

# *The SAR Activity Review – By the Numbers*

Issue 14 (June 2010)

## Table of Contents

### Introduction

**Section 1:** [Suspicious Activity Report by Depository Institution \(Form TD F 90-22.47\), from April 1, 1996 through December 31, 2009](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by States & Territories in Descending Order
- Exhibit 4: Number of Filings by Characterization of Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Characterization of Suspicious Activity
- Exhibit 6: Filings by Primary Federal Regulator
- Exhibit 7: Relationship of Suspect to Financial Institution
- Exhibit 8: Characterization of Suspicious Activity by State & Territory by Year

**Section 2:** [Suspicious Activity Report by Money Services Business \(FinCEN Form 109<sup>1</sup>\), from October 1, 2002 through December 31, 2009](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by States & Territories in Descending Order
- Exhibit 4: Number of Filings by Character of Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Character of Suspicious Activity
- Exhibit 6: Filings by Financial Services Involved
- Exhibit 7: Character of Suspicious Activity by State & Territory by Year

---

<sup>1</sup> Formerly Form TD F 90-22.56.

**Section 3:** [Suspicious Activity Report by Casinos and Card Clubs \(FinCEN Form 102\), from August 1, 1996 through December 31, 2009](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by States & Territories in Descending Order
- Exhibit 4: Number of Filings by Type of Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Type of Suspicious Activity
- Exhibit 6: Filings by Type of Gaming Establishment
- Exhibit 7: Filings by Relationship of Suspect to Financial Institution
- Exhibit 8: Type of Suspicious Activity by State & Territory by Year

**Section 4:** [Suspicious Activity Report by Securities & Futures Industries \(FinCEN Form 101\),<sup>2</sup> from January 1, 2000 through December 31, 2009](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by State & Territories in Descending Order
- Exhibit 4: Number of Filings by Type of Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Type of Suspicious Activity
- Exhibit 6: Filings by Instrument Type
- Exhibit 7: Filings by Type of Reporting Institution
- Exhibit 8: Type of Suspicious Activity by State & Territory by Year

---

<sup>2</sup> Includes suspicious activity reported by a certain segment of the insurance industry (those insurance companies offering covered products), since May 2, 2006. See footnote 4.

## Introduction

Welcome to the fourteenth issue of *The SAR Activity Review – By the Numbers*, a compilation of numerical data gathered from Suspicious Activity Report (SAR) forms filed by depository institutions since April 1, 1996, certain money services businesses (MSBs) since January 2002,<sup>3</sup> casinos and card clubs since August 1, 1996, segments of the securities and futures industries since January 2003, and certain segments of the insurance industry since May 2006.<sup>4</sup> *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 SARs.

*By the Numbers* is published twice a year, and covers two filing periods: January 1 to June 30, and July 1 to December 31. The numerical data from the filing periods is available on FinCEN's website after the end of each period. Issue 13 of *By the Numbers* (January 2010) covered SARs filed through June 30, 2009, and may be accessed through the following link:

[http://www.fincen.gov/news\\_room/rp/files/sar\\_by\\_numb\\_13.pdf](http://www.fincen.gov/news_room/rp/files/sar_by_numb_13.pdf).

In Issue 8 (June 2007), FinCEN introduced a new reporting format for on-line readers by enhancing the data provided in Exhibit 2 for depository institution SARs. This feature allowed readers to link from a U.S. state to various visual representations of the numerical data, including graphs, charts and maps showing "hot spots." In Issue 10 (May 2008), we added this data enhancement feature to Section 3, Exhibit 2 (for casinos and card clubs SARs). In Issue 12 (July 2009), we added the enhancement to Section 4, Exhibit 2 (for securities & futures industries SARs). For this current edition (May 2010), we added this data enhancement feature to Section 2, Exhibit 2 (for MSB SARs). Note that this data enhancement feature is produced only for even-numbered issues of *By the Numbers*, which contain a full year of data.

Calendar year 2009 marks the first year since 1996 to see a decline in total SARs submitted by all industries with mandated suspicious activity reporting requirements, including depository institution SARs and MSB SARs, two categories which account for almost 98% of all SARs filed in 2009. Filings by the remaining types of institutions saw a slight increase in 2009.

Although the remainder of this publication provides detailed numerical data on those filings, general observations follow for each type of form.

---

<sup>3</sup> Although the mandatory suspicious activity reporting requirement for certain MSBs became effective on January 1, 2002, the Suspicious Activity Report by Money Services Business (SAR-MSB) form was not available for industry use until October 1, 2002. (MSB filers reported suspicious activity on Form TD F 90-22.47, between January 1, 2002 and September 31, 2002. The filing data for that nine-month period is included in Section 1 of this report. Some filers continued using TD F 90-22.47 after the SAR-MSB form became effective on October 1, 2002. That filing data also is found in Section 1).

<sup>4</sup> A dedicated SAR form for insurance companies has not been released. Therefore, FinCEN instructed insurance companies to use FinCEN Form 101, Suspicious Activity Report by the Securities and Futures Industries. As a result, filing data for certain segments of the insurance industry are included in Section 4.

	Number of Suspicious Activity Report Filings by Year										
Form	1996 – 1999 <sup>5</sup>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Depository Institution	360,611	162,720	203,538	273,823	288,343	381,671	522,655	567,080	649,176	732,563	720,309
Money Services Business	-	-	-	5,723	209,512	296,284	383,567	496,400	578,439	531,761	530,518
Casinos and Card Clubs	1,123	464	1,377	1,827	5,095	5,754	6,072	7,285	9,943	11,162	12,093
Securities & Futures Industries	-	-	-	-	4,267	5,705	6,936	8,129	12,881	15,104	18,385
<b>Subtotal</b>	361,734	163,184	204,915	281,373	507,217	689,414	919,230	1,078,894	1,250,439	1,290,590	1,281,305
<b>Total</b>	<b>8,028,295</b>										

**Suspicious Activity Report by Depository Institution / TD F 90-22.47 (from April 1, 1996 through December 31, 2009)**

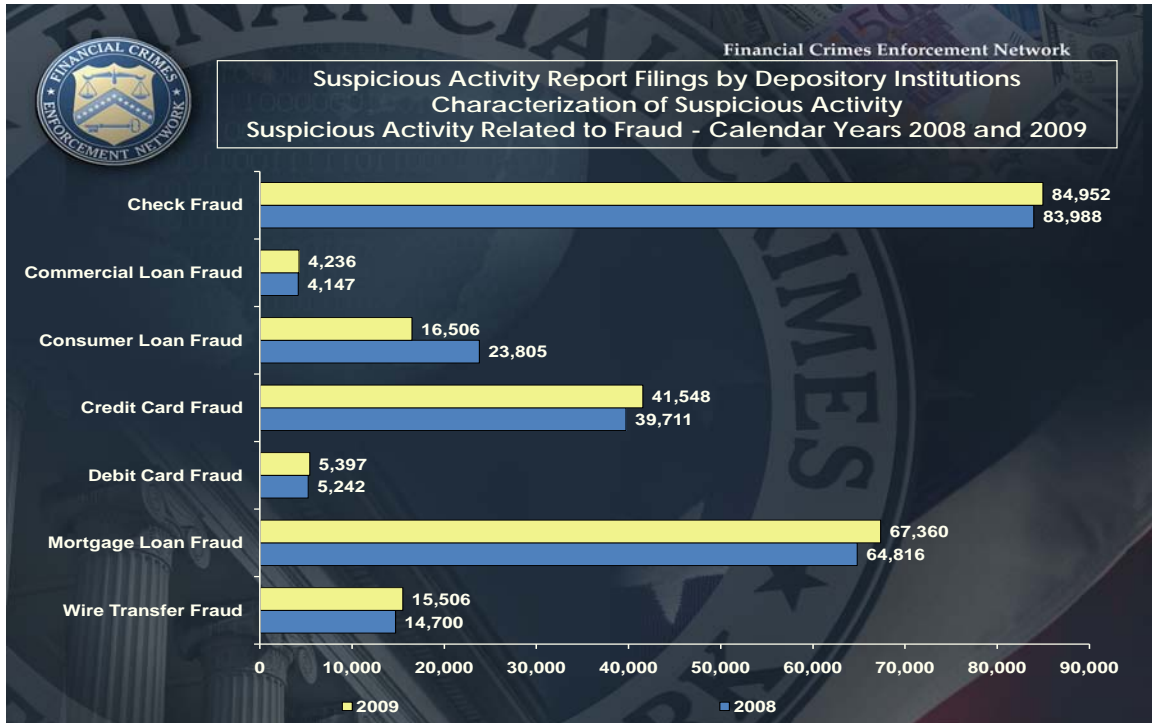
- The number of depository institution SARs identifying Mortgage Loan Fraud<sup>6</sup> as a Characterization of Suspicious Activity continues to rise. Experiencing an increase in 2009 of 4% from the previous twelve months, Mortgage Loan Fraud is one of only two summary characterizations that has experienced an increase every year since it first appeared as an option on the original form in 1996, with the past three years (2007 to 2009) accounting for 62% of all noted instances.
- Twenty-seven percent of the suspicious activity reported by depository institutions in 2009 can be attributed to fraud-related activities (check fraud,<sup>7</sup> commercial loan fraud, consumer loan fraud, credit card fraud, debit card fraud, mortgage loan fraud, and wire transfer fraud). Exhibit 1 depicts the comparisons of those specific fraud-related activities reported in depository institution SARs filed in calendar years 2008 and 2009.

<sup>5</sup> Filing years 1996 - 1999 represent an aggregate total for this period. See previous editions of *By the Numbers* for an annual breakdown for years 1996 through 1999.

<sup>6</sup> For additional information gleaned from SARs involving mortgage loan fraud, see FinCEN's six analytic products found at <http://www.fincen.gov>: Mortgage Loan Fraud Update: Suspicious Activity Report Filings from July 1-September 30, 2009 (February 2010) [PDF Only](#); Mortgage Loan Fraud Update (published in *The SAR Activity Review - Trends, Tips & Issues* [Issue 16, October 2009]) [PDF Only](#); *Mortgage Loan Fraud Connections with Other Financial Crime* (March 2009) [PDF Only](#); *Filing Trends in Mortgage Loan Fraud* (February 2009) [PDF Only](#); *Mortgage Loan Fraud: An Update of Trends based Upon an Analysis of Suspicious Activity Reports* (April 2008) [PDF Only](#); and *FinCEN Mortgage Loan Fraud Assessment* (November 2006) [HTML](#) | [PDF](#).

<sup>7</sup> Along with Mortgage Loan Fraud, Check Fraud remains one of only two summary characterizations that have experienced an increase every year since 1996.

Exhibit 1



- Between January 1, 2007 and December 31, 2009, depository institutions filed 113,834 SARs indicating Credit Card Fraud as the summary characterization of suspicious activity. This three-year period accounts for 43% of all such reports filed reporting Credit Card Fraud since April 1996. Since 2008, Credit Card Fraud filings increased approximately 5%.
- Though having experienced an increase every year since 2000, the number of reports indicating Consumer Loan Fraud fell in 2009, down nearly 31% from the prior year.
- Between January 1, 2000 and December 31, 2009, depository institutions filed 186,797 SARs that identified Check Kiting as the Characterization of Suspicious Activity. And, while the last twelve months showed a decrease of 23% from the prior year, calendar years 2008 and 2009 accounted for approximately 35% of all reports that indicated (in whole or in part) Check Kiting.

Other trends observed in depository institution SARs:

- Reports indicating Terrorist Financing increased 8% in 2009, making it the first such increase since 2004. Depository institution filers have submitted 4,914 Suspicious Activity Reports marked Terrorist Financing since July 2003, when this characterization was added to the form.
- Calendar year 2009 not only saw the first decrease in the filing of depository institution SARs since the form's inception in 1996 (down approximately 2% from 2008), but a first-time decline for the following summary characterizations: BSA/Structuring/Money Laundering (-1%), Consumer Loan Fraud (-31%), and Identity Theft (-9%), which debuted as a characterization of suspicious activity on the SAR form in 2003.

- Only three of the twenty-two listed categories of suspicious activity showed double-digit increases from the previous twelve months of reporting: Computer Intrusion (52%), Counterfeit Check (12%), and Other (20%).
- Of the many wide-ranging types of items entered in the *Other* descriptive text section, the two topics Bust Out Scheme and Tax Evasion constituted over 11% of entries made for 2009.
- FACTA<sup>8</sup> Red Flag constituted 8% of the *Other* entries made for 2009. FACTA is the statutory framework requiring financial institutions and creditors to have developed and implemented a comprehensive written identity theft prevention program. Some filers erroneously listed FACTA Red Flag in place of marking the box for Identity Theft, which is a defined summary characterization.
- Since its addition to the SAR form in July 2003, depository institutions have filed 175,789 SARs identifying Identity Theft (in whole or in part) as the characterization of suspicious activity. Of these, 43% were filed in 2008 and 2009, with 29% filed by institutions located in Delaware and California; these two states consistently have been ranked among the top three states associated with this specific characterization for the last two years. Filings for 2009 further revealed a 9% decrease in reports indicating Identity Theft from those filed the prior year.
- Though reports of Wire Transfer Fraud increased only 5% in the last twelve months, 2008 and 2009 still accounted for 44% of all noted instances in filings submitted since 1996.
- Reports on Counterfeit Checks increased 12% in 2009 over those filed in 2008.
- Depository institution SARs characterizing Computer Intrusion as the type of suspicious activity increased 52% in 2009, compared to those filed in 2008. This increase compares with a 24% drop in filings from 2007 to 2008.
- In 2009, the number of SARs in which filers identified the Primary Federal Regulator as Comptroller of the Currency increased 14% from the previous year, while reports indicating Office of Thrift Supervision decreased 59%.
- SARs listing the subject's Relationship to Financial Institution as Broker decreased 47% in 2009 relative to those filed in 2008, while the number of cites to Director jumped from 309 in 2008 to 540 in 2009. Entries reporting Customer as the Relationship of the subject remained virtually unchanged (down less than 1%) from the previous year.

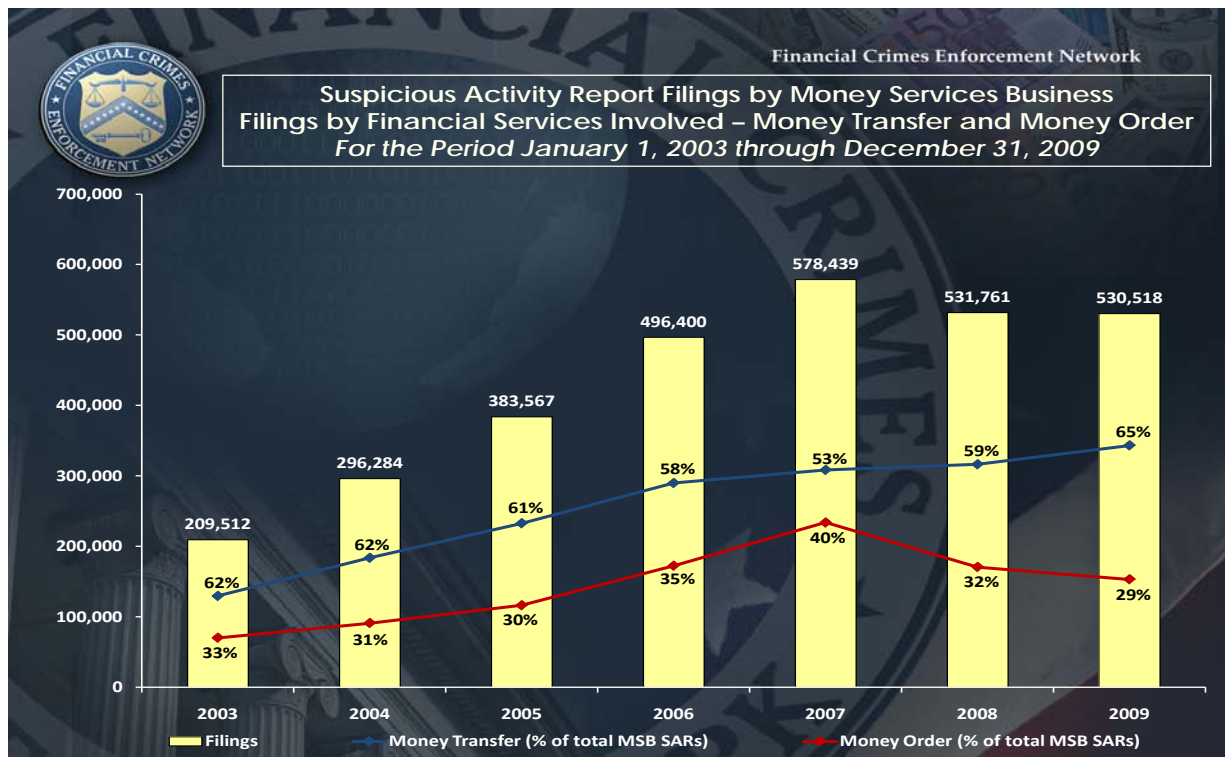
---

<sup>8</sup> Fair and Accurate Credit Transactions Act (FACTA).

**Suspicious Activity Report by Money Services Business / FinCEN Form 109 (from October 1, 2002<sup>9</sup> through December 31, 2009)<sup>10</sup>**

- In 2009, the number of MSB SARs filed showed little change, decreasing less than 1% when compared to the previous year.
- Only the category Money Transfer showed an increase in the 2009 filing period. Money Transfer and Money Order continued as the leading types of financial services related to suspicious activity, accounting for 93% of services reported during the last year. Exhibit 2 illustrates the filing rates for both categories since 2003.

**Exhibit 2**



- Despite accounting for 32% of Financial Services Involved in 2008, and 29% in 2009, Money Order saw a second straight year of decline since reaching its height in 2007, and a record low since reporting began.

<sup>9</sup> See footnote 3.

<sup>10</sup> FinCEN Form 109 (formerly TD F 90-22.56), which replaced the original SAR-MSB form, became effective on March 31, 2007. Form 109 eliminated Field 2, Type of Filer, which explains the significant increase in reports where the type of filer was unspecified (left blank). Therefore, Section 2, Exhibit 6 (SAR-MSB Filings by Type of Filer) has been eliminated as an exhibit in *By the Numbers*.

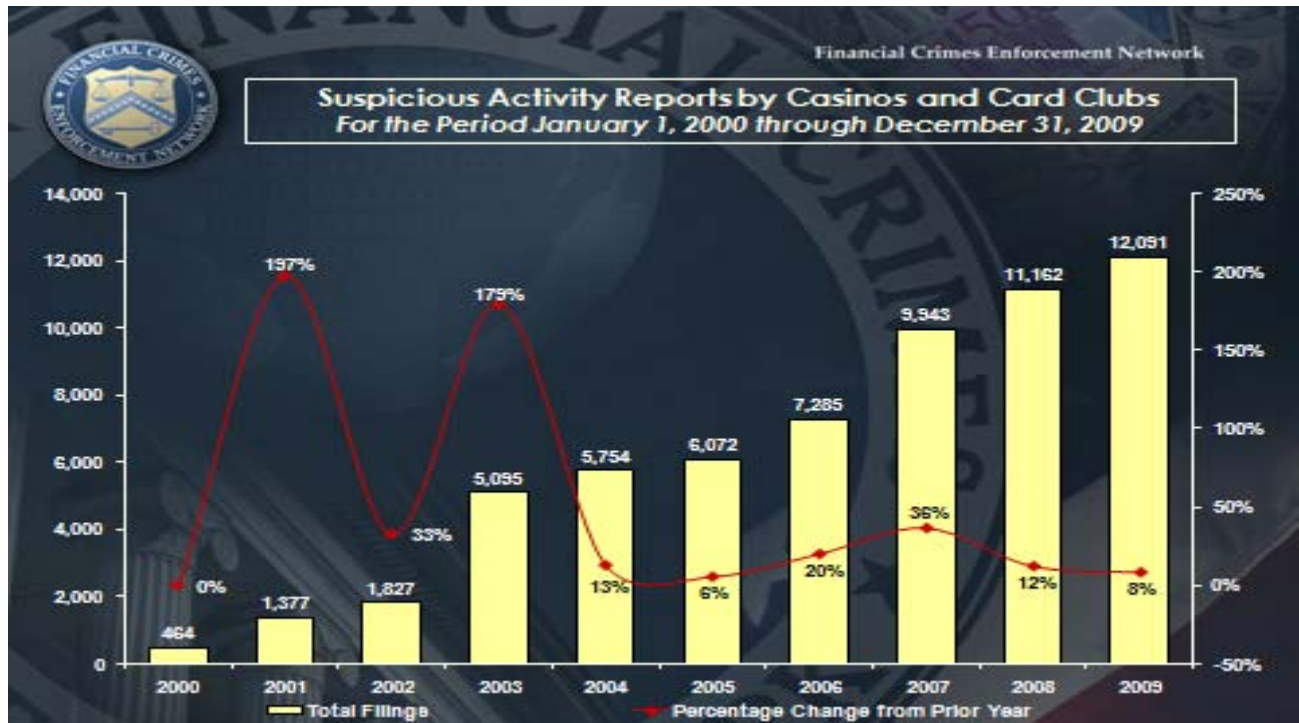


- The number of instances where MSB filers listed Traveler’s Check as the Financial Services Involved decreased 40% in 2009 when compared to reports filed during 2008. Currency Exchange also saw a decrease for the same period, falling 45% from 2,181 reported occurrences in 2008 to 1,202 in 2009.
- In 2009, SAR-MSB forms which characterized the suspicious activity as “Same individual(s) using multiple locations over a short time period” increased 14%, compared to reports filed in 2008. A similar increase occurred in “Changes spelling or arrangement of name” (13%).
- SAR-MSB filings characterizing the suspicious activity as “Two or more individuals using the similar/same identification” have decreased every year since 2007, falling 19% in 2009 from the previous twelve-month period.

**Suspicious Activity Report by Casinos and Card Clubs / FinCEN Form 102 and, previously, TD F 90-22.49 (from January 1, 2000 through December 31, 2009)<sup>11</sup>**

- Since October 1997, casinos and card clubs have filed 62,108 SARs. This industry filed 53% of its reports in the last three years, with the number of filings in 2009 increasing 8% over those filed in 2008. Exhibit 3 depicts SAR filing rates since 2000.

*Exhibit 3*



<sup>11</sup> Also includes 85 forms filed by casinos and card clubs in August 1996 prior to the mandatory reporting requirement.



- Structuring continues to be the most cited type of suspicious activity reported by casinos and card clubs, increasing 5% in 2009 over the number reported in 2008.
- State and tribal licensed casino filings experienced increases in 2009 of 9% and 5%, respectively, as did the number of SARs reporting Card Clubs as the Type of Gaming Establishment, which grew 17% from 216 in 2008 to 252 in 2009.
- Casino SARs identifying Check Fraud as the Type of Suspicious Activity jumped 47%, from 336 instances reported in 2008 to 493 in 2009. Notable increases were also seen in the categories Large Currency Exchange(s) (24%), Money Laundering (21%), and Unusual Use of Negotiable Instruments (Checks), which increased 22%, from 304 noted instances in 2008 to 370 in 2009.

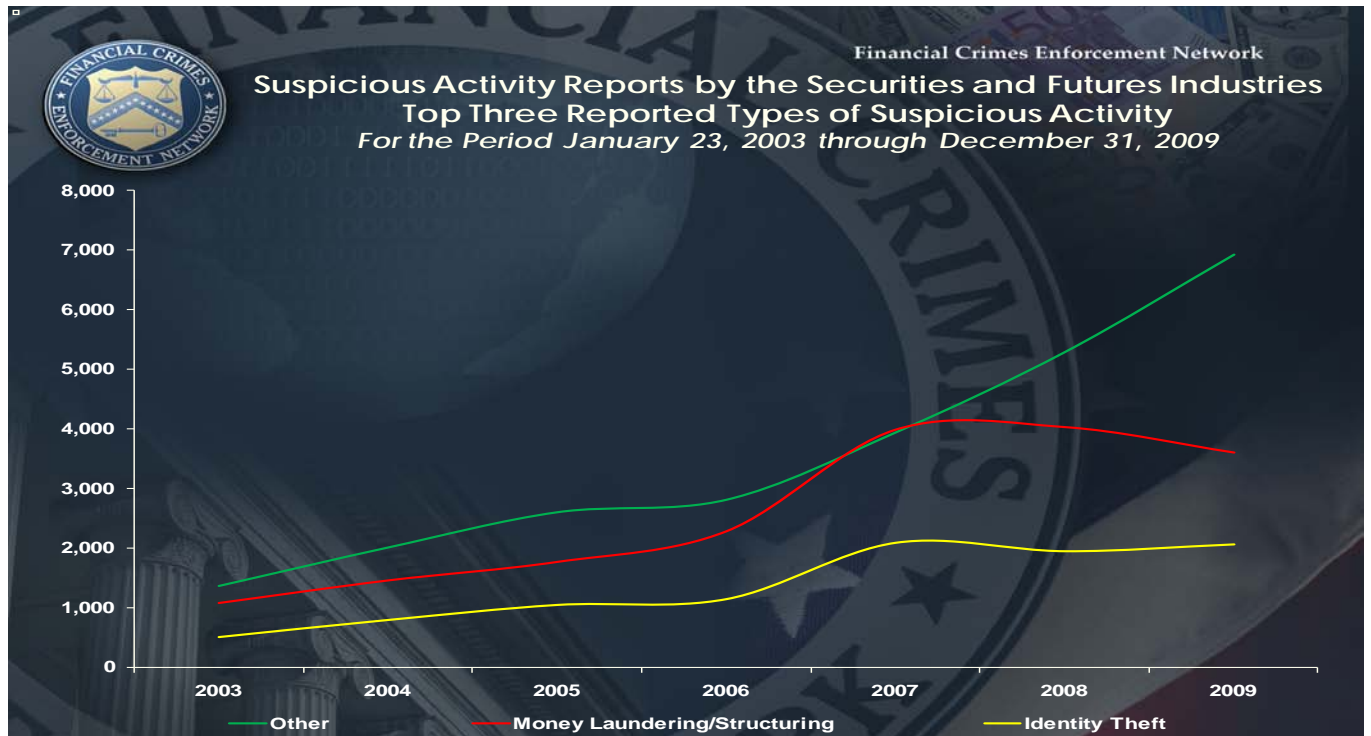
**Suspicious Activity Report by the Securities and Futures Industries / FinCEN Form 101** (from the mandated reporting date in January 2003 through December 31, 2009)<sup>12</sup>

- The number of suspicious activity reports has increased every year since 2003, the inception of mandated reporting by the securities and futures industries. The number in 2009 increased 22% when compared to the number filed in 2008.
- The top three types of suspicious activity reported in securities and futures industries SARs filed since 2003 are identified in Exhibit 4. Reports characterizing *Other* have grown every year since 2003, with noteworthy increases in 2004 and in each of the last three years. While filings identifying Money Laundering/Structuring decreased by 9%, SARs indicating Identity Theft rose 8% in 2009.

---

<sup>12</sup> See footnote 2 regarding SARs filed by certain segments of the insurance industry with mandatory reporting requirements effective May 2, 2006.

Exhibit 4



- Filings identifying the suspicious activity type as Wash or Other Fictitious Trading increased 78% in 2009 from those filed in 2008. The number of reports noting this activity climbed from 181 in 2008 to 322 in 2009.
- SAR-SF filings characterizing the suspicious activity type as Check Fraud increased 15% in 2009 when compared to those filed in 2008.
- In 2009, SAR-SFs noting Credit/Debit Card Fraud as the suspicious activity type decreased 18%, compared to reports filed during 2008, which had experienced an increase of 95% from the preceding twelve-months.
- SAR-SF filings characterizing the suspicious activity type as Wire Fraud saw a notable increase (39%) in 2009 when compared to reports filed in 2008.
- In 2009, the suspicious activity types of Mail Fraud and Significant Wire or Other Transaction without Economic Purpose saw increases of 23% and 41%, respectively, compared to reports filed during the previous twelve-month period.
- In 2009, SAR-SFs characterizing the suspicious activity type as Computer Intrusion decreased 27% from the previous year.
- Significant growth in the reporting of several specific instrument types listed in Part II, Field 23 occurred in 2009, most notably: Foreign Currency Futures (426%); Warrants (300%) and Foreign Currencies (151%).

- Many entities in the “Type of Reporting institution or individual” field also experienced increases in 2009: Futures Commission Merchant (155%); Securities Brokers – Clearing and Introducing (39% and 21%, respectively); and Securities Dealers (19%). The number of SAR-SFs which identified the filer as a Subsidiary of Bank increased substantially (213%) from 359 in 2008 to 1,123 in 2009.
- SAR-SFs noting the “Type of Reporting institution or individual” as Investment Advisor decreased 13% in 2009.

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).