

| | A | B | D |
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| 3 | BSA - Bank Secrecy Act | | |
| 4 | INTRODUCTION AND PURPOSE | | |
| 5 | REPORTS | | |
| 6 | PENALTIES | | |
| 7 | RECORD RETENTION REQUIREMENTS | | |
| 8 | | Yes/No/NA | Comments |
| 9 | 1. Has the board of directors established a written program to assure the CU meets the reporting and record keeping requirements of the Treasury regulations? (NCUA 748) | | |
| 10 | 2. Has the credit union established a Customer (Member) Identification Program (CIP)? (103.121) | | |
| 11 | 3. Does the CIP require the minimum information (name, date-of-birth, address, identification number) prior to opening an account and does it require verification of the information obtained? 103.121(b)(2) | | |
| 12 | 4. Does the CU file Currency Transaction Reports (CTR), Form 4789, with the IRS for all transactions, and multiple transactions in currency occurring in one day, unless it is an exempt transaction, greater than \$10,000 in currency? (103.22(b) and (c)) | | |
| 13 | 5. Does the CU properly exempt permitted persons from CTR filing by filing a "Designation of Exempt Person" form (TD Form 90-22.53) and perform an annual review of the account and renew, biennially, a statement certifying that the exempt person's account has been monitored for suspicious activity? (103.22(d)(3)(i)) | | |
| 14 | 6. Is a Suspicious Activity Report (SAR) filed within 30 days after discovery of a suspicious activity and is supporting documentation for the SAR retained for 5 years? (NCUA 748(c) and 103.18) | | |
| 15 | 7. Does the CU file US Customs Form 4790 for the physical transportation of currency in excess of \$10,000 into or outside the US? (103.23(a), unless exempted pursuant to 103.23(c)). | | |
| 16 | 8. Is a Report of Foreign Financial Accounts indicating a financial interest in an account in a foreign country filed annually on or before June 30? (103.24) | | |
| 17 | 9. Does the CU maintain the necessary information for the purchase or issuance, by currency, of credit union checks, cashier's checks, traveler's checks and money orders for amounts between \$3,000 and \$10,000? (103.29(a) and (b)) | | |
| 18 | 10. Does the CU maintain adequate historical records on certain transactions for 5 years, as follows: | | |
| 19 | a. Extensions of credit greater than \$10,000, except those secured by an interest in real property? (103.33(a)) | | |
| 20 | b. Attempts to transfer more than \$10,000 to or from any person, account or place outside the U.S.? (103.33(b)) | | |

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| 21 | c. Taxpayer ID numbers for all accounts and share certificates, or list of names, addresses, and account numbers for members without taxpayer ID numbers? (103.34(a)(1)(2)) <i>No longer in effect after October 1, 2003.</i> | | |
| 22 | d. All signature cards? (103.34(b)(1)) | | |
| 23 | e. Member transaction statements or ledger cards? (103.34(b)(2)) | | |
| 24 | f. CU and member share drafts or money orders over \$100? (103.34(b)(3)) | | |
| 25 | g. All withdrawals, other than share drafts or money orders, over \$100 to accounts, except CU charges or periodic charges made pursuant to an agreement? (103.34(b)(4)) | | |
| 26 | h. Transfers of more than \$10,000 to any person, account, or place outside the US? (103.34(b)(5,6)) | | |
| 27 | i. Drafts over \$10,000 issued by, or drawn on, a foreign bank and paid by the CU? (103.34(b)(7)) | | |
| 28 | j. Transfers of credit, cash, drafts, other checks, investment securities or other monetary instruments over \$10,000 received directly from a foreign bank, broker or dealer in currency located outside the US? (103.34(b)(8,9)) | | |
| 29 | k. Records which allow tracing of deposited share drafts over \$100? (103.34(b)(10)) | | |
| 30 | l. Name, address, taxpayer ID#, date of transaction, description of instrument, and method of payment for purchases and redemptions of share certificates? (103.34(b)(11,12)) | | |
| 31 | m. Deposit slips or credit checks for transactions, or equivalent wire transfer and direct deposit transactions, over \$100 which specify the amount of currency involved? (103.34(b)(13)) | | |
| 32 | 11. With regard to wire transfers, does the CU retain, for 5 years, the required information for each payment order that it accepts of \$3,000 or more? (103.33(e)) | | |
| 33 | 12. Is the required wire transfer information identified in #11 retrievable by reference to the originator's name and account number? (103.33(e)(4)) | | |
| 34 | 13. Has the CU designated a point-of-contact to receive information requests from FinCEN regarding investigations of terrorist activity or money laundering? (103.100(b)(2)(iii)) | | |
| 35 | 14. Does the CU begin its search required by the information request promptly and complete it within 2 weeks, reporting any matches to FinCEN immediately? 103.100(b)(2)(ii) | | |
| 36 | 15. If the CU wishes to share information with any other financial institution for purposes of identifying and reporting suspected terrorist activity or money laundering, has the CU submitted a Section 314(b) Notice to FinCEN and resubmitted the Notice each year for which it plans to share information? (103.110(b)(2)) | | |

Cell: A4

Comment: The Bank Secrecy Act (BSA) requires financial institutions to file certain currency and monetary instrument reports. These reports provide a paper trail of money laundering activities relating to drug traffickers and white collar criminals and assist law enforcement with investigations and prosecutions.

Cell: A5

Comment: There are numerous reports required by the BSA to be submitted to the Department of the Treasury. They include: the Currency Transaction Report (CTR), the Suspicious Activity Report (SAR), the Report of Foreign Bank and Financial Accounts (FBAR), and the Report of International Transportation of Currency or Monetary Instruments (CMIR).

Copies of required reports may be found on FinCEN's Web site at: www.fincen.gov.

Cell: A6

Comment: Violations of this regulation may result in significant civil penalties and criminal penalties for any domestic financial institution, and upon any director, officer or employee.

Cell: A7

Comment: Generally, all records required by the BSA must be retained for 5 years. An exception is the Customer Identification Program (CIP) that bifurcates requirements either for 5 years from account closure or from the date the information is received.

Subpart C of Part 103 details the records required to be maintained (§§ 103.31 - .38). For the CIP, see 31 C.F.R. §103.121.

Cell: A9

Comment: Each credit union is required to have a compliance program that includes: (1) a system of internal controls to ensure ongoing compliance; (2) testing for compliance by the credit union or outside party; (3) a compliance officer responsible for monitoring day-to-day compliance; and (4) training for appropriate employees.

Cell: A10

Comment: The Customer Identification Program (CIP) must address: (1) receipt of certain basic identifying data on any customer (member) who opens an account; (2) verification of the identity of any customer who opens an account; (3) maintenance of records of the information used to verify the customer's identity; (4) determination of whether the customer appears on any federal government list of terrorists; and (5) notice to the customer that the credit union will request information to verify identity.

Cell: A11

Comment: For a U.S. person, the identification number is the taxpayer identification number; for a non-U.S. person, it can be a taxpayer identification number, passport number and country of issuance; alien identification card number, or number and country of issuance of any other government-issued document bearing a photo or similar safeguard.

Cell: A12

Comment: The CTR must be filed by the 15th calendar day after the day of the transaction.

Form 4789 must be the exact form prescribed by the IRS, not minimized or on thermal paper. The number for the IRS National Forms Distribution Center is 1-800-829-3676.

Cell: A13

Comment: TD Form 90-22.53 must be filed for the biennial renewal of the exempt person designation. The credit union may, but is not required to, use this form to notify Treasury that it has revoked a member's exempt designation.

Cell: A14

Comment: A SAR must be filed for suspicious transactions of any amount or when there is reasonable suspicion that a crime against the credit union has occurred and the amount of the loss is greater than \$5,000 if a non-insider. If

an insider, then any amount.

Supporting documentation is not to be sent with the SAR, but retained in a readily retrievable form by the credit union.

The fact that a SAR has been filed is confidential. The person involved in the transaction must not be notified that a SAR was filed. If the credit union is subpoenaed or requested to disclose a SAR or information therein, the credit union must decline and notify NCUA's Office of General Counsel except when the request is made by FinCEN, appropriate law enforcement, or bank supervisory agency.

Cell: A15

Comment: The Report of International Transportation of Currency or Money Instruments (CMIR) is filed with the Commissioner of Customs within 15 days after receipt of the currency, or may be mailed on or before the date of entry, departure, mailing, or shipping.

This form does not need to be completed for currency transported through the postal service or by common carrier.

Cell: A17

Comment: The following information must be maintained by the credit union for the purchase of credit union checks, cashier's checks, traveler's checks and money orders: (a) name of purchaser; (b) address if purchaser does not have an account at the credit union; (c) purchaser's account number or Social Security number; (d) date of birth of the purchaser if he does not have an account at the credit union; (e) date of purchase; (f) type of instrument purchased; (g) serial number of each purchased instrument; (h) dollar amount of each purchase by currency; (i) method used to verify identity of purchaser; and, (j) indication if transaction is part of a multiple sale during one business day.

Cell: A32

Comment: The following information may be retained as original, microfilm, other copy, or electronic record: (a) name and address of the originator (sender of payment order); (b) amount of payment order; (c) date of payment order; (d) payment instructions from originator; (e) name of the financial institution where the payment order is to be credited; (f) name, address, and account number of the recipient of the payment order.

Cell: A34

Comment: These requests for information searches are referred to as "Section 314(a) requests" since they stem from that particular section of the USA Patriot Act.

FinCEN is the focal point for law enforcement to funnel these requests. The credit union will receive the requests direct from FinCEN as either a fax or e-mail message.

The point-of-contact information that is provided to FinCEN is collected on the quarterly call report and should be verified to ensure it is up-to-date.

Cell: A35

Comment: If, after completing its search, the credit union does not find a match, the credit union does not need to report the negative result to FinCEN. At any time during its search, a match is found for a name, then the search can be stopped and the match reported. The credit union does not have to continue its search of any remaining records once a match is found. All that is reported to FinCEN is that there is a match.

Cell: A36

Comment: 314(b) sharing of information between financial institutions first requires the credit union to determine that the financial institution with which it plans to share information has also submitted a 314(b) Notice to FinCEN. This can be done by reviewing a copy of the other institution's Notice through FinCEN's Web site or asking the institution to provide a copy of its Notice.

314(b) Notices may be submitted electronically by accessing FinCEN's Web site at www.fincen.gov and clicking on "Section 314(b) Notif."