

# REGULATORY ALERT

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

**DATE:** October 2008 **NO:** 08-RA-07  
**TO:** All Federally-Insured Credit Unions  
**SUBJECT:** The SAR Activity Review – Trends, Tips & Issues, Issue 14,  
October 2008

Dear Board of Directors:

The Financial Crimes Enforcement Network recently published the October 2008 issue of the *SAR Activity Review – Trends, Tips & Issues*. This publication provides information relating to activity reported on Suspicious Activity Reports (SARs). A brief description of the topics included in this issue follow.

- Section 2: Trends and Analysis – This section focuses on the use of Bank Secrecy Act (BSA) data by regulatory agencies. Officials from the states of Nebraska and Oklahoma, the Federal Deposit Insurance Corporation, and the Internal Revenue Service Small Business/Self Employed Division discuss how BSA data supports each agency’s regulatory mission.
- Section 3: Law Enforcement Cases – This section provides summaries of investigations where BSA data played an important role in the successful investigation and prosecution of criminal activity. Examples include money laundering cases related to mortgage-related ponzi, illegal internet pharmacy, medical fraud, tax fraud, securities conversion, and organized retail theft schemes.
- Section 4: Issues & Guidance – This section discusses current issues raised with regard to the preparation and filing of SARs.
  - Date of “Initial Detection” and the 30-Day SAR Clock – SAR reporting rules require a SAR be filed no later than 30 calendar days from the date of the initial detection of facts that may constitute a basis for filing a SAR.<sup>1</sup> The phrase “initial detection” should not be interpreted as meaning the moment a transaction is highlighted for review. The 30-day (or 60-day) period does not begin until an appropriate review is conducted and a determination is made that the transaction under review is “suspicious” within the

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<sup>1</sup>If no suspect can be identified, the time frame for filing a SAR is extended to 60 days.

meaning of the SAR regulations. Examples illustrating that the date of initial detection does not necessarily occur on the date of the transaction are provided.

- Section 5: Industry Forum – Representatives from the financial services industry offer insights into some aspect of compliance management or fraud prevention:
  - Implementation of FACT Act may warrant further analysis of identity theft – discusses how the implementation of the FACT Act requirements for an “Identity Theft Prevention program” may impact the filing of SARs and requests further review by FinCEN.

*The SAR Activity Review – Trends, Tips & Issues* is published by FinCEN on a periodic basis to provide meaningful information about the preparation, use and value of SARs filed by financial institutions. *The SAR Activity Review – Trends, Tips & Issues* may be found on FinCEN’s web site at:

[http://www.fincen.gov/news\\_room/rp/sar\\_tti.html](http://www.fincen.gov/news_room/rp/sar_tti.html).

Sincerely,

Michael E. Fryzel  
Chairman