

Bank Secrecy Act (BSA) High-Risk Entities Identifying Worksheets

The following information should provide guidance for completion of worksheets:

- High-Risk Entities Identified Worksheet
- High-Risk Entities Excluded Worksheet
- “Structuring” Monitoring Worksheet

High-Risk Entities Identified &/or Excluded Review

Although attempts to launder money through a legitimate financial institution can emanate from many different sources, certain kinds of businesses, transactions, or geographic locations may lend themselves more readily than others to potential criminal activity. While conducting your customer review, focus in on the following examples that could be a potential source of money laundering and are considered a “high-risk” entity while not excluding other types of risk such as potential kiting. Complete the High-Risk Entities Included and/or High-Risk Entities Excluded accordingly.

 “High-Risk” Examples include:

Businesses

- Nontraditional financial entities, such as:
 - Currency exchange houses, also known as giros or casas de cambio.
 - Money transmitters.
 - Check cashing facilities.
- Casinos and card clubs.
- Offshore corporations and banks located in tax and/or secrecy havens.
- Leather goods stores.
- Car, boat, and plane dealerships.
- Used automobile or truck dealers and machine parts manufacturers.
- Travel agencies.
- Brokers/dealers.
- Jewel, gem, and precious metal dealers.
- Import/export companies.
- Auctioneers.
- Deposit brokers.
- Pawn brokers.
- Professional service providers (lawyers, accountants, investment brokers).
- Cash-intensive businesses, such as convenience stores, restaurants, retail stores, and parking garages.
- Ship, bus, and plane operators.
- Telemarketers.

Banking functions and transactions

- Private banking.
- Trust departments.
- Offshore international activity.
- Deposit-taking facilities.
- International correspondent banking activity.
- Internet banking.
- Wire transfers/cash management functions.
- Transactions in which the primary beneficiary or counterparty is undisclosed.
- Loan guarantee schemes.
- Transactions involving large amounts of traveler’s checks, official bank checks, money orders, and stored value cards.
- Pouch activity.

- Electronic transactions that permit the rapid movement of currency (e.g., foreign exchange transactions followed by payment into another jurisdiction).
- Trade financing transactions with unusual pricing features.

High-Risk Countries

- Countries in which the production or transportation of illegal drugs may be taking place.
- Bank secrecy havens.
- Emerging countries that may be seeking hard currency investments.
- Countries identified in FinCEN advisories.
- Major money laundering countries and jurisdictions.

Structuring Review

31 CFR 103.63 states, “a person structures a transaction if that person, acting alone, in conjunction with or on behalf of others, conducts or attempts to conduct one or more transactions in currency at one or more financial institutions, on one or more days, in any manner, for the purpose of evading the CTR filing requirements.” “In any manner,” includes, but is not limited to breaking down a single currency sum exceeding \$10,000 dollars into smaller amounts, that may be conducted as a series of transactions at or less than \$10,000. The transaction(s) need not exceed the \$10,000 CTR filing threshold at any one financial institution on any single day in order to constitute structuring.

- All attempts to evade the BSA CTR filing requirements for cash transactions that exceed \$10,000 (31 CFR 103.22) are criminal and civil violations of the BSA regulations. Under the BSA, no person shall, to evade the CTR reporting requirements.

The Structuring Review Worksheet is to be used for potential “structuring” of funds. Procedures to be utilized are as follows:

Review a minimum of three “High-Risk” Entities identified.

Utilize the “Large Cash Transaction Report”.

Log and review items under the \$10,000 threshold for each entity monitored for the quarter.

Transaction Review

Please note: To be compliant with BSA requirements, banks should also monitor transactions for Non-Bank Financial Institution (NBFI) and Money Services Business (MSB) customers.

Each identified “high risk entity” that is a NBFI should be reviewed quarterly for activity that would qualify as an MSB or a Non Bank Financial Institution, and if it is determined the Non Bank Financial Institution IS an MSB, appropriate due diligence should be applied.

Bank Name
Bank Secrecy Act (BSA)
High-Risk Entities Identified

Branch Location: _____ **Date:** _____ **Signature:** _____

Bank Name
Bank Secrecy Act (BSA)
High-Risk Entities Excluded

Branch Location: _____ **Date:** _____ **Signature:** _____

Bank Name
Bank Secrecy Act (BSA)
“Structuring” Monitoring Worksheet
Includes Non-Bank Financial Institutions & Money Services Businesses

Branch Location: _____ **Date:** _____ **Signature:** _____

This worksheet is to be used for potential “structuring” of funds.

- Review a minimum of three “High-Risk” Entities identified.
 - Utilize the “Large Cash Transaction Report”.
 - Log and review items under the \$10,000 threshold for each entity monitored for the quarter.