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## Introduction

Welcome to the eighth issue of *The SAR Activity Review – By the Numbers*, a compilation of numerical data gathered from Suspicious Activity Reports filed by depository institutions since April 1996, by casinos and card clubs since August 1996, by certain money services businesses since January 2002, and by certain segments of the securities and futures industries since January 2003. *By the Numbers* serves as a companion piece to the *SAR Activity Review - Trends, Tips & Issues*, which provides information about the preparation, use, and utility of Suspicious Activity Reports.

*By the Numbers* generally is published twice a year to cover two filing periods: January 1 to June 30 and July 1 to December 31. The numerical data from the filing periods is available for publication on the FinCEN website after the end of each period, usually in the spring and fall. The last issue of *By the Numbers* was published in November 2006 to cover Suspicious Activity Reports filed through June 30, 2006, and may be accessed through the following link: [http://www.fincen.gov/sar\\_review\\_by\\_the\\_numbers\\_issue7.pdf](http://www.fincen.gov/sar_review_by_the_numbers_issue7.pdf)

A review of the numerical data generated for Issue 8 of *By the Numbers* reveals some interesting facts. For example, the rate of increase in suspicious activity reported by components of the financial sector with more reporting experience, such as depository institutions, slowed while reporting by components newer to the reporting requirements, such as the securities and futures industries, displayed a higher rate of increase. As of December 31, 2006, over 4.2 million Suspicious Activity Report forms have been filed with FinCEN since 1996.<sup>1</sup> Although the remainder of this publication provides detailed numerical data on those filings, some general observations follow for each type of form.

Number of Suspicious Activity Report Filings by Year											
Form	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Depository Institution	62,388 <sup>2</sup>	81,197	96,521	120,505	162,720	203,538	273,823	288,343	381,671	522,655	567,080
Money Services Business	-	-	-	-	-	-	5,723	209,512	296,284	383,567	496,400
Casinos and Card Clubs	85	45	557	436	464	1,377	1,827	5,095	5,754	6,072	7,285
Securities & Futures	-	-	-	-	-	-	-	4,267	5,705	6,936	8,129

<sup>1</sup> The combined number of filings from the four types of Suspicious Activity Report forms: depository institution Suspicious Activity Report (TD F 90-22.47); Suspicious Activity Report by Money Services Business (SAR-MSB/TD F 90-22.56); Suspicious Activity Report by Casinos and Card Clubs (SAR-C/FinCEN Form 102); and Suspicious Activity Report by the Securities and Futures Industries (SAR-SF/FinCEN Form 101).

<sup>2</sup> The 1996 filings now include Criminal Referral Forms filed in that year that were subsequently converted to Suspicious Activity Reports by the Internal Revenue Service's Enterprise Computing Center.

Industries											
<b>Subtotal</b>	62,473	81,242	97,078	120,941	163,184	204,915	281,373	507,217	689,414	919,230	1,078,894
<b>Total</b>	<b>4,205,961</b>										

**Depository Institution Suspicious Activity Report / TD F 90-22.47** (from the mandated reporting date in April 1996 through December 31, 2006)

- BSA/Structuring/Money Laundering continues to be the leading characterization of suspicious activity reported by depository institutions. Filings for 2006 represent the first time where reported instances of this summary characterization actually decreased from the previous year.
- Since April 1996, 53,564 depository institution Suspicious Activity Reports have been filed identifying Consumer Loan Fraud as the characterization of suspicious activity. Of these reports, 56% were filed in 2005 and 2006. Consumer Loan Fraud filings in 2006 increased 75% over those filed in 2005.
- Depository institution Suspicious Activity Reports identifying False Statement as the suspicious activity increased 67% since 2005.
- Depository institution Suspicious Activity Reports identifying Mortgage Loan Fraud as the suspicious activity increased 44% since 2005.<sup>3</sup>
- Depository institution Suspicious Activity Reports identifying Bribery/Gratuity as the suspicious activity decreased 46% since 2005.
- When Identify Theft was first listed on forms as a suspicious activity in July 2003, it ranked 20<sup>th</sup> among those characterizations identified in filings. It has continued to become more prevalent in comparison since then and is presently ranked 8<sup>th</sup> amongst summary characterizations.
- Identification of Check Fraud as a suspicious activity continues to rise. Currently, it maintains its standing as the second most reported characterization of suspicious activity, notwithstanding the enhancements of the nation's check clearing system associated with the Check Clearing for the 21<sup>st</sup> Century Act (Check 21) enacted in October 2004.
- Data for 2006 showed a decrease of 34% of instances where *Agent* was specified as the Relationship of Suspect to Financial Institution, while *Borrower* and *Broker* saw increases of 62% and 68%, respectively. It should be noted both of the latter two relationship types have experienced increases every year since 1997.
- Reports indicating the National Credit Union Association (NCUA) as the filing entity's Primary Federal Regulator were up over 66% from the previous year as enhanced cooperative outreach from FinCEN and NCUA to the industry continues.
- The largest five financial institutions (based on asset size) accounted for 21% of total SAR filings in 2006. This reflects a decrease of 15% from the previous year for the same institutions.

<sup>3</sup> A detailed assessment of Mortgage Loan Fraud (for reports filed from April 1, 1996 through March 31, 2006) is obtainable at: [http://www.fincen.gov/mortgage\\_fraud112006.html](http://www.fincen.gov/mortgage_fraud112006.html).

- Between April 1996 and December 31, 2006, depository institutions filed 2,760,441 Suspicious Activity Reports. Though filings continued to rise, the rate of increase in filings between 2004 and 2006 dropped from 37% in 2004-2005 to 9% in 2005-2006.

**Suspicious Activity Report by Money Services Business / TD F 90-22.56** (from the mandated reporting date in October 2002 through December 31, 2006)

- In 2006, money transmitters filed 304,180 of all money services business Suspicious Activity Reports, followed by issuers of money orders at 127,694, and United States Postal Service money orders at 68,839.
- Filers reported money transfers as the most frequent type of financial service involved in the suspicious activity.
- In 2006, Suspicious Activity Reports filed by money services businesses characterizing the suspicious activity as “Same individual(s) using multiple locations over a short time period” increased 83% over those filed in 2005.
- In 2006, Suspicious Activity Reports filed by money services businesses characterizing the suspicious activity as “Comes in frequently and purchases less than \$3,000” increased 46% over those filed in 2005.
- Calendar year 2006 represents the first twelve-month period (excluding the year of the reporting requirement’s introduction in 2003) where all filer types increased from the previous year. Significant increases from 2005-2006 were seen for: Issuers of Traveler’s Check(s) (95%), Redeemer of Traveler’s Check(s) (80%), and Issuer of Money Order(s) (65%).
- Money services businesses filed 1,391,486 Suspicious Activity Reports between October 1, 2002 and December 31, 2006. While reporting volumes for 2003-2004 increased 41%, for 2004-2005 and 2005-2006, the rate of increase was 29% for each period.

**Suspicious Activity Report by Casinos and Card Clubs / FinCEN Form 102 and, previously, TD F 90-22.49** (from the mandated reporting date in October 1997 through December 31, 2006)<sup>4</sup>

- Structuring (33%) was the most reported type of suspicious activity reported by casinos and card clubs.
- State licensed casinos submitted 68% of the total Suspicious Activity Reports filed by Casinos and Card Clubs in 2006.
- In 2006, Suspicious Activity Reports filed by casinos and card clubs characterizing the suspicious activity as “Credit/debit card fraud (incl. counterfeit)” increased 282% over those filed in 2005.
- Filings by Type of Gaming Establishment for 2006 again showed an increase from the previous twelve months (71%) in the number of reports where the filer was identified as a tribal licensed casino. Filings associated with this establishment type have seen noticeable increases every year since 2003.

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<sup>4</sup> Also includes 85 forms filed in August 1996.

- Casinos and card clubs filed 28,997 Suspicious Activity Reports between October 1997 and December 31, 2006. Filings increased 20% for the latest reporting years of 2005-2006.

**Suspicious Activity Report by the Securities and Futures Industries / FinCEN Form 101**  
(from the mandated reporting date in January 2003 through December 31, 2006)

- Between January 2003 and December 2006, the most prevalent type of suspicious activity was Other, with 8,773 filings or 22%, followed by Money Laundering/Structuring at 17%.
- Suspicious Activity Reports filed by members of the securities and futures industries characterizing the suspicious activity type as “Wash or other fictitious trading” increased 132% since 2005.
- In 2006, Suspicious Activity Reports filed by the securities and futures industries characterizing the suspicious activity type as “Computer Intrusion” increased 150% over those filed in 2005.
- Despite filing decreases for the previous reporting period, both Futures Commission Merchant and Investment Advisor saw significant increases, respectively 115% and 173%, as the Type of Reporting Institution between calendar years 2005 and 2006.
- Securities and futures industries filers submitted 25,037 Suspicious Activity Reports between January 1, 2003 and December 31, 2006. Consistent with growing industry familiarity with Bank Secrecy Act obligations, the number of reports filed has increased significantly every year since the form was first introduced.

The numerical data in this publication is presented in an Excel format to allow readers to download and manipulate the information to support maximum management and compliance needs for their institution or agency.

As always, we welcome your suggestions and comments. Questions regarding present, past, or future issues of *By the Numbers* may be directed to FinCEN’s Regulatory Policy and Programs Division, Office of Regulatory Analysis at (703) 905-3968 or by contacting [webmaster@fincen.gov](mailto:webmaster@fincen.gov).