

REGULATORY ALERT

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

DATE: **NO: 07-RA-09**

TO: **All Federally-Insured Credit Unions**

SUBJECT: **Suspicious Activity Reporting Common Errors**

Dear Board of Directors:

The Financial Crimes Enforcement Network (FinCEN) recently issued guidance titled *Suggestions for Addressing Common Errors Noted in Suspicious Activity Reporting*. This issuance discusses the ten most common Suspicious Activity Report (SAR) filing errors and ways these errors can be mitigated.

It is critical the information provided in a SAR be as accurate and complete as possible. SAR information provides a valuable tool to FinCEN, law enforcement, regulatory authorities, and intelligence agencies. FinCEN has identified three areas where credit unions should concentrate efforts to ensure information contained in the SAR is complete:

- SAR narratives that describe as fully as possible why the activity or transaction is unusual for the customer;
- Certain critical fields that allow users to analyze quickly where activity has occurred; and
- Fields that identify the type, category, and character of the suspicious activity.

When accurate and complete, SARs are an important tool in combating financial crimes. Further, by filling out SARs as accurately and completely as possible, credit unions also maintain a picture of the identified, suspicious transactions flowing through their institutions, which may be of use in the credit union's AML program for risk mitigation purposes.

A complete copy of the FinCEN's Suggestions for Addressing Common Errors Noted in Suspicious Activity Reporting may be obtained at:
http://www.fincen.gov/SAR_Common_Errors_Web_Posting.pdf

Should you have any questions, please contact your district examiner, regional office or state supervisory authority.

Sincerely,

/s/

JoAnn M Johnson
Chairman