

REGULATORY ALERT

**NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314**

DATE: April 2008 NO: 08-RA-03

TO: All Federally-Insured Credit Unions

**SUBJ: Guidance on Filing Suspicious Activity
Reports Regarding the Proceeds of Foreign
Corruption**

Dear Board of Directors,

The Financial Crimes Enforcement Network (FinCEN) recently released guidance to financial institutions to better assist law enforcement in its efforts to target foreign corruption and related money laundering. This guidance addresses the filing of Suspicious Activity Reports (SARs) regarding financial transactions that may involve senior foreign political figures seeking to move the proceeds of foreign corruption to or through the U.S. financial system.

The term "senior foreign political figure" includes:

- A current or former senior official of a foreign government or of a major foreign political party;
- A current or former senior executive of a foreign government-owned commercial enterprise;
- A corporation, business, or other entity that has been formed by, or for the benefit of, any such individual;
- The immediate family members of any such individual; and
- The widely and publicly, or actually, known close associates of any such individual.

The term "proceeds of foreign corruption" means any asset or property that is acquired by, through, or on behalf of such corrupt public figures through:

- Misappropriation, theft or embezzlement of public funds;
- Unlawful conversion of property of a foreign government; or
- Acts of bribery or extortion.

The term includes any property into which any such assets have been transformed or converted.

In order to assist law enforcement in its efforts to target foreign corruption and related money laundering, FinCEN requests that credit unions include the term "foreign corruption" in the narrative portions of SARs filed in connection with this type of activity.

A complete copy of FIN-2008-G005 may be obtained at <http://www.fincen.gov/fin-2008-g005.pdf>.

If you have any questions regarding FIN-2008-R005, please contact your district examiner, regional office, or state supervisory authority.

Sincerely,

JoAnn Johnson
Chairman