



SAR Review Program

A National Perspective

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Internal Revenue Service

Criminal Investigation

SAR Review Teams 101

- Approximately 105 SAR Review Teams or Task Forces throughout the U.S.
- At least one in each federal judicial district
- Each team proactively reviews SARs for their Geographic Area
- Strongly supported at highest levels of government



Internal Revenue Service

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Typical SAR Team Comprised Of:

- IRS-CI
- ICE
- DEA
- FBI
- USSS
- United States Attorney's Office
- Various Other Federal Agencies
- Regulatory Agencies
- State & Local Law Enforcement

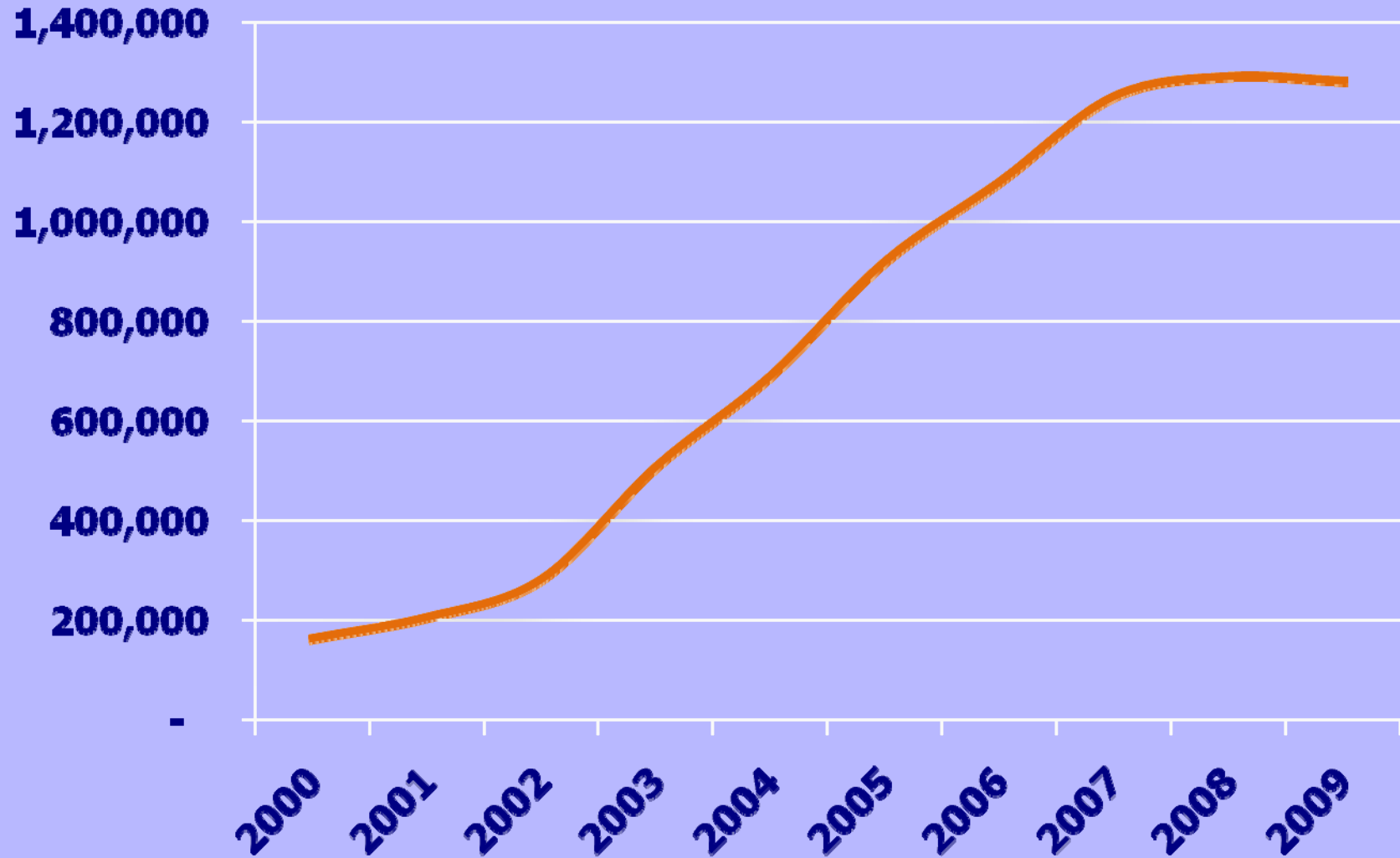
The typical SAR Review Team

- Meet at least monthly to identify SARs that merit further investigation.
- SARs are divided between L.E. agencies by jurisdiction or violation code.
- Supported by U.S. Attorneys Office

Suspicious Activity Reports

- The number of SARs filed has grown seven-fold over last 10 years.
- Law enforcement manpower & resources are challenged by this dramatic rise.

SARs Filed by Year



Suspicious Activity Reports

- A moderately-sized metropolitan area can receive 1,000 SARs each month.
- Large metropolitan areas may receive over 10,000 SARs per month.

SAR Task Force Concept

- Currently 25+ SAR Review task forces nationwide
- Full-time agents & officers focus solely on SARs everyday.
- Creating & supporting these SAR Review task forces is a priority at Department of Treasury.

SAR Task Force Concept

- Active SAR Task Forces are located in...
- Newark NJ
- Annandale VA
- Raleigh NC
- Charlotte NC
- Louisville KY
- And others...

How the Review Team or Task Force Operates

- All SARs are reviewed.
- SARs are selected for further investigation based on number of criteria.
- Bank is contacted for supporting documentation.

How the Review Team or Task Force Operates

- Work covertly initially...i.e. check law enforcement & public databases, interview bank personnel, surveillance, undercover ops, etc.
- Search warrants and/or civil seizure warrants used as investigative tools and/or preventative measures.

How the Review Team or Task Force Operates

- Ultimately may confront or interview the subject of the SAR.
- Agents & Task Force Officers are well aware of the SAR non-disclosure restrictions.

SARs filed by State (since 1997)

- 1 California 1,077,248 22.17%
- 2 New York 504,398 10.38%
- 3 Texas 300,114 6.18%
- 4 Florida 296,354 6.10%
- 5 Delaware 181,461 3.74%
- 6 Illinois 165,055 3.40%
- 7 New Jersey 148,401 3.05%
- 8 Ohio 136,718 2.81%
- 9 Pennsylvania 133,312 2.74%
- 12 North Carolina 107,162 2.21%
- 13 Virginia 99,092 2.04%
- 24 Maryland 56,932 1.17%
- 26 Indiana 47,298 .97%
- 34 Kentucky 27,271 .56%
- 42 District of Columbia 15,648 .32%
- 48 West Virginia 9,280 .19%

SARs by Category

April 1996 thru December 2009

Rank	Violation	Filings	Percentage
1	BSA/Structuring/Money Laundering	2,606,533	46.26%
2	Check Fraud	574,461	10.19%
3	Other	531,860	9.44%
4	Mortgage Loan Fraud	298,057	5.29%
5	Credit Card Fraud	265,656	4.71%
6	Counterfeit Check	250,627	4.45%
7	Check Kiting	202,421	3.59%
8	Identity Theft	175,789	3.12%
9	False Statement	174,520	3.10%
10	Consumer Loan Fraud	111,647	1.98%

Nearly half of SARs reveal a pattern of structuring

- Cash deposits and/or withdrawals on the same or consecutive days in amounts under the \$10,000 reporting threshold
- Structuring may be associated with all sorts of different criminal activities.
- Funds involved in structuring or money laundering are subject to seizure.

Structuring SARs

Anecdotal Evidence indicates:

- A large portion of these (more than 50%) are rooted in Tax Evasion.
- A significant number involve ignorance.
- Less than 10% involve another illegal activity.

Structuring Cases

- Banks should make appropriate use of the FinCEN "CTR Reference Guide." It is important to law enforcement that this is documented.
- Please consider contacting law enforcement before closing customer accounts.

Other SARs disclose illicit money transmitting operations

- Many crooks have fled traditional banks because of the BSA reporting requirements.
- It is believed only 20% of MSBs are legally registered and licensed.
- Characterized by odd patterns of deposits and withdrawals. May involve a consistent pattern of overseas wires, often to a single foreign account holder.

Beware of possible hawala or terrorist financing activity

- Large check or currency deposits followed by outgoing wires to geographically sensitive regions.
- Deposits made by individuals into bank accounts held by third parties
- Cash deposits followed by outgoing wires for suspicious purposes, i.e. donations to international "charity" or to purchase gold, etc
- Numerous checks paid to foreign names.

A host of other violations are reported on SARs

- There are dedicated federal task forces that look exclusively at:
 - Mortgage Fraud
 - Identity Theft
 - Healthcare Fraud
 - And more...

Helpful SAR tips:

- Remember your SAR may be competing for attention against hundreds or thousands of others.
- If your narrative is longer than a page, consider beginning the narrative with a concise summary paragraph.

Helpful SAR tips:


- No lengthy list of transactions; Be prepared to provide the comprehensive list.
- Use narrative to reference additional info, such as account-opening documents, signature cards, correspondence, customer file, etc.

Helpful SAR tips:

- Retain Video Surveillance Tapes or Transactional Photos
- Describe *other* account activity
- Describe history of customer and account...is this normal?

Helpful SAR tips:

- If emergency, call your local LE agent w/SAR info; Send copy to agent.
- In instances where you have filed multiple SARs, call your local LE agent to inquire about their interest, or lack thereof.



THE END

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