	0	2	4	37	17	1	3	4	1	35
2002	143	0	43	18	2	0	14	22	0	2	4	0	15	15	4	3	1	4	28
TOTAL	767	1	235	124	16	3	41	68	1	3	19	7	137	56	33	21	20	8	125

State/Territory	Violation																			
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuities</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
<i>Illinois</i>																				
1996	279	6	290	102	32	0	21	41	0	8	14	4	96	28	39	35	62	6	115	
1997	670	9	809	242	61	0	61	121	19	16	98	27	244	85	75	46	118	21	287	
1998	720	9	774	213	55	0	51	164	6	5	103	16	211	91	86	57	123	17	295	
1999	1,109	13	1,026	206	65	0	96	339	4	21	140	26	277	55	112	80	157	35	268	
2000	1,635	7	941	233	93	6	160	492	20	81	104	34	380	106	110	176	130	42	466	
2001	2,058	7	1,195	289	94	37	75	442	28	168	114	44	400	126	144	183	90	115	542	
2002	3,704	6	1,569	267	120	60	80	480	9	162	208	44	307	117	211	108	100	306	889	
TOTAL	10,175	57	6,604	1,552	520	103	544	2,079	86	461	781	195	1,915	608	777	685	780	542	2,862	
<i>Indiana</i>																				
1996	148	2	58	35	8	0	12	4	1	5	5	1	56	19	10	0	26	2	62	
1997	277	0	98	50	12	0	20	18	2	0	29	7	98	26	17	4	41	6	102	
1998	379	0	113	71	16	0	39	26	1	1	7	5	104	19	34	10	34	3	145	
1999	462	2	198	68	14	0	33	103	0	4	18	7	104	24	34	6	72	2	141	
2000	551	3	206	82	27	0	31	107	0	0	21	11	115	43	50	31	74	7	135	
2001	687	5	282	80	21	5	36	129	2	6	27	5	120	39	58	32	83	26	163	
2002	1,056	5	293	99	26	1	66	100	2	9	11	10	74	49	30	36	56	39	204	
TOTAL	3,560	17	1,248	485	124	6	237	487	8	25	118	46	671	219	233	119	386	85	952	

State/Territory	Violation																		
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Mistake of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Iowa																			
1996	31	0	20	60	3	0	1	3	0	0	2	1	14	10	8	1	9	3	29
1997	96	0	35	59	23	0	14	6	1	1	20	12	25	29	9	2	10	7	71
1998	91	1	33	55	11	0	10	4	2	1	26	4	29	18	14	0	10	4	49
1999	169	0	43	45	21	0	9	15	2	1	15	7	27	21	10	3	17	7	60
2000	218	0	49	41	32	1	5	18	0	0	14	7	33	23	11	7	13	5	77
2001	245	1	105	62	27	7	17	42	3	0	40	3	49	36	32	7	27	8	228
2002	270	1	78	55	38	4	35	28	0	0	28	3	27	58	22	6	16	12	193
TOTAL	1,120	3	363	377	155	12	91	116	8	3	145	37	204	195	106	26	102	46	707
Kansas																			
1996	50	0	25	10	10	0	7	2	0	1	1	0	17	10	2	1	10	0	53
1997	73	1	44	20	18	0	13	9	1	1	17	0	31	21	11	4	21	3	48
1998	123	0	51	28	21	0	9	4	1	2	7	1	44	15	11	4	27	7	40
1999	159	0	100	54	19	0	10	26	0	4	15	4	55	18	20	7	36	2	87
2000	153	1	74	31	43	3	12	16	1	4	7	2	39	27	20	14	37	11	79
2001	259	2	109	66	41	6	21	41	1	5	24	9	53	38	27	33	52	9	121
2002	439	4	74	84	32	5	19	31	0	3	20	9	49	44	39	35	39	26	341
TOTAL	1,256	8	477	293	184	14	91	129	4	20	91	25	288	173	130	98	222	58	769

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Kentucky																			
1996	76	1	43	11	7	0	6	6	0	2	4	5	19	6	8	2	27	3	28
1997	104	1	78	27	20	0	23	5	0	1	6	4	59	9	27	1	26	3	63
1998	144	0	65	58	14	0	9	14	0	1	7	3	59	15	19	1	16	9	58
1999	345	0	67	46	26	0	26	36	0	0	19	5	55	39	26	7	28	2	101
2000	362	2	95	50	18	0	26	29	0	3	5	5	54	25	36	4	20	4	140
2001	571	2	130	135	29	9	24	63	1	5	32	22	77	38	43	17	40	14	144
2002	687	4	224	109	40	6	23	59	4	2	78	16	57	24	37	9	40	25	253
TOTAL	2,289	10	702	436	154	15	137	212	5	14	151	60	380	156	196	41	197	60	787
Louisiana																			
1996	154	1	64	59	8	0	6	13	0	0	8	4	41	11	11	10	26	3	56
1997	157	12	105	76	25	0	26	13	0	3	34	4	80	34	38	0	33	7	51
1998	193	0	99	80	9	0	17	77	1	2	21	6	76	23	36	5	29	3	85
1999	297	0	180	94	23	0	17	71	0	3	28	3	73	45	43	3	28	12	99
2000	1,163	0	228	99	22	1	48	92	1	4	28	2	116	40	63	11	55	6	109
2001	1,359	1	301	154	30	8	56	104	2	5	53	5	106	23	40	10	47	11	121
2002	1,509	8	257	149	19	2	41	62	3	6	34	8	78	20	28	9	20	28	242
TOTAL	4,832	22	1,234	711	136	11	211	432	7	23	206	32	570	196	259	48	238	70	763

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Maine																			
1996	28	0	11	31	3	0	8	5	0	0	3	1	3	5	1	0	4	2	15
1997	57	0	39	40	5	0	7	4	0	1	5	4	2	9	5	2	5	3	22
1998	63	1	53	20	1	0	3	9	2	0	4	4	8	4	7	2	11	3	9
1999	66	0	29	30	6	0	3	10	1	1	9	6	16	4	8	1	14	9	19
2000	108	0	34	33	6	0	3	13	0	0	5	0	9	9	7	3	13	1	12
2001	100	2	60	45	4	1	11	14	0	5	12	7	11	4	12	1	11	8	42
2002	164	0	66	27	1	0	13	25	0	0	4	11	11	8	6	1	6	2	53
Total	586	3	292	226	26	1	48	80	3	7	42	33	60	43	46	10	64	28	172
Marshall Islands																			
1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0	0	0	0	2	0	1	0	0	0	0
2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	1	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
TOTAL	1	0	1	0	0	0	0	0	0	0	0	0	4	0	1	0	0	0	0

State/Territory	Violation																			
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
Maryland																				
1996	235	0	121	37	9	0	10	11	0	2	10	1	55	19	10	15	23	6	40	
1997	386	1	172	44	15	0	11	28	0	2	44	7	90	45	17	47	24	5	79	
1998	600	0	143	51	9	0	18	55	0	7	57	10	107	37	21	48	29	6	94	
1999	813	0	142	38	4	0	13	110	0	1	39	5	86	18	14	156	48	4	92	
2000	893	0	291	63	9	0	20	193	3	2	26	17	138	49	27	290	54	8	160	
2001	982	2	301	64	6	3	22	143	4	3	33	18	116	36	46	245	55	25	268	
2002	1,302	6	345	70	77	4	24	203	2	4	25	19	87	33	16	322	45	15	488	
TOTAL	5,211	9	1,515	367	129	7	118	743	9	21	234	77	679	237	151	1,123	278	69	1,221	
Massachusetts																				
1996	384	1	34	22	5	0	11	26	0	0	3	4	36	15	7	6	8	3	85	
1997	760	2	223	65	12	0	16	41	0	3	26	6	98	34	39	22	19	13	92	
1998	971	0	364	67	17	0	11	67	1	3	26	4	75	31	20	11	22	20	153	
1999	1,681	2	316	69	19	0	15	89	7	7	33	14	76	30	28	9	24	22	105	
2000	1,794	0	367	43	13	5	16	144	3	2	21	21	67	61	27	25	38	33	193	
2001	1,422	2	579	61	23	4	38	118	6	5	31	15	103	86	37	27	33	29	276	
2002	2,410	14	721	40	19	7	20	174	4	5	9	17	137	53	42	24	59	40	491	
TOTAL	9,422	21	2,604	367	108	16	127	659	21	25	149	81	592	310	200	124	203	160	1,395	

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Michigan																			
1996	206	3	195	119	10	0	33	41	2	8	8	10	108	25	28	5	55	3	130
1997	306	4	361	254	44	0	48	174	2	4	48	41	236	67	71	9	91	9	177
1998	274	7	365	225	36	0	42	308	2	4	83	23	254	86	92	12	100	5	183
1999	668	0	581	144	20	0	71	412	3	7	183	44	244	108	96	47	92	9	383
2000	1,033	2	773	172	50	1	84	447	10	9	45	58	283	199	111	412	111	22	345
2001	1,950	3	843	188	41	10	65	423	9	12	99	74	232	185	72	440	92	21	306
2002	2,149	5	857	230	39	19	63	260	6	14	78	37	251	159	60	293	80	39	456
TOTAL	6,586	24	3,975	1,332	240	30	406	2,065	34	58	544	287	1,608	829	530	1,223	621	108	1,980
Minnesota																			
1996	562	1	130	29	2	0	5	9	0	0	3	6	32	15	22	2	22	2	44
1997	1,455	0	326	76	25	0	6	31	1	3	6	22	46	38	35	8	41	9	205
1998	1,181	2	560	87	25	0	15	71	2	4	17	22	68	31	30	0	29	5	130
1999	1,179	1	719	137	19	0	27	119	1	6	16	60	96	30	41	12	28	3	78
2000	1,588	8	578	116	41	0	33	156	2	8	26	54	92	45	75	11	60	11	100
2001	1,421	6	709	182	21	11	33	209	3	2	39	75	127	66	89	21	53	25	311
2002	2,316	6	378	108	43	2	24	103	0	3	31	12	103	119	35	25	26	35	504
TOTAL	9,702	24	3,400	735	176	13	143	648	9	26	138	251	564	344	327	79	259	90	1,372

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Mississippi																			
1996	23	0	17	31	3	0	5	4	0	0	0	1	25	5	18	1	6	2	10
1997	55	1	45	53	8	0	6	4	0	0	13	1	42	16	20	3	10	0	23
1998	56	1	35	51	6	0	4	7	1	0	7	3	20	5	11	0	8	1	28
1999	69	1	42	35	15	0	9	14	0	1	5	3	55	37	39	3	13	2	29
2000	277	1	58	41	18	0	17	11	1	3	9	3	48	37	39	5	12	3	64
2001	337	1	66	55	31	5	22	32	0	1	16	1	50	38	32	5	16	3	74
2002	353	2	63	37	18	1	17	17	1	2	2	2	45	10	31	8	18	5	59
TOTAL	833	7	326	303	99	6	80	89	3	7	52	14	285	148	190	25	83	16	287
Missouri																			
1996	130	0	107	34	13	0	8	11	0	4	18	2	44	28	20	7	35	2	43
1997	178	0	264	57	43	0	20	39	8	3	61	16	84	49	33	41	63	11	94
1998	214	0	324	43	42	0	15	50	7	3	34	14	117	45	36	46	66	5	147
1999	237	1	273	82	35	0	16	116	7	2	35	15	129	43	52	38	62	8	135
2000	403	4	250	84	62	1	50	98	5	8	38	13	149	103	61	93	80	10	295
2001	651	2	424	140	54	8	165	181	10	5	46	40	137	125	61	178	101	49	377
2002	894	4	319	116	51	3	77	109	2	6	27	20	78	103	36	149	67	38	345
TOTAL	2,707	12	1,961	556	300	12	351	604	39	31	259	120	738	496	299	552	474	123	1,436

State/Territory	Violation																		
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Montana																			
1996	22	0	2	8	1	0	1	1	0	0	0	0	4	2	7	2	3	0	10
1997	39	0	8	13	4	0	6	4	1	0	2	3	13	5	5	1	5	2	15
1998	48	0	8	6	3	0	3	5	0	1	0	2	11	4	4	1	3	1	15
1999	72	0	22	8	1	0	4	9	0	0	1	0	12	3	1	0	6	0	23
2000	124	0	23	20	1	0	3	21	0	1	0	0	11	5	2	2	5	3	17
2001	120	0	34	24	3	2	6	21	0	3	3	1	21	9	13	0	7	1	38
2002	84	0	17	17	6	0	8	17	0	3	0	0	17	7	4	2	8	5	40
TOTAL	509	0	114	96	19	2	31	78	1	8	6	6	89	35	36	8	37	12	158
Nebraska																			
1996	53	2	28	6	1	0	3	4	0	2	0	0	12	5	4	0	3	0	19
1997	52	0	40	18	12	0	8	7	1	0	18	3	32	24	14	3	11	4	38
1998	114	0	50	22	9	0	11	7	5	0	23	2	18	23	8	4	9	3	40
1999	147	2	73	25	18	0	9	11	0	1	21	1	25	19	8	4	14	3	29
2000	294	1	110	55	14	0	16	12	0	0	9	5	42	19	25	4	16	3	49
2001	375	1	117	74	19	11	17	30	5	5	7	3	33	20	21	10	10	5	102
2002	569	7	109	44	26	1,044	15	48	2	6	536	32	23	105	26	6	16	872	275
TOTAL	1,604	13	527	244	99	1,055	79	119	13	14	614	46	185	215	106	31	79	889	552

State/Territory	Violation																			
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
Nevada																				
1996	322	0	93	51	2	0	18	7	0	1	11	1	38	31	8	27	4	2	18	
1997	619	0	183	67	5	0	417	52	2	4	11	5	63	27	13	12	5	7	66	
1998	718	2	223	54	6	0	711	92	1	3	27	4	68	27	12	1	5	3	80	
1999	867	0	275	50	16	0	446	157	5	8	47	10	66	25	20	14	13	4	97	
2000	1,252	1	347	185	12	0	536	194	9	6	231	29	94	22	17	46	26	6	112	
2001	1,564	1	416	428	6	6	18	173	7	9	217	18	57	17	9	12	28	6	225	
2002	1,525	1	309	453	4	1	52	120	2	2	224	12	52	13	21	22	17	10	209	
TOTAL	6,867	5	1,846	1,288	51	7	2,198	795	26	33	768	79	438	162	100	134	98	38	807	
New Hampshire																				
1996	43	0	17	5	2	0	0	1	0	0	3	0	4	1	0	0	2	1	3	
1997	61	0	236	69	2	0	1	5	0	2	165	3	19	1	7	0	3	1	15	
1998	91	0	191	25	3	0	2	14	0	1	140	1	7	3	1	3	20	1	17	
1999	105	3	250	37	1	0	4	2	21	0	146	1	15	1	4	2	25	0	20	
2000	128	3	97	59	1	0	2	8	3	0	135	3	6	6	4	3	12	4	11	
2001	108	5	153	17	2	2	10	14	37	1	548	6	11	3	9	4	9	6	391	
2002	197	1	117	15	1	0	3	15	3	1	336	7	15	9	6	1	4	1	312	
TOTAL	733	12	1,061	227	12	2	22	59	64	5	1,473	21	77	34	31	13	75	14	769	

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
<i>New Jersey</i>																			
1996	343	1	174	20	4	0	9	36	1	1	3	5	71	24	18	13	41	7	149
1997	593	1	284	49	9	0	14	123	3	3	44	12	117	51	38	91	42	11	232
1998	1,058	1	317	68	25	0	22	134	2	9	35	10	144	31	22	226	76	9	275
1999	1,837	2	352	73	18	0	40	147	3	9	66	10	140	86	34	531	56	15	158
2000	2,388	0	669	88	14	2	38	197	26	8	68	22	225	53	42	104	73	26	336
2001	2,641	1	999	92	21	1	99	194	59	55	93	209	218	54	41	88	82	103	557
2002	3,949	10	836	175	44	2	79	334	2	15	86	31	193	70	46	75	73	108	600
TOTAL	12,809	16	3,631	565	135	5	301	1,165	96	100	395	299	1,108	369	241	1,128	443	279	2,307
<i>New Mexico</i>																			
1996	75	0	35	9	1	0	4	10	0	0	2	2	29	7	11	3	14	0	25
1997	72	0	66	12	2	0	0	9	0	1	5	2	23	3	5	0	13	2	33
1998	128	1	45	27	1	0	0	9	1	0	2	3	30	4	11	0	21	3	14
1999	145	0	45	20	13	0	5	13	0	2	2	2	19	6	11	2	9	1	38
2000	172	1	53	15	1	1	12	16	2	0	5	1	24	9	13	2	11	2	43
2001	235	1	62	32	5	0	16	17	0	1	11	5	36	12	13	3	22	4	67
2002	461	4	98	42	10	1	6	25	0	3	5	2	22	9	9	10	10	22	84
TOTAL	1,288	7	404	157	33	2	43	99	3	7	32	17	183	50	73	20	100	34	304

State/Territory	Violation																			
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
<i>New York</i>																				
1996	2,448	17	578	201	39	0	33	199	5	24	23	17	174	53	41	22	61	23	601	
1997	5,667	23	1,267	323	115	0	61	631	9	72	173	32	377	211	108	80	114	128	946	
1998	7,971	13	1,474	365	106	0	70	966	4	70	124	22	301	220	91	41	118	136	1,297	
1999	11,251	17	1,837	306	150	0	109	926	64	75	271	31	327	164	104	68	101	150	1,156	
2000	13,751	21	1,892	288	105	5	153	950	41	94	216	43	288	137	80	170	91	182	1,192	
2001	15,910	47	2,761	247	93	30	292	1,221	73	104	257	43	280	171	83	215	92	223	1,808	
2002	18,009	43	2,031	226	121	11	161	1,242	40	106	365	49	338	173	102	205	94	356	2,245	
TOTAL	75,007	181	11,840	1,956	729	46	879	6,135	236	545	1,429	237	2,085	1,129	609	801	671	1,198	9,245	
<i>North Carolina</i>																				
1996	317	1	113	69	3	0	8	22	0	3	78	0	57	16	23	3	32	5	75	
1997	610	4	274	153	20	0	58	135	8	4	79	13	99	52	65	29	76	13	136	
1998	831	1	273	146	18	0	49	173	5	6	176	31	123	52	52	27	96	12	188	
1999	898	0	358	184	31	0	86	252	2	8	167	31	134	56	95	23	60	23	212	
2000	1,216	2	404	204	26	0	124	262	0	8	56	7	139	64	83	143	78	25	252	
2001	954	2	379	157	27	7	123	148	4	10	63	25	141	82	72	116	47	25	457	
2002	1,149	13	373	274	27	4	119	205	3	7	16	12	122	55	57	126	44	41	449	
TOTAL	5,975	23	2,174	1,187	152	11	567	1,197	22	46	635	119	815	377	447	467	433	144	1,769	

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Grauity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
North Dakota																			
1996	5	0	6	2	3	0	4	0	0	0	1	0	1	3	2	0	1	0	3
1997	148	1	23	9	9	0	3	0	0	0	3	2	6	4	5	0	1	0	13
1998	147	1	16	15	15	0	4	1	0	1	2	0	7	11	3	0	1	1	9
1999	45	0	16	11	12	0	7	3	0	0	2	1	5	9	2	2	4	1	25
2000	74	0	12	22	17	0	4	11	0	2	64	1	4	7	10	3	3	2	13
2001	44	0	17	25	8	4	2	4	1	3	42	0	9	4	10	1	4	2	46
2002	49	0	21	21	9	0	2	4	0	0	50	1	5	9	6	0	2	3	49
TOTAL	512	2	111	105	73	4	26	23	1	6	164	5	37	47	38	6	16	9	158
Northern Mariana Islands																			
1996	14	0	2	1	0	0	0	0	0	0	0	0	1	1	0	0	0	0	4
1997	1	0	1	2	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1
1998	3	0	4	2	0	0	0	0	0	0	0	0	1	0	1	0	0	0	4
1999	18	0	4	4	0	0	0	0	0	0	1	1	1	1	1	0	2	1	2
2000	51	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	2	2
2001	33	0	2	1	0	0	0	0	0	0	0	0	1	0	2	0	0	0	1
2002	57	0	4	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	3
TOTAL	177	0	17	10	0	0	0	0	0	0	1	2	7	5	4	0	2	3	17

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Ohio																			
1996	179	1	122	79	10	0	21	20	0	5	13	6	102	16	28	5	31	3	85
1997	379	1	318	232	17	0	66	59	8	8	199	20	201	25	51	6	77	6	185
1998	754	2	329	213	18	0	87	132	7	3	120	25	217	41	73	21	89	7	209
1999	639	10	399	262	29	0	106	212	4	7	151	22	217	69	99	53	98	16	210
2000	969	1	551	453	59	3	106	297	102	10	259	32	253	69	107	93	118	20	254
2001	1,393	6	594	342	86	16	124	274	157	15	446	22	219	115	124	417	123	57	435
2002	2,015	10	852	288	92	8	202	366	78	20	168	37	171	67	86	171	131	119	483
TOTAL	5,728	31	3,165	1,869	311	27	712	1,360	356	68	1,356	164	1,380	402	568	766	667	228	1,861
Oklahoma																			
1996	124	0	23	73	12	0	2	6	1	4	0	0	22	8	9	0	9	1	31
1997	211	3	59	63	28	0	11	16	1	4	8	5	41	21	15	0	19	2	54
1998	174	0	81	54	36	0	7	14	0	4	13	4	48	14	17	2	14	16	65
1999	247	0	138	61	34	0	33	38	0	4	11	11	72	40	18	6	16	6	84
2000	293	1	140	65	31	1	16	45	1	6	28	8	85	32	39	6	31	3	129
2001	329	2	125	59	22	5	12	42	0	2	29	6	75	32	15	15	31	14	140
2002	411	6	119	50	47	2	18	47	0	5	11	2	54	33	28	14	38	29	258
TOTAL	1,789	12	685	425	210	8	99	208	3	29	100	36	397	180	141	43	158	71	761

State/Territory	Violation																		
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self-Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
<i>Oregon</i>																			
1996	178	1	133	22	2	0	17	26	1	1	1	4	49	12	9	3	9	1	28
1997	360	0	298	96	6	0	26	65	3	2	23	28	104	36	21	8	17	1	115
1998	451	0	281	81	5	0	10	160	1	1	19	20	66	15	9	6	5	10	79
1999	615	1	375	101	12	0	20	435	2	2	80	14	79	42	15	9	13	7	108
2000	1,542	1	397	94	12	1	14	150	1	3	39	16	83	34	19	18	10	11	73
2001	1,354	4	513	125	9	10	54	144	7	1	31	24	58	46	14	18	27	19	177
2002	715	1	328	154	8	0	45	113	1	4	23	12	56	22	24	20	5	18	211
TOTAL	5,215	8	2,325	673	54	11	186	1,093	16	14	216	118	495	207	111	82	86	67	791
<i>Overseas</i>																			
1996	9	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1
1997	34	0	3	1	0	0	0	1	0	0	4	0	1	0	0	0	0	1	2
1998	1	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	2
1999	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000	7	0	3	0	1	0	0	1	0	0	1	2	1	0	0	0	1	3	9
2001	4	0	5	1	2	0	0	3	1	0	0	1	0	2	0	0	0	2	6
2002	1	2	1	0	1	0	1	0	0	0	0	0	0	2	3	0	0	0	7
TOTAL	58	2	13	2	5	0	1	6	1	0	5	3	3	4	4	0	1	6	27

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
<i>Pennsylvania</i>																			
1996	459	1	164	67	4	0	25	62	0	3	11	10	54	24	16	10	34	10	98
1997	952	5	496	124	23	0	34	236	4	4	72	24	142	59	59	20	83	24	212
1998	975	1	393	110	27	0	36	201	1	4	44	16	114	38	41	35	45	17	258
1999	1,740	0	475	122	24	0	53	192	14	9	59	23	128	39	43	47	50	17	241
2000	1,605	2	528	149	29	1	76	219	5	6	47	43	221	64	53	80	70	9	261
2001	1,995	4	632	206	34	25	58	230	8	13	105	39	227	75	83	64	68	38	439
2002	2,790	12	807	197	42	14	52	379	23	19	95	58	190	69	66	125	72	80	595
TOTAL	10,516	25	3,495	975	183	40	334	1,519	55	58	433	213	1,076	368	361	381	422	195	2,104
<i>Puerto Rico</i>																			
1996	95	1	4	1	3	0	8	2	2	2	2	0	10	6	13	2	5	1	9
1997	475	0	21	8	6	0	4	3	0	3	15	3	13	7	15	0	7	4	11
1998	348	2	20	8	0	0	13	6	0	0	13	6	15	5	14	0	4	3	44
1999	234	0	23	7	0	0	2	4	0	1	12	4	15	14	3	1	2	2	23
2000	629	7	161	33	6	1	25	10	2	0	72	39	27	33	14	5	7	6	59
2001	983	2	66	22	1	2	9	5	2	1	31	26	17	16	14	1	6	5	51
2002	1,082	3	122	58	4	3	13	7	4	0	20	9	19	26	25	7	13	5	67
TOTAL	3,846	15	417	137	20	6	74	37	10	7	165	87	116	107	98	16	44	26	264

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Rhode Island																			
1996	70	0	23	6	2	0	2	3	0	0	3	1	4	5	1	0	7	0	10
1997	127	0	51	14	3	0	10	22	0	2	30	1	3	9	1	2	7	0	22
1998	136	0	48	16	2	0	15	18	0	0	8	2	6	8	4	4	5	0	19
1999	255	0	55	12	2	0	9	17	0	0	100	1	6	7	4	1	1	1	20
2000	281	0	82	19	0	1	3	20	1	2	28	7	26	4	8	5	9	0	22
2001	226	0	104	15	1	0	5	21	3	1	27	1	20	2	4	2	6	0	25
2002	480	1	121	7	4	0	9	20	1	0	158	6	18	5	6	4	18	1	25
TOTAL	1,575	1	484	89	14	1	53	121	5	5	354	19	83	40	28	18	53	2	143
South Carolina																			
1996	139	0	28	18	2	0	8	7	0	1	6	0	25	9	4	0	13	0	22
1997	229	1	75	33	10	0	16	21	0	2	13	3	61	18	23	12	37	3	52
1998	260	0	57	34	4	0	11	33	0	1	14	3	29	9	17	102	18	0	51
1999	304	3	64	32	1	0	10	43	1	1	18	3	50	13	27	31	36	4	60
2000	300	1	140	57	7	0	14	51	1	1	21	2	36	13	16	38	18	4	60
2001	357	0	141	58	13	0	16	55	1	5	35	9	59	21	22	26	33	8	105
2002	531	0	140	70	4	0	29	54	1	2	14	8	38	18	23	31	28	21	145
TOTAL	2,120	5	645	302	41	0	104	264	4	13	121	28	298	101	132	240	183	40	495

State/Territory	Violation																			
	<i>BSA Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
South Dakota																				
1996	8	0	5	3	3	0	2	1	3	3	258	0	5	3	2	0	6	1	4	
1997	58	0	19	11	6	0	2	0	2	0	308	0	10	6	3	0	5	1	15	
1998	81	1	33	78	12	0	2	8	1	1	292	3	10	14	14	0	6	1	21	
1999	72	2	301	18	6	0	4	10	86	2	125	2	18	9	16	0	8	0	25	
2000	81	0	32	26	13	0	6	6	46	1	29	0	12	9	2	0	11	3	22	
2001	117	1	54	40	4	1	5	14	68	8	109	0	21	14	7	1	12	4	58	
2002	88	0	885	47	19	0	13	26	452	0	1,269	2	44	20	12	0	8	6	1,097	
TOTAL	505	4	1,329	223	63	1	34	65	658	15	2,390	7	120	75	56	1	56	16	1,242	
Tennessee																				
1996	148	1	61	98	10	0	15	3	0	2	7	1	53	14	15	0	27	2	45	
1997	260	1	88	145	29	0	27	19	2	3	16	2	94	22	39	5	43	3	70	
1998	305	2	128	80	20	0	34	38	0	5	12	8	109	64	47	7	24	4	104	
1999	324	2	160	74	22	0	40	51	2	2	26	11	115	63	69	14	46	5	107	
2000	771	4	176	96	29	4	43	63	1	7	30	6	115	54	56	39	46	7	194	
2001	886	6	212	151	34	8	54	96	4	2	71	9	128	105	86	156	34	8	195	
2002	821	5	190	119	49	2	28	69	10	3	51	7	83	56	41	114	43	8	175	
TOTAL	3,515	21	1,015	763	193	14	241	339	19	24	213	44	697	378	353	335	263	37	890	

State/Territory	Violation																			
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Grauity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Mistuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
Texas																				
1996	1,863	2	426	115	31	0	46	127	0	9	36	13	168	87	53	21	119	25	345	
1997	2,724	2	632	216	68	0	67	128	3	36	136	24	322	111	103	41	127	36	433	
1998	3,770	3	675	249	68	0	101	286	6	17	137	9	323	112	89	29	123	30	489	
1999	4,840	11	507	259	74	0	276	315	5	25	171	27	341	133	132	72	121	45	486	
2000	6,342	10	980	314	100	3	369	460	34	25	144	45	382	146	161	218	202	57	590	
2001	8,497	6	1,416	515	112	39	332	667	38	25	223	64	378	191	175	222	147	103	1,085	
2002	8,863	22	1,548	587	98	18	351	601	12	36	153	30	347	172	215	261	112	124	1,332	
Total	36,899	56	6,184	2,255	551	60	1,542	2,584	98	173	1,000	212	2,261	952	928	864	951	420	4,760	
U.S. Virgin Islands																				
1996	0	0	1	0	0	0	0	0	0	0	0	0	1	1	2	0	0	0	0	
1997	5	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	
1998	7	0	0	0	0	0	0	1	0	0	0	0	2	0	0	0	0	1	0	
1999	4	0	1	5	0	0	0	0	0	0	3	0	2	0	0	0	1	0	0	
2000	19	0	0	0	0	0	1	0	0	1	0	0	3	1	3	0	0	0	0	
2001	45	0	3	1	1	0	0	0	0	0	3	0	2	0	1	0	0	0	5	
2002	49	0	3	0	0	0	0	1	0	0	4	0	0	0	0	0	0	0	4	
TOTAL	129	0	8	6	1	0	2	3	0	1	10	0	10	2	6	0	1	1	10	

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Utah																			
1996	27	0	29	16	1	0	12	3	0	1	121	0	15	7	8	0	1	0	22
1997	152	0	78	31	5	0	22	10	1	2	475	23	50	17	18	2	3	3	240
1998	312	1	69	28	2	0	15	12	0	0	449	10	58	21	19	65	10	9	368
1999	435	1	91	23	3	0	11	25	5	9	666	3	35	25	18	13	1	2	570
2000	630	0	148	50	8	0	13	45	7	5	1,203	44	39	83	23	33	13	6	1,147
2001	619	0	546	58	4	0	77	70	59	12	1,295	114	39	68	36	38	6	8	1,429
2002	655	0	596	138	14	1	227	51	61	2	1,246	41	39	25	48	37	8	20	1,479
TOTAL	2,830	2	1,557	344	37	1	377	216	133	31	5,455	235	275	246	170	188	42	48	5,255
Vermont																			
1996	14	0	11	9	0	0	1	0	0	0	0	0	4	4	2	0	1	1	4
1997	26	0	19	4	6	0	3	2	1	0	5	3	9	5	7	1	1	1	3
1998	16	0	11	3	3	0	2	0	1	0	7	0	4	2	5	0	6	0	6
1999	19	0	4	9	0	0	3	1	1	0	6	1	5	4	2	1	5	1	6
2000	30	0	7	11	0	0	1	5	0	0	1	2	3	2	2	0	0	1	8
2001	27	0	19	7	2	1	1	2	0	0	4	2	4	4	1	0	2	1	23
2002	55	0	15	4	1	0	1	9	1	0	4	1	9	0	7	1	2	3	22
TOTAL	187	0	86	47	12	1	12	19	4	0	27	9	38	21	26	3	17	8	72

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
Virginia																			
1996	109	1	76	38	10	0	16	13	1	0	35	2	45	14	19	10	28	5	53
1997	325	0	262	138	11	0	68	55	5	8	208	3	124	61	49	27	32	11	110
1998	500	6	204	106	11	0	35	120	9	6	182	7	141	58	47	51	52	16	116
1999	490	1	184	115	10	0	35	93	22	2	172	8	124	35	75	37	73	54	121
2000	569	4	323	139	6	0	61	188	30	7	181	43	172	40	102	63	53	10	182
2001	973	2	413	162	7	7	196	137	33	7	511	32	148	83	78	91	58	40	305
2002	1,067	4	412	118	11	3	196	185	52	10	208	24	118	57	75	66	46	31	430
TOTAL	4,033	18	1,874	816	66	10	607	791	152	40	1,497	119	872	348	445	345	342	167	1,317
Washington																			
1996	257	0	182	35	3	0	21	63	1	3	8	7	56	23	10	7	10	1	49
1997	636	1	481	114	7	0	48	147	4	1	33	62	134	45	20	19	9	6	95
1998	798	0	565	131	9	0	47	316	3	3	26	77	113	41	23	16	17	10	87
1999	1,194	1	935	126	9	0	46	545	1	0	34	27	92	63	18	22	19	56	113
2000	1,622	2	845	97	17	2	23	363	1	3	17	32	149	81	29	38	16	16	150
2001	1,602	3	882	158	9	2	58	342	26	6	37	66	131	86	43	52	19	15	244
2002	953	6	541	84	13	2	37	277	9	2	155	42	84	104	35	137	10	22	345
TOTAL	7,062	13	4,431	745	67	6	280	2,053	45	18	310	313	759	443	178	291	100	126	1,083

State/Territory	Violation																		
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>
West Virginia																			
1996	12	2	9	9	2	0	8	6	1	1	15	0	15	4	2	0	3	0	23
1997	25	4	16	22	6	0	8	0	3	0	4	2	24	1	10	0	5	1	37
1998	27	0	22	20	4	0	3	7	0	1	14	2	26	7	143	486	14	2	525
1999	31	0	22	15	5	0	4	4	1	0	4	2	28	10	222	488	9	0	581
2000	37	0	25	24	5	0	8	9	0	0	6	2	33	3	7	3	15	1	24
2001	55	0	12	7	2	1	9	10	0	0	6	2	10	1	1	0	6	2	28
2002	65	1	36	26	10	2	10	15	1	0	5	2	29	8	10	0	10	3	37
TOTAL	252	7	142	123	34	3	50	51	6	2	54	12	165	37	395	977	62	9	1,255
Wisconsin																			
1996	97	1	62	20	9	0	4	7	0	1	0	2	43	8	12	2	15	1	37
1997	203	1	95	49	16	0	6	17	1	2	7	6	70	16	21	10	30	2	55
1998	269	1	103	51	23	0	12	30	0	3	22	4	86	20	17	1	17	3	59
1999	301	0	107	55	9	0	15	57	0	4	25	8	90	8	26	10	21	5	77
2000	379	2	182	57	18	2	14	78	4	8	16	8	109	18	30	11	50	11	93
2001	431	1	222	101	30	4	30	74	1	10	40	10	116	45	34	14	49	15	189
2002	565	6	212	75	13	1	29	76	0	26	18	11	75	24	42	11	32	28	175
TOTAL	2,245	12	983	408	118	7	110	339	6	54	128	49	589	139	182	59	214	65	689

State/Territory	Violation																			
	<i>BSA/Structuring/Money Laundering</i>	<i>Bribery/Gratuity</i>	<i>Check Fraud</i>	<i>Check Kiting</i>	<i>Commercial Loan Fraud</i>	<i>Computer Intrusion</i>	<i>Consumer Loan Fraud</i>	<i>Counterfeit Check</i>	<i>Counterfeit Credit/Debit Card</i>	<i>Counterfeit Instrument (Other)</i>	<i>Credit Card Fraud</i>	<i>Debit Card Fraud</i>	<i>Defalcation/Embezzlement</i>	<i>False Statement</i>	<i>Misuse of Position or Self Dealing</i>	<i>Mortgage Loan Fraud</i>	<i>Mysterious Disappearance</i>	<i>Wire Transfer Fraud</i>	<i>Other</i>	
Wyoming																				
1996	5	0	3	1	1	0	1	0	0	0	0	0	6	1	1	0	0	0	0	2
1997	10	0	6	2	2	0	1	2	0	0	4	1	9	1	0	0	1	0	5	
1998	25	0	6	6	4	0	1	0	2	0	4	0	5	4	1	0	0	2	6	
1999	12	0	8	3	2	0	0	0	0	0	1	0	7	1	1	0	0	1	4	
2000	26	0	4	7	1	0	1	3	0	0	1	2	11	9	4	1	3	0	7	
2001	37	0	30	25	3	0	1	7	0	1	60	0	14	0	7	0	6	1	30	
2002	45	0	19	8	2	0	1	15	0	0	1	0	6	6	2	7	9	2	20	
TOTAL	160	0	76	52	15	0	6	27	2	1	71	3	58	22	16	8	19	6	74	