

# Anti-Money Laundering Training



Money laundering is a process by which illegal income generated through criminal activity is disguised by first “placing” it with an unsuspecting financial institution or business.

The money is then moved through “layers” of financial transactions until the original source of money becomes obscured or impossible to ascertain.

Finally, the money is “integrated” into legitimate transactions or businesses.

This training guide will help raise your awareness of Anti-Money Laundering (AML) rules so you can detect and possibly prevent illegal activities.

## Federal Regulation

- The USA PATRIOT Act resulted from the September 11, 2001 terrorist attacks.
- The Act strengthened AML laws, enhanced civil and criminal penalties for violations, and granted new law enforcement and surveillance capabilities
- AML laws are primarily enforced by the Financial Crimes Enforcement Network (FinCen), a bureau in the U.S. Department of Treasury.

## Money Service Business (MSB)

- As a Fidelity Express Authorized Delegate, you are an agent of an MSB as well as an MSB yourself.
- You don't have to register as an MSB if you only sell money orders and/or take in-person bill payments for a company like Fidelity Express.
- The **seven MSBs** are:
  - Check casher
  - Money order issuer and/or seller
  - Money transmitter
  - Money exchanger
  - Pre-paid access provider
  - Pre-paid access seller
  - U.S. Postal Service

## The Four Pillars of any AML Program

- An effective, written AML Program
- Ongoing training
- A designated Compliance Officer
- An Independent Auditor

## The Fidelity Express Limit

- Fidelity Express limits money order sales to an individual in a 24-hour period to **\$1,999.99**. If you know two individuals are working together, their transactions should stay within the \$1,999.99 limit.

Consult your AML Guide for additional information.  
Questions? Contact us at 800.621-8030 ext. 7025

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## Suspicious Activity

- A **Suspicious Activity Report (SAR)** is required to be filed electronically within 30 days of detection. Filing of a SAR cannot be revealed to the customer.
- MSBs are required to fill out and keep a log of all money order sales to a single customer in a single day that total between \$3,000 and \$10,000.
- **Any dollar amount**, depending on the circumstance, or \$2,000.00 and above **could be suspicious**.
- Non-contracted in-person bill payments should never be taken without a bill stub or for more than \$2,000.
- If someone bought \$1,800 in money orders from your store every day, it would be suspicious.
- If someone tried to pay \$2,000 or more in cash for a utility bill without a bill stub, that would be viewed as suspicious.
- **Structuring** is trying to launder money by buying money orders under the suspicious limit if \$2,000 at several locations or at the same location at various times of the day.

## Currency Transaction Report (CTR)

- A **Currency Transaction Report (CTR)** is required to be filed electronically within 15 days of the transaction date.
- If one customer used more than \$10,000 in cash for a transaction in a single day, a CTR should be filed.

## Independent Auditor

**State or IRS auditors might ask about the following:**

- The Independent Auditor, who could be an employee, must make sure the AML Program is working correctly and should spot check routinely, which could be monthly.
  - Review sales and close-out reports to make sure there are no sales of \$2,000 or more to any one person per day.
  - Always know where the AML Guide is stored.
- Auditor should keep a log recording spot checks to review with the owner annually.
- Auditor should make sure all money order printers have the \$1,999.99 warning label posted and make sure employees are AML trained.
- Auditor should know these acronyms:
  - SAR (suspicious activity report)
  - CTR (currency transaction report)
  - BSA (Bank Secrecy Act)

## Record Keeping Violation Fines

- If you fail to file a SAR or CTR through negligence, the fine could be \$500 for each occurrence.
- If it were intentional, the fine could be \$25,000 to \$100,000.
- Under certain circumstances, it could be a criminal act with fines up to \$500,000 and up to 10 years in prison.