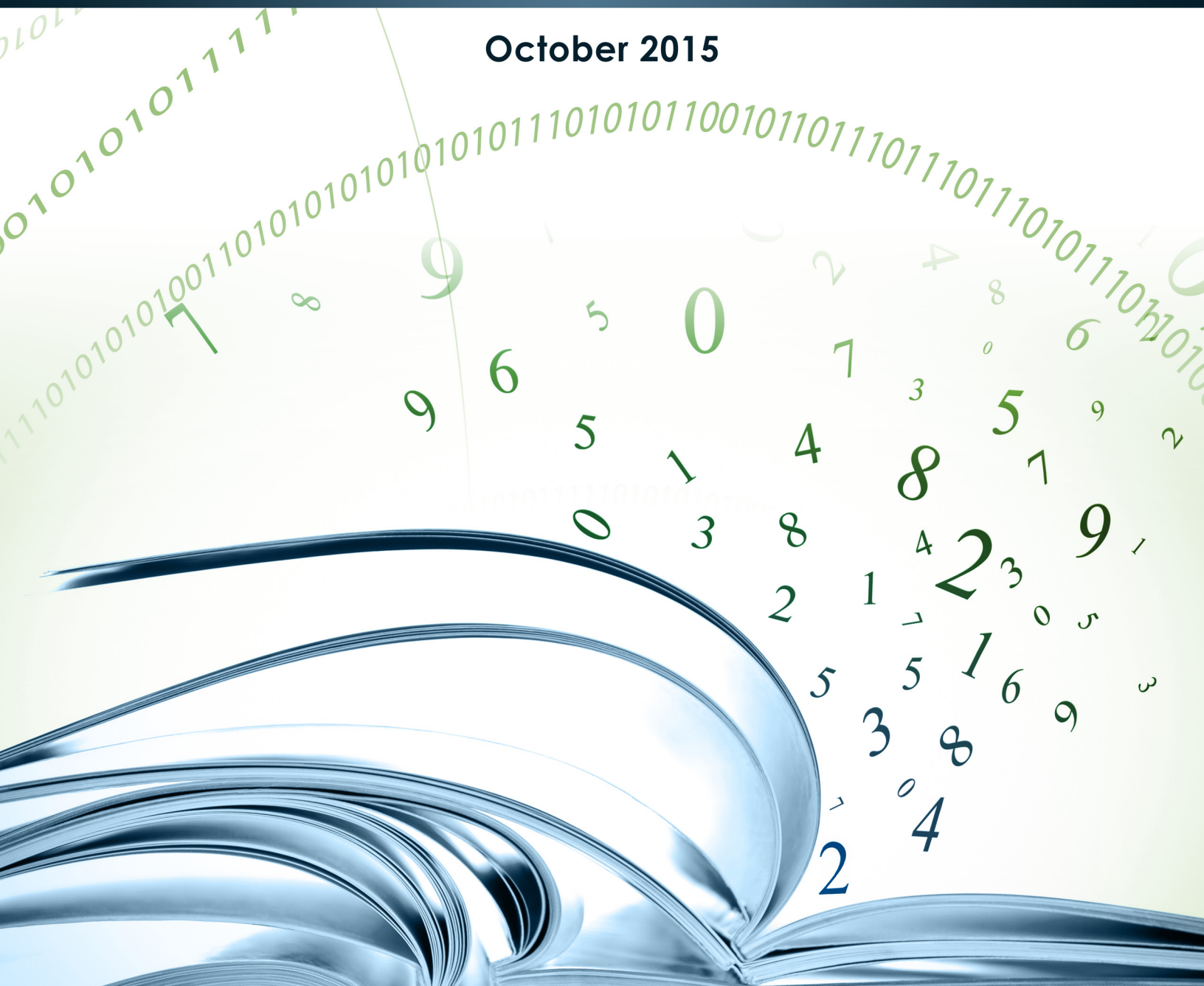


SAR Stats

Technical Bulletin

October 2015



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Please click on the hyperlinks above to view SAR data arranged by filing industry type and ranking. State geographical displays and Value Summary Reports containing geographic summaries at the county and Metropolitan Statistical Area (MSA) level, as well as a yearly breakdown of suspicious activities for all states and territories are accessible through highlighted hyperlinks in Exhibit 2 (Filings by States & Territories) of each industry type section.

ATTENTION: As viewers may have different operating systems, in order to access and view graphical data in its entirety, you must open the PowerPoint in SLIDE SHOW mode.

Welcome to the second edition of *SAR Stats*, FinCEN's annual review of aggregated Suspicious Activity Report (SAR) filing activity. This year we are also pleased to introduce *Interactive SAR Stats*, a new application on the FinCEN website. FinCEN developed *Interactive SAR Stats* to address the large number of requests for more current aggregated SAR data than an annual publication could provide. *Interactive SAR Stats* enables users to search BSA data for aggregated counts of defined suspicious activities, sector by sector, or in combination, as they choose, and the data is updated monthly so users can access the most up to date information as quickly as possible. With the advent of *Interactive SAR Stats*, FinCEN will no longer be publishing quarterly updates, but will continue to publish the annual summary in *SAR Stats* each year.

In 2014, BSA data - particularly SARs - continued to play an integral role in law enforcement investigations and financial regulatory compliance at both the federal and state levels. In 2014 alone, over 380 unique agencies representing a broad cross section of federal, state, and local law enforcement, regulators, self-regulated organizations, and state attorney offices operating nationwide accessed Bank Secrecy Act (BSA) data via FinCEN's portal. Thousands of agents, analysts, and investigative personnel from each of these entities have conducted in excess of 2.3 million queries against the database during that period. Last year 195 users were assigned to 94 Suspicious Activity Report (SAR) review teams across the country. In CY2014 these users conducted approximately 38,000 searches that resulted in over 205,000 SARs being reviewed. SAR Review Teams are located throughout the United States and bring together investigators and prosecutors from different agencies to regularly review reports related to their geographic area of responsibility.

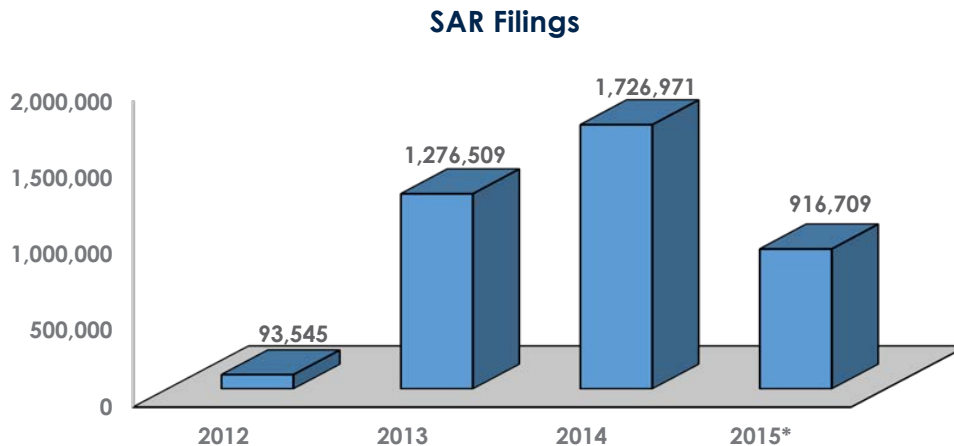
The data in Edition 2. This issue examines the data contained in the **3,097,025** unique FinCEN BSARs (Form 111) with filing dates between March 1, 2012 and December 31, 2014, inclusive.¹

The absence of two full calendar years of reporting on one standardized form means that we will not present direct comparisons with reporting numbers in prior years (year on year numbers) in this second issue of *SAR Stats*. From 1 January 2013 through 31 March 2013, filers were required to submit reports of suspicious activity on legacy forms and the current SAR (Form 111) on a voluntary basis. Because of this, if FinCEN compared filings in 2013 with those in 2014, the data would be a dissimilar data set. Moreover, more often than not, the data on the different types of legacy reports cannot be balanced against the data elements as contained on the current SAR. This is most conspicuous in the Suspicious Activity Information portion of FinCEN Form 111 which encompasses seventy defined activity-types and 10 (z)Other options within ten (10) distinct categories of suspicious activity. Additionally, dedicated filer type identifiers did not exist for specific industries until the Form 111 was introduced 2013 and fully adopted in 2014.

1. Use of the new format for FinCEN BSARs (Form 111) was **voluntary** during the period March 1, 2012 through March 31, 2013 and **mandatory** commencing April 1, 2013. The FinCEN BSAR (Form 111), has replaced the individual legacy SAR types TD F 90-22.47 (Depository Institutions), FinCEN Form 109 (Money Services Business), FinCEN Form 102 (Casinos & Card Clubs), and FinCEN Form 101 (Securities & Futures Industries).

Like 2014 filings, 2015, when completed, will represent the second of two full calendar years of data collected on one form type. Therefore, next year's edition of *SAR Stats* (Issue 3) will contain year-on-year comparisons of specific data for the Depository Institution, Money Services Business, Casino/Card Club, Securities/Futures, and Insurance industries as well as those filers identified as Other Type of Financial Institution.

The overall 3,097,025 SARs analyzed for this report are organized and presented by industry. Illustrated below is the total volume of filings since 1 March 2012 through 30 June 2015. Overall, SAR filings have been increasing steadily since 2012



* Represents filings through June 30, 2015

In This Issue

👉 **Interactive SAR Stats:** Readers now have the option to visit the *Interactive SAR Stats* application at <http://www.fincen.gov/Reports/SARStats> which allows users to see the filing rate(s) of specific FinCEN BSAR (Form 111) data from 1 March 2012 through the latest full month of the current calendar year.

Users may select any combination of the following data elements for each of the seven defined industries and other type of filing institutions: Year & Month; States/Territories; Suspicious Activity Types/Category; Instrument Type(s)/Payment Mechanism(s); Product Type(s); Relationship; and Regulator.

Interactive SAR Stats provides the ability to combine elements within search parameters, which allows for broader and more varied illustration of data than is contained in the *SAR Stats* and *Quarterly Update(s)*.

Note: As a result of *Interactive SAR Stats*, FinCEN will no longer be posting *Quarterly Updates*. FinCEN plans on enhancing *Interactive SAR Stats* in the future, and we look forward to your feedback with regard to possible improvements.

FinCEN will also continue publishing annual editions of the *SAR Stats* Technical Bulletin, which will contain authoritative annual aggregations of SAR data as well as articles on key topics of interest. FinCEN welcomes feedback and suggestions from readers on topics of interest to them.

- 👉 **SAR Narrative Spotlight:** Although SAR Stats is designed to provide a statistical overview for the public and industry of suspicious activity developments, Narrative Spotlights will focus on key emerging illicit activity trends derived from analysis of SAR narratives. In this issue, our Narrative Spotlight section ([SAR Narrative Spotlight](#)) examines the emerging trend of **Crowd funding** related activities within SAR narrative data.
- 👉 **Trending Now in “The Other” Section:** The free text “Other” fields of suspicious activity categories offer some of the most quantifiable indications of new, emerging, and recurring trends in illicit financial activity. As it does every year, *SAR Stats* will show the most prevalent explanatory entries in the “Other” field of each suspicious activity category (by industry). Please refer to this edition’s Trending Now section ([Trending Now](#)) to see which suspicious activities are trending within your industry’s filings for SARs filed during the 2014 calendar year.
- 👉 **Sector Highlight:** Industry experts provide insights and observations on the aggregated SAR data in a particular sector. In this issue, we highlight ([Sector Highlight](#)) **Depository Institutions** filings related to “**Call Outs**” of Suspicious Activity.
- 👉 **Data Insider:** This section discusses the structure, framework, and methodology behind the data. Refer to the Data Insider section ([Data Insider](#)) for an explanation of **Value Summary Reports**.

Statistical Analyses by Sector and Geography

Please click on the hyperlinks below for SAR data arranged by filing industry type and ranking. State geographical displays (traditionally referred to as “heat maps”), Value Summary Reports containing geographic summaries at the county and Metropolitan Statistical Area (MSA) level, as well as a yearly breakdown of suspicious activities for all states and territories, are accessible through highlighted hyperlinks in Exhibit 2 (Filings by States & Territories) of each industry type section.

New: In August 2014 options on the E-Filing drop down menu for Housing Government Sponsored Entities (GSE) and Loan or Finance Companies went into effect. This second edition of *SAR Stats* includes data filed by both of these industries through 31 December 2014. However, due to the low number of filings, Value Summary Reports on GSE and Loan or Finance Companies will not be available in this edition.

[Depository Institutions]

[SAR Stats – Issue 2 – Depository Institutions](#)

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Primary Federal Regulator
Relationship to Financial Institution
Product Type(s)
Instrument Type(s) / Payment Mechanism(s) Involved
Value Summary Report – Filings by County
Value Summary Report – Filings by Metropolitan Statistical Area
Value Summary Report – Suspicious Activities by Year by States & Territories

[Money Services Businesses]

[SAR Stats – Issue 2 – Money Services Businesses](#)

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Product Type(s)
Instrument Type(s) / Payment Mechanism(s) Involved
Value Summary Report – Filings by County
Value Summary Report – Filings by Metropolitan Statistical Area
Value Summary Report – Suspicious Activities by Year by States & Territories

[Securities & Futures Firms]

[SAR Stats - Issue 2 - Securities & Futures Firms](#)

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Product Type(s)
Instrument Type(s) / Payment Mechanism(s) Involved
Type of Securities & Futures Institution
Value Summary Report – Filings by County
Value Summary Report – Filings by Metropolitan Statistical Area
Value Summary Report – Suspicious Activities by Year by States & Territories

[Insurance Companies]**SAR Stats – Issue 2 – Insurance Companies**

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Product Type(s)
Instrument Type(s) / Payment Mechanism(s) Involved
Value Summary Report – Filings by County
Value Summary Report – Filings by Metropolitan Statistical Area
Value Summary Report – Suspicious Activities by Year by States & Territories

[Casinos and Card Clubs]**SAR Stats – Issue 2 – Casinos and Card Clubs**

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Type of Gaming Institution
Instrument Type(s) / Payment Mechanism(s) Involved
Value Summary Report – Filings by County
Value Summary Report – Filings by Metropolitan Statistical Area
Value Summary Report – Suspicious Activities by Year by States & Territories

2. In addition to data from industries required to file SARs, the above section also captures data submitted from institutions that are not required to file, and others that are required to file, but for which there is not yet an option on the e-Filing drop-down menu.

[Other Types of Financial Institutions]²

SAR Stats – Issue 2 – Other Types of Financial Institutions

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Product Type(s)
Instrument Type(s) / Payment Mechanism(s) Involved
Primary Federal Regulator
Value Summary Report – Filings by County
Value Summary Report – Filings by Metropolitan Statistical Area
Value Summary Report – Suspicious Activities by Year by States & Territories

[Loan or Finance Companies]

SAR Stats – Issue 2 – Loan or Finance Companies

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Product Type(s)
Primary Federal Regulator

[Housing GSEs]

SAR Stats – Issue 2 – Housing GSEs

Filings by Year & Month
Filings by States & Territories
States & Territories Ranked in Descending Order
Suspicious Activities Ranked in Descending Order
Filings by Suspicious Activity
Relationship to Financial Institution
Product Type(s)

###

FinCEN’s mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

FinCEN encourages readers to respond with reactions to and comments regarding this report. Please provide FinCEN with any feedback regarding the contents of this report by contacting FRC@FinCEN.gov. Please mention “SAR Stats CY2014” in your email.

SAR Narrative Spotlight: Rewards-based Crowdfunding Draws Unwanted Attention

SAR narrative mentions of crowdfunding associated with possible illicit financial activity, though small overall, have been increasing since the initial rewards-based crowdfunding SARs were filed in 2012. There were fourteen such filings in 2013, twenty-five such filings in 2014 and thirty-eight through May 2015. The figures through May 2015 represent a 171% increase over all of 2013. Wide accessibility, ease of use, and limited fraud controls can make rewards-based crowdfunding platforms susceptible to financial abuse. SAR analysis indicates that crowdfunding sites have been used as a layering and comingling mechanism in money laundering and fraud schemes, often before participants withdraw funds or move them further through the financial system.

SAR narratives have identified various forms of illicit use of rewards-based crowdfunding platforms, including money laundering, fraud schemes, possible terrorist financing, and other criminal activities. Common forms of illicit or suspicious activity – including credit card fraud, identity theft, account takeovers, phishing schemes and shell company abuse—also tie into the crowdfunding industry.

What is Rewards-Based Crowdfunding?

Rewards-based crowdfunding is a funds pooling method that relies heavily on internet campaigns to solicit contributions or “donations” from a large number of individuals, most of whom are previously unknown to the campaign creator, to raise money for a specific business venture, personal cause, or project. Kickstarter, typically viewed as the leading rewards-based crowdfunding platform, funded 22,252 projects in 2014 with over \$500 million from 3.3 million backers.

Some sites restrict donations to business or entrepreneurial pursuits, while others allow donations for virtually any reason, business or personal. Some sites provide a utility for the campaign creator(s) to provide some kind of reward to anyone making contributions while others simply provide a method of pooling funds, with no required additional benefits to backers.

Crowdfunding requires three elements: (1) a campaign creator; (2) campaign backers who pledge money the creator needs to complete a project; and (3) a site that will enable the campaign to be promoted and administered.

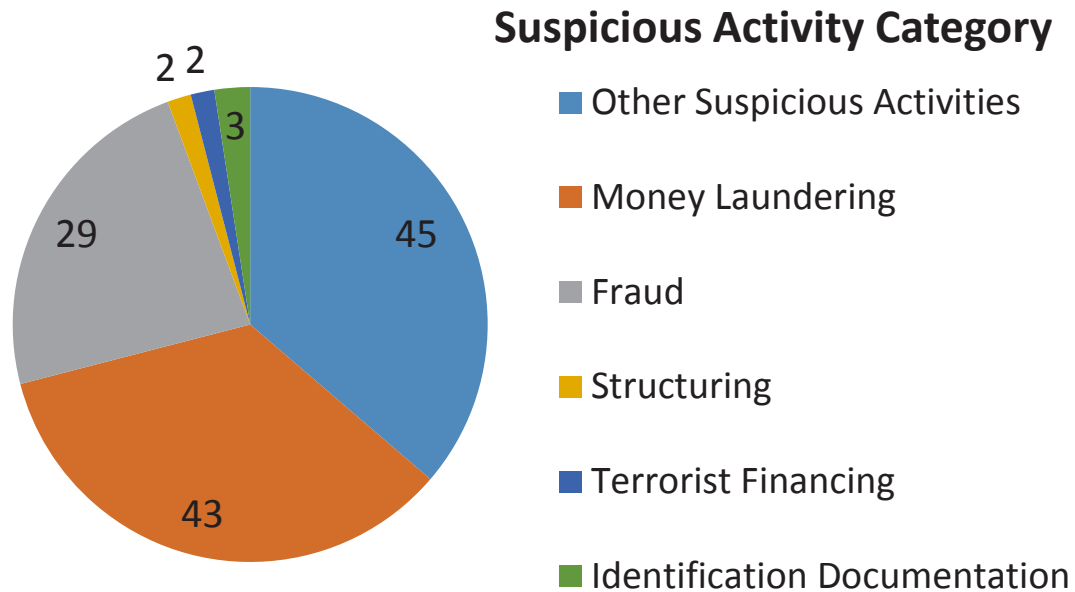
Crowdfunding sites generate revenue by collecting fees from campaign creators once they meet the funding goal of a project.

Rewards-Based Crowdfunding Abuse Identified in SARs

An analysis of BSA data from January 2010 through May 2015 identified 79 SARs filed by banks and money service businesses (MSBs) containing rewards-based crowdfunding activity references in the narrative.³

The majority of these SARs indicated the Suspicious Activity Category as “Money Laundering,” “Fraud” or “Other Suspicious Activities.” The most common sub-types within these categories⁴ were “Suspicion Concerning the Source of Funds,” “Structuring,” “Debit/Credit Card,” and “Transactions With No Apparent Economic, Business or Lawful Purpose.” The total reported transaction amounts for these SARs is \$27,915,574.⁵

The chart below depicts the number of SARs indicating each Suspicious Activity Category.



It is important to note that a single SAR can provide multiple activity categories, which is why the total indicated in the chart exceeds the 79 total SARs filed.

Some of the SARs reported strictly on transactional activity involving crowdfunding campaigns, but many of them referenced crowdfunding transactions while describing overall account activity. In other words, some SARs were filed solely on transactions involving crowdfunding while some were filed on other account activity and the crowdfunding transactions were included in the SAR narrative as either a portion of the suspicious activity or as part of the larger account history.

3. A search of SAR narratives that included the term “crowdfund,” “crowd fund,” “crowdfunding,” or “crowd funding” was used to identify these SARs.
4. Not including “Other.”
5. It should be noted that this aggregate dollar amount also comprises other financial activity and transactions (e.g., checks, cash deposits, suspected commingling of funds) involved in the overall reported suspicious pattern of activity.

Of SARs filed by MSBs, the majority were filed strictly on crowdfunding transactions; in SARs filed by banks, the crowdfunding activity was most often identified as a portion of a larger volume of suspicious activity.

Commonalities in SAR Narratives

The following is a cross-section of the activity deemed suspicious in the SAR narratives. Many of the 79 SARs described similar activity as highlighted below.

Account Takeover

- Individuals used stolen credit card information to fund their online money transmitter accounts and/or prepaid cards. Those accounts and cards were then used to fund crowdfunding campaigns.
- Schemes where a crowdfunding campaign was fully funded with payments from stolen credit cards. These funds were then sent from the crowdfunding site to an online money transmitter account that had been fraudulently taken over. All of the funds in the money transmitter account were then withdrawn.
- Account takeover schemes involving online money transmitter accounts in which the funds are fraudulently sent to various crowdfunding campaigns.

Fraud

- A single individual launched multiple one-day campaigns that are linked to the same bank account. The campaigns are then funded from the same IP address by many different stolen credit cards and the funds are then transferred to the bank account.
- Business account holders used funds originating from crowdfunding campaigns for personal expenses. Individuals creating charitable crowdfunding campaigns, diverting the proceeds for personal use and failing to register as a charity is another common typology variation.
- “Copycat” crowdfunding campaigns created to look like other legitimate, successful campaigns to defraud backers. Funds sent to these campaigns are withdrawn immediately.
- Individuals create crowdfunding campaigns, collect the funds, and then simply abandon the campaigns without following through.

Money Laundering

- Personal bank accounts funded by cash deposits from unidentified individuals and checks from foreign businesses. The funds were then transferred to crowdfunding sites.
- Wire transfer activity from the U.S.-based account of a foreign political party to a foreign country. This account was funded by personal checks drawn on foreign banks, online money transmitter transfers, out-of-state cash deposits, and deposits from crowdfunding sites.
- Individuals received deposits from crowdfunding sites, followed by structured cash withdrawals from the accounts.
- Customers received electronic deposits from multiple checking accounts, then immediately made payments to crowdfunding sites.
- An account relationship (personal and business account) funded by a high volume of personal checks, money transmitter payments, and crowdfunding payments was sending a large volume of wires to a high risk country.

Terrorist Financing and Crowdfunding

There was a limited number of SARs in which terrorist connections were mentioned in the narrative. One of these narratives noted that the overall account activity, including a high volume of multi-state cash deposits, deposits of checks drawn on foreign banks and credits from a crowdfunding site, followed by multiple large dollar outgoing wire transfers to a high risk country, appeared to the bank to be indicative of money laundering and possible terrorist financing.

Another SAR indicating “Terrorist Financing” as the Suspicious Activity Category was filed on an individual who was receiving funds from a crowdfunding campaign raising funds on behalf of an individual and his organization located in a high risk country, advocating violence. The publicly available information on the transaction parties, account holders and crowdfunding campaign led this bank to suspect a possible terrorist connection.

SAR Utility In Crowdfunding Investigations

The information provided in SAR narratives by banks, MSBs and other filing entities serves as an invaluable resource to investigative officials pursuing money laundering and terrorist financing cases. Details of the crowdfunding activity, including the crowdfunding site, possible IP addresses and especially the name and description of the crowdfunding campaign can greatly assist investigative officials.

Whether a SAR is filed solely on crowdfunding activity or only in part on crowdfunding activity, the information specific to these transactions is equally important. Dates, dollar amounts, senders and receivers are all important pieces of information that help investigative officials piece together financial trails.

Trending Now

SAR Electronic Filing Instructions for Types of Suspicious Activity require that if a suspicious activity category applies but none of the listed options apply, the “z Other” box is to be checked and an entry made in the associated text field briefly describing the nature of the suspicious activity. For the period 1 March 2012 through 31 December 2014, (z) Other options constituted 1,320,930 – over 18% of all reported suspicious activities for this period.

Further, in 2014 financial industries (as a whole) submitted over 760,000 entries in the free-text line of the (z) Other option within all ten suspicious activity categories of FinCEN 111, BSAR Report (Part II, fixed fields 29z-38z) representing slightly more than 18% of all reported violations for the calendar year.

FinCEN assesses the (z) Other free text entries to monitor the emergence of discernable new illicit schemes. Accurate descriptive entries on the (z) Other field, which contains 50 characters, can lead to the identification of major new types of suspicious activity and, if appropriate, the creation of new violation fields in the SAR form. Violation fields are crucial in assisting law enforcement and other users of SAR data to more rapidly identify filings useful to their investigations or other inquiries.

To maximize the value of the (z) Other field content, however, it is important for filers to complete the field accurately. Some best practices for completion of the (z) Other field are included at the end of the Trending Now section and we encourage filers to review them.

The trending⁶ tables contained in each of the following industry-specific sections illustrate the most frequently reported themes⁷ appearing in the (z) Other fields of each category within Part II (Suspicious Activity Information) of SARs (Form 111 FinCEN BSAR Report) submitted during the period **1 January 2014 through 31 December 2014**. The following tables further provide rates of change between data submitted in 2012-2013 for the same themes⁸.

-
6. *Trending* signifies an activity that is cited with more frequency than others within the same category. All trends are numerically-based and are defined as noteworthy by a comparative threshold applicable to the category and industry.
 7. Because of the breadth and diversity of free-text entries, an absolute count of the activity types shown is not feasible. Trending Now numbers are represented as accurately as possible, encompassing entries that are defined, apparent, obvious, intuitive, or indicative and collated into a standardized activity type.
 8. While 2014 constitutes the first full calendar year in which all SAR data was collected on one standardized report (Form 111) from five of the seven reporting industry types, as well as Other Type(s) of Financial Institutions, as with *SAR Stats Issue 1*, making a clean comparison with prior year data remains unfeasible due to the absence of a minimum of two full calendar years of mandatory filings (2013 data representing 3 months of voluntary and 9 months of mandatory submissions).

TRENDS & OBSERVATIONS

OVERALL REVIEW

Recurring Trends

Through the financial sector as a whole in 2014, there were twice as many recurring prevalent activities that were trending up than down. For those that increased, the range spanned a low of +1% to a high of +338%. For returning trends that declined from data as reported in 2012-2013, decreases ranged from -1% to -70%.

Across industries, the following defined trends first illustrated in *SAR Stats – Issue 1* continue to be strongly referenced (in whole or part) and emergent: Prepaid Fraud, E-Mail Fraud, Adverse Media, and False Statement.

Last year Prepaid-related fraud⁹ activities saw an overall increase as compared to aggregated reports filed in 2012-2013 for the same activity type. In 2014, in three of the four individual suspicious activity categories, references to Prepaid Access/Prepaid Card-related activity increased. CY2014 filings further showed Prepaid-related activity being reported by a new industry type and within a new category as a trending theme.

While no longer trending in 2014 within the Suspicious Activity Category of Fraud on SARs as filed by Other Types of Financial Institutions, E-Mail-related activity continues to appear under various entries: *Compromised, Fraudulent, Hacked or Hijacked E-Mail, E-Mail Compromise, Fraud, Scheme, or Takeover, Phishing and Spoofing* (as applicable). In addition to recurring as a trend within SARs filed by Securities and Futures Firms (Fraud), and Other Types of Financial Institutions (Other Suspicious Activities), said theme also surfaced in another Securities category (Other Suspicious Activities) as opposed to few references in 2012-2013.

Adverse Media¹⁰, noted as a trend in filings by Securities & Futures Firms (Other Suspicious Activity category), continues to increase. Moreover, references to Adverse Media were sufficient enough to become a trend in CY2014 within filings by Other Types of Financial Institutions whereas data from 2012-2013 SAR filings (111 FinCEN BSAR Report) listed minimal entries relative the same activity.

False Statement was a prevalent trend in 2012-2013 SARs filed by Other Types of Financial Institutions and even more so in 2014. This activity-type further appeared as trending within the defined Depository Institutions industry SARs filed for the same category and (z) Other option.

9. Includes Prepaid Card Fraud, Prepaid Access, Prepaid Card, and Prepaid Access Card.

10. When SARs address “adverse media,” or related phrases such as “negative news, negative information, derogatory information, negative article, adverse public information” narratives typically detail negative customer information in the public domain that filers have discovered in initial or ongoing customer due diligence efforts, which include serves of media and court documents.

New/Emerging Trends

Among the 138 prevalent trends illustrated within specific Suspicious Activity Categories as reported by the various filing industries¹¹ in CY2014, thirty-nine were indicated as “Emerging.”¹² Of these, nine were also previously reported elsewhere in some other category and/or industry.

In 2014 emerging trends¹³ saw a wide range of increases (as compared to 2012-2013 data); from -10% to +9,000%. Among activities most individually referenced were Funnel Account Activity, Flipping (Unspecified), and Excessive Activity – these latter two themes also mentioned with frequency (2,124 and 1,968 times, respectively) in aggregated 2012-2013 FinCEN SAR data for the same industry and category.

As seen in the trending tables throughout this article, several activities identified as emerging trends in 2014 are also present within the same Suspicious Activity Category and Industry for 2012-2013 data. Even so, these activities were not referenced enough to be considered prevalent for the reporting period or more prevalent than other listed activities.

Three of the forty-nine emerging activity trends for 2014 encompassed terms previously unseen: *Shopping Scam* (Unspecified), *Marijuana Limited*, and *Cash Between Two Parties Multiple Locations*. As described below, *Shopping Scam* reflects another term for Internet Purchase Scam. Technically a wholly new term, *Marijuana Limited* surfaces as a result of FinCEN instructing its usage when meeting criteria of Guidance published for the same in February 2014.

Cash Between Two Parties Multiple Locations (including variations), absent in 2012-2013 data, saw substantial references in 2014. As indicated in the Sector Highlight portion of this publication discussing Depository Institution “Call Outs” of Suspicious Activity, *Cash Between Two Parties Multiple Locations* is a common term to describe Funnel Account Activity.

Among new activity trends was also *Large Overpayment with Refund Checks Issued* (including variations). A review of the narratives associated with this free-text entry indicate a two-part transaction involving subjects overpaying on their credit/debit card accounts via check(s) and receiving a refund (usually in the form of a credit balance refund check). In 2014 there were 124 references from Other Financial Institution Types relative to this activity, each specifying some form of refund provided. An additional 27 entries from the same filer type(s) and category (Money Laundering) noted Large Overpayment(s) on the Account/Balance/Card, but did not further indicate a refund. Mentions to Overpaying Account were substantially present in 2012-2013 data but only in three cases indicated a refund provided.

11. Loan & Finance Companies excluded.

12. The term “Emerging” indicates: 1) An activity that was not *Trending* the year previous; and 2) An activity that was referenced with more frequency than other activities mentioned within the same category.

13. Emerging trends are not necessarily original themes and may have been cited previously, but with less frequency comparatively. They may also represent themes that were previously unseen.

Other terms that were not seen in 2012-2013 data and identified in (z) Other filings for (MSB) SARs filed in 2014 included: *Courtesy Call Back Complaint and Digital Declined Fraud Complaint*. Despite notable references to Courtesy Call Back, and citations of Digital Declined Fraud well over 800 for the period, neither was a prevalent trend within the category where they were first noted as the suspicious activity. These terms will continue to be monitored within CY2015 SARs filed by the MSB and other industries.

On the Radar's Edge

As indicated below, two lesser-known activities saw suggestive growth in 2014: Rent Scam and Utility Bill Scam. While the number of references of both scams is comparatively small, mentions of each activity within (z) Other option free-text lines will be tracked throughout 2015.

It is important to recognize that while some activities may decrease in a specific suspicious activity category, within the same or different industries, they may increase in others for the same. In some cases, themes present in one category (as discerned from 2012-2013 data) may no longer appear as trending in the same category(s) in 2014; but trending in yet another category where it was not before. For example, last year Flipping/Excessive Flipping was trending in the MSB-filed categories of Fraud and Money Laundering. In 2014, neither category saw this activity as a prevalent trend. However, Flipping/Excessive Flipping was indicated as trending in the MSB-filed category of Other Suspicious Activities.

Note: This is not to say that Flipping/Excessive Flipping, as a (z) Other option entry was not present in either Fraud or Money Laundering for 2013 MSB-filed SARs. It was, though not as prevalent as other activities within the same categories.

Similarly, while Compromised E-Mail appeared as trending in Other Types of Financial Institutions in 2012-2013, it is no longer trending in 2014, but is in the same category in Securities & Futures Firms. Again, while Compromised E-Mail was still being reported as a (z) Other entry within Fraud in 2014, it was not as prevalent as other activities within the same category.

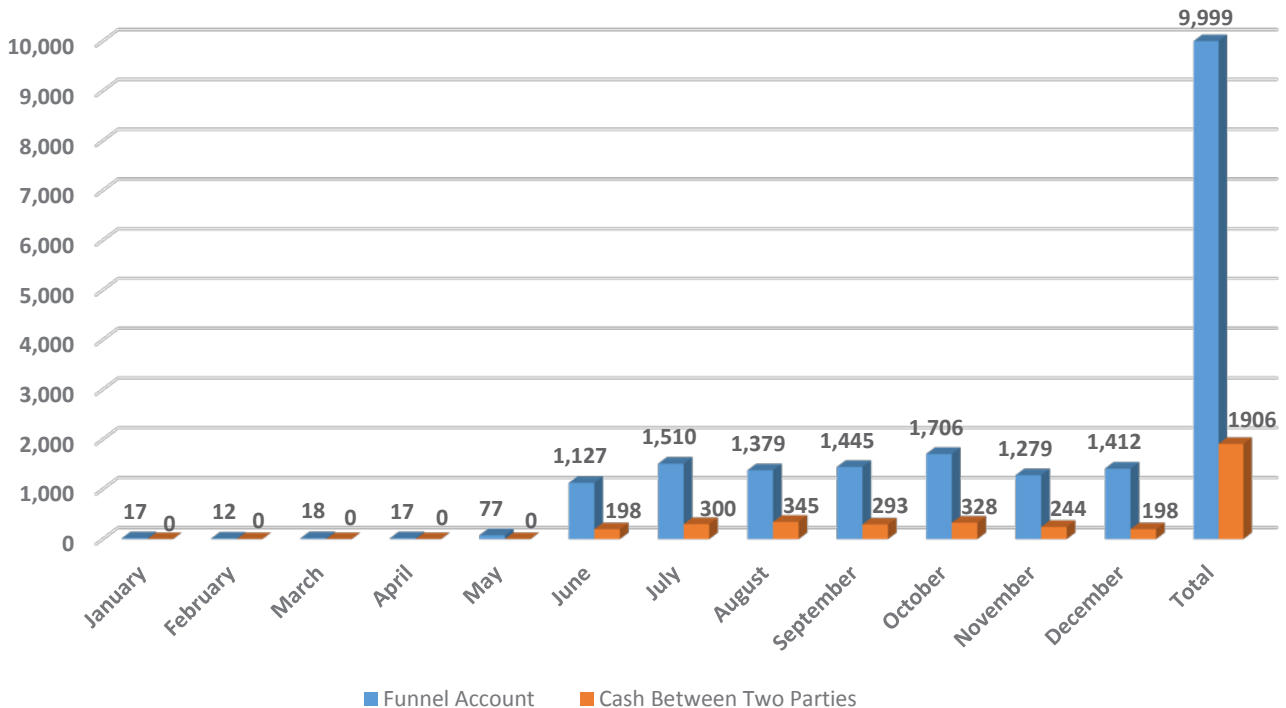
Several activities continue to “trend” due to their numeric significance – many of which are analytically useless due to their lack of specifics. Please see below for an overview of such inadequate entries in the section titled: *Best Practices for Completing the (z) Other Field*.

Depository Institutions

For Depository Institutions (DI), top trends in CY2014 were for the most part consistent with prior years with most noticeable increases being the following themes: Fraudulent Use of a SSN, Suspicion Concerning the use of Funds, Income Discrepancy, Identity Fraud, and Employment Discrepancy. References to each of these trends more than doubled in 2014 when compared to 2012-2013 DI filings for the same. Conversely, a number of past and current trends saw decreases in 2014, most notable of which were: Excessive Cash Payments (in two separate categories, down 63% and 39%, respectively), Origination Fraud (Unspecified) (-60%), and Prepaid Card Fraud (-32%).

The standout trend for 2014 was the increase in references to Funnel Account Activity, which garnered almost 10,000 mentions within the category of Money Laundering. In contrast, the number of references to this activity type within the same category for 2012-2013 numbered no more than 123. As illustrated in Figure 1 below, because of the clear and sustained rise in Funnel Account Activity mentions from June 2014 on, we attribute this increase to filer response to FinCEN Advisory FIN-2014-A005¹⁴ published on 28 May of the same year. Similarly, Money Laundering within DI-filed reports further saw over 1,900 free-text references to *Cash Between Two Parties – Multiple Locations* which is a common phrase to describe, or associated with Funnel activity. This new characterization, like Funnel Account Activity, was all but non-existent in previous reports prior to 2014 – for all industries.

Figure 1
2014 DI SARs - Money Laundering (Other Text Field)
 Funnel Account & Cash Between Two Parties



14. http://www.fincen.gov/statutes_regs/guidance/pdf/FIN-2014-A005.pdf

False Identity Theft Claim (Mortgage Fraud), False Statement (Other Suspicious Activities), and Circumventing Chinese Currency Regulations (Structuring) were also key activities trending higher. All three saw substantial increases in 2014: up approximately 1,800%, 122%, and 112% over the 2012-2013 period, respectively

Depository Institutions				
Suspicious Activity Category	Trending Now	2014	2012-2013 ¹⁵	Change ¹⁶
FRAUD	Tax Fraud	6,148	6,638	↓ -7%
	Prepaid Card Fraud	2,705	3,999	↓ -32%
	Deposit Fraud	2,435	2,188	↑ 11%
	Counterfeit Check	2,069	3,041	↓ -32%
	Kiting (Unspecified)	1,704	1,705	Unch
	Check Kiting	1,554	1,536	↑ 1%
	Emerging Online Banking	1,460	1,355	↑ 8%
	Credit Card Kiting	1,128	919	↑ 23%
	Emerging Due Diligence	1,064	643	↑ 65%
IDENTIFICATION DOCUMENTATION	Social Security Number Fraud ¹⁷	48,851	21,399	↑ 128%
	Insufficient Documentation Provided	1,010	869	↑ 16%
MONEY LAUNDERING	Emerging Funnel Account Activity	9,999	123	↑ 8,000%
	Suspicion Concerning Use of Funds	4,370	2,077	↑ 110%
	Suspicious/Rapid Movement of Funds	2,208	1,489	↑ 48%
	Emerging Cash Between Two Parties Multiple Locations ¹⁸	1,906	0	↑ NA
	Excessive Cash/Cash Activity	1,534	1,979	↓ -22%
	Tax Fraud	1,040	802	↑ 30%
Mortgage Fraud	Origination Fraud (Unspecified)	7,554	18,913	↓ -60%
	Application Misrepresentation	2,118	2,681	↓ -21%
	Emerging Occupancy Misrepresentation/Fraud	1,688	1,876	↓ -10%
	Emerging False Identity Theft Claim	1,587	84	↑ 1,800%
	Loan Origination Fraud	1,532	2,040	↓ -25%
	Short Sale Fraud/Collusion	1,176	1,787	↓ -34%

15. Represent filings from 1 March 2012 through 31 December 2013.

16. All percentages are approximate.

17. Includes: Fraudulent Use of a SSN

18. Includes: Cash Between Two Parties at Multiple Locations, Cash Between 2 Parties Multiple Locations, Cash Between Two Parties and Multiple Locations (variations).

OTHER SUSPICIOUS ACTIVITIES	Income Discrepancy	20,352	7,021	↑ 190%
	Identity Fraud	9,755	2,229	↑ 338%
	Tax Fraud	6,841	6,663	↑ 3%
	Employment Discrepancy	2,577	1,017	↑ 153%
	Fraud Ring	2,376	3,066	↓ -22%
	Emerging False Statement	1,850	835	↑ 122%
	Check Kiting	1,794	2,267	↓ -21%
	Emerging Bust Out Scheme	1,074	936	↑ 15%
	Kiting (Unspecified)	1,028	1,202	↓ -14%
	Emerging Suspicious Financial Activity	968	517	↑ 88%
	Excessive Cash Payments	964	1,575	↓ -39%
Rapid Utilization/Movement of Funds	890	1,434	↓ -38%	
STRUCTURING	Single Transaction Below CTR Threshold	1,047	656	↑ 60%
	Excessive Cash Payments	603	1,638	↓ -63%
	Emerging Circumventing Chinese Currency Regulations ¹⁹	567	267	↑ 112%

As seen in the table above, Tax Fraud-related items remained the most pervasively referenced type of activity, mentioned in multiple suspicious activity categories in Depository Institutions SARs. For this reason, we present a more detailed discussion of Tax Fraud-related activities²⁰ as found in CY2014 entries. The following overview distills the specific types of Tax activities being referenced as well as data quality issues related to the same.

Tax Fraud (General)

During 2014 approximately 14,000 tax-related free-text entries appeared within the combined categories of Fraud, Money Laundering, and Other Suspicious Activities. A review of these entries shows the preponderance of these mentions dealt with Tax Evasion²¹ or Tax Refund Fraud.

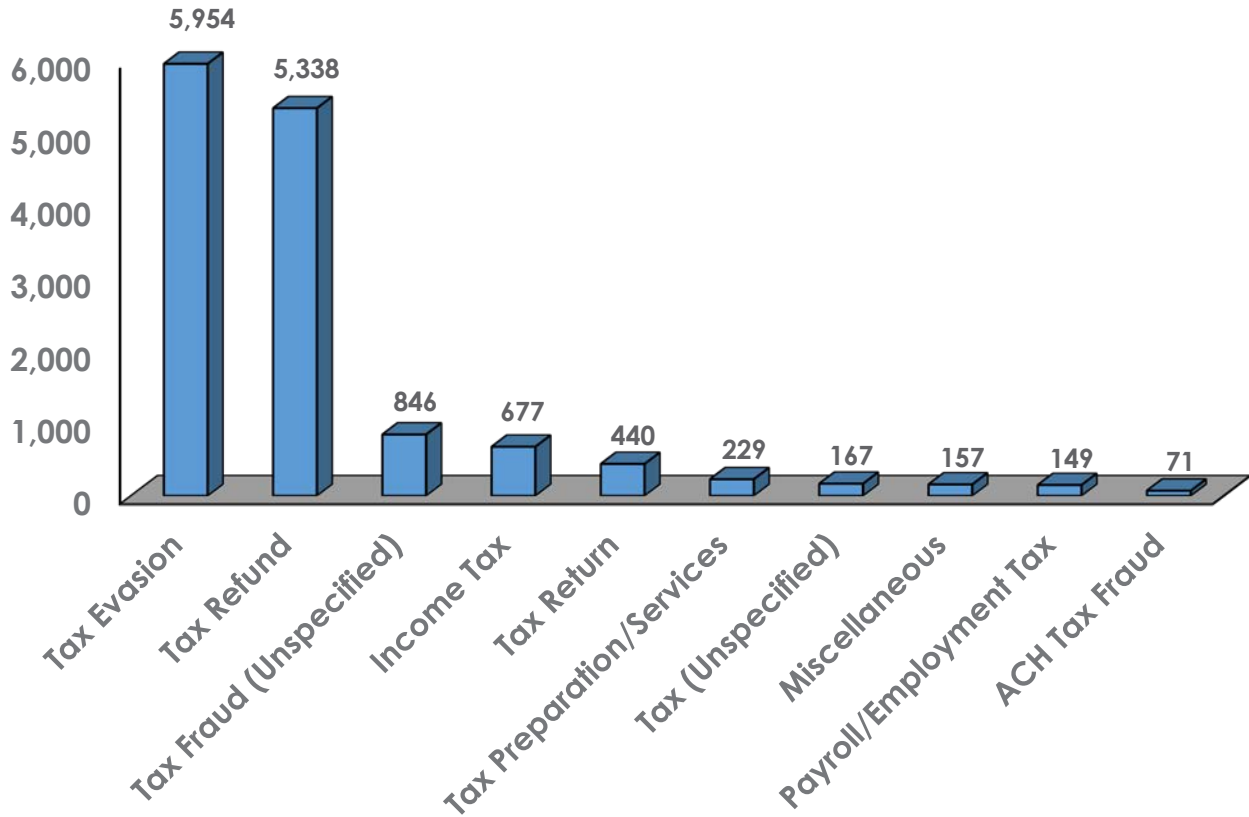
19. Includes: Avoid China Reporting Threshold (variations).

20. The multiple instances involving some form of tax-related activity were consolidated into an overall category of Tax Fraud.

21. To include: Avoidance, Circumventing, Concealment, Evading, and Hiding (and variations of all).

Figure 2 illustrates the most commonly reported themes of Tax-related entries made within the three categories combined:

Figure 2
2014 - DI SARs Tax-Related z (Other):
Fraud - Money Laundering - Other Suspicious Activities



Tax-Related (Fraud)

In 2014 there were 6,148 activities described within the category of Fraud as being Tax-related. Of these, over 61% were specifically associated with Tax Refund Fraud. An additional 14% of entries contained unspecified terms such as: *Tax Fraud*, *Tax Scheme*, *Tax Scam*, or simply the word *Tax*.

More detailed Tax-related entries indicated a type of Income Tax Fraud having to do with [Income] Tax Filing, general Income Tax Fraud or, to a lesser extent, [Income] Tax Refund Fraud and/or Income Tax Evasion. Entries specifying *Income Tax* accounted for 8% of Tax-related suspicious activity reported by depository institutions during the 2014 calendar year for this specific category.

Tax Evasion mentions accounted for 7% of all tax-related entries in the Fraud activity category and were primarily limited to the restricted term itself. Of those mentions with some additional detail, seven indicated avoidance of a Tax Levy.

Other entries containing specifics included instances of Tax Return Fraud, types of wage-withholding schemes (to include Payroll, Employee, or Employment Taxes), and Tax issues involving Tax Preparation/Preparer Fraud or Tax Service scams. Tax-related entries referencing ACH primarily dealt with Tax Refund Fraud.

In the category of Fraud there was also an assortment of miscellaneous Tax-related issues ranging from six instances of fraud involving a lottery, sweepstakes or prize money scam, to several unique entries referencing such items as *Misrepresentation of Tax Preparation Software*, *Securities Tax*, *Failure to File*, and *No Paying Taxes*.

As with the entries for Tax Refund Fraud, and the other discernable Tax-related activities as noted above, filers should accurately describe the type of issue concerned in the reported suspicious activity. The 881 entries which accounted for unspecified Tax-related activities would have provided for a more accurate representation of the type of fraud, scheme, or scam being perpetrated if briefly described.

Tax-Related (Money Laundering)

Of the three suspicious activity categories indicating the highest incidence of Tax-related entries, as filed by depository institutions in 2014, Money Laundering accounted for only 7% of the nearly 14,000 instances cited (compared to 44% for Fraud and 49% for Other Suspicious Activities). Of these, a considerable majority (82.5%) referred to "Tax Evasion" with a minority containing detail(s) beyond that: Income Tax Evasion and the hiring of illegal or undocumented workers for Tax Evasion purposes encompassing most of these.

Conversely from Fraud, secondary to Tax Evasion references were mentions of occurrences involving a Tax Refund (or Refunds), the aggregate of which comprised 8.5% of all Tax-related activities within the category of Money Laundering for 2014.

Tax-Related (Other Suspicious Activities)

Approximately 68% of the free-text entries containing the term "Tax" within the Other Suspicious Activities category involved Tax Evasion on SARs submitted by depository institutions during 2014. While 90% of these were general in nature (Tax Evasion, Possible, Potential, or Suspected Tax Evasion), about 2% described Tax Evasion in association with Undocumented, Unauthorized, or Illegal Workers (and similar). Separately, about the same number of entries referenced Tax Evasion connected to Employment Payroll Taxes or Cash Payroll (and similar). Another 1% of Tax Evasion cites specifically addressed the avoidance of a Tax Levy or Levies.

Twenty-two percent of Tax-related text in this category indicated Tax Refund Fraud while 2.5% of the same identified some type of Tax Preparer Fraud. Entries specifying "Income Tax" numbered about the same – 63% of which detailed Income Tax Evasion. Slightly more than 1% equally had to do with Tax Returns or Payroll Taxes.

In the category of Other Suspicious Activities there were a broad variety of lesser-reported issues ranging from nine instances of suspicious Tax-related comments, inquiries, or statements, and no evidence of taxes paid, to a number of single entries referencing such items as *Abuse of Tax Exempt Status*, *Forfeited Franchise Tax Status*, and one instance of the sole entry "Tax."

Money Services Businesses

Person in Need and Romance Scams continued at the top of the trend list for Money Services Businesses (MSB) Fraud in 2014. These two activities accounted for 22,000+ entries combined. Reports of Person-in-Need noticeably outnumbered Romance Scams, jumping 188% from reports of the same for SARs filed in CY2012-2013. Romance Scam-related entries also rose (up 57%), experiencing 3,000 more references in 2014 within the category of Fraud.

MSB filers continued to report substantial instances of Internet Purchase Scam(s), Multiple Addresses, Higher Frequency/Higher Volume, and Suspicious Money Movement which were trending higher in both Money Laundering and Other Suspicious Activities. In 2014, references to these trends increased in range from approximately 100-300%.

In addition to 2014 trends that have experienced an increase in terms of percentage, there are several (like Romance Scam) that have risen in terms of absolute numbers. Unusual Activity (Unspecified) and High Risk Jurisdiction, with 25,000 and 21,000, mentions respectively, are the leading examples of this.

Several emerging trends were identified in (z) Other MSB filings across multiple suspicious activity categories. Of the three within the category of Fraud (Investment Scam, Tax Fraud, and Shopping Scam), one term that can be described as "new" was *Shopping Scam* which, absent in 2012-2013, saw over 1,100 references in CY2014. A review of one hundred SARs for this reported activity all indicated varieties of fraud involving the purchase of items via the Internet with the buyer sending payment and receiving no goods in return; thus, *Shopping Scam* is another way to describe an *Internet Purchase Scam*.

Among items trending in 2014, most conspicuous of the activities reported as associated with Money Laundering were citations to Excessive Payments, jumping 2,000% from the twenty-two references made in 2012-2013 in the same category.

The newly listed trend of *Flipping*²² (for Other Suspicious Activities) also reflects the same circumstance as mentioned above where themes trending²³ in 2014 may not have been trending within 2012-2013 data, however substantially mentioned.

22. Flipping is commonly understood to mean quickly buying and selling of a revenue-generating asset for profit.

23. *Trending* signifies an activity that is cited with more frequency than others within the same category. All trends are numerically-based and are defined as noteworthy by a comparative threshold applicable to the category and industry.

For example: As the trending table below shows, both *Investment Scam* and *Tax Fraud* were well noted in 2012-2013 MSB-filed Fraud data. However, despite each being mentioned about 600 times, said themes were not as common as others for the same filing period.

Emerging but less common trends, versus those reported in the Trending Now tables resulting from numeric significance, include references to Rent Scam²⁴ and Utility Bill Scam. In 2014 each of these activities saw suggestive growth: Utility Bill Scam going from 20 to 91 MSB-reported cites and Rent Scam climbing from 6 mentions by the same industry to 223.

MSB data received in 2014 further surfaced the first appearance of the suspicious activity terms *Courtesy Call Back Complaint*²⁵ and *Digital Declined Fraud Complaint*. Said terms were noted within the Other Suspicious Activities category a total of 4,332 and 853 times, respectively

Money Services Businesses				
Suspicious Activity Category	Trending Now	2014	2012-2013²⁶	Change²⁷
FRAUD	Person in Need Scam ²⁸	13,806	4,795	↑ 188%
	Romance Scam ²⁹	8,257	5,256	↑ 57%
	Possible Scam (Unspecified) ³⁰	7,054	3,250	↑ 117%
	Internet Purchase Scam ³¹	4,920	2,016	↑ 144%
	Merchant Fraud	2,807	2,831	↓ -1%
	Fraud (Unspecified)	2,307	2,058	↑ 12%
	Prepaid Access	1,984	1,460	↑ 36%
	ATO/Account Takeover	1,641	1,428	↑ 15%
	Counterfeit Sales/Merchandise	1,610	1,152	↑ 40%
	Emerging Investment Scam (Unspecified)	1,570	612	↑ 157%
	Emerging Tax Fraud	1,535	613	↑ 150%
	Emerging Shopping Scam (Unspecified)	1,142	0	↑ NA
IDENTIFICATION DOCUMENTATION	Multiple Addresses	540	247	↑ 119%
	Emerging Address Variations	235	66	↑ 256%

24. Includes Rental Scam.

25. Also referred to as *Courtesy Callback Complaint*.

26. Represent filings from 1 March 2012 through 31 December 2013.

27. All percentages are approximate.

28. Includes: Relative in Need, Family in Need, Friend in Need, and Friend/Family Emergency.

29. Includes: Love Scam, Relationship Scam, Dating/On-Line Dating Scam, Sweetheart Scam, Bride from Overseas Scam, On-Line Love Scam, and Marriage Scam.

30. Includes: Potential Scam, Unknown Scam, Probable Scam, and Unidentified Scam.

31. Includes: On-Line Purchase Fraud/Scam.

MONEY LAUNDERING	Cash On/Cash Off Activity	2,610	1,534	↑ 70%
	Suspicious Money Movement	2,301	577	↑ 299%
	Frequent Sends/Receives	991	985	↑ 1%
	Sent/Sends Large Amount(s)	537	380	↑ 41%
	Emerging Received Large Amount	501	315	↑ 59%
	Emerging Excessive Payments	469	22	↑ 2,000%
Emerging	Illegal Drugs/Drug Trafficking ³²	393	313	↑ 26%
OTHER SUSPICIOUS ACTIVITIES	Higher Risk Jurisdiction ³³	85,482	64,319	↑ 33%
	Unusual Activity (Unspecified)	81,087	56,007	↑ 48%
	Higher Frequency/Higher Volume	17,912	8,608	↑ 108%
	Excessive (Unspecified)	11,541	2,637	↑ 338%
	SWB/SWB Higher Risk Jurisdiction	11,384	6,130	↑ 86%
	Emerging Flipping (Unspecified) ³⁴	8,585	2,124	↑ 304%
	Counterfeit (Unspecified)	6,372	6,456	↓ -1%
	Emerging Illegal Sales	6,279	7,502	↓ -16%
	Emerging Excessive Activity	5,962	1,968	↑ 203%
	Counterfeit Sales	5,840	5,059	↑ 15%
	Emerging Suspicious Money Movement ³⁵	5,578	2,726	↑ 105%
Emerging	Fraud Complaint	5,440	1,506	↑ 261%
STRUCTURING	Multiple Transactions (Unspecified)	19,056	16,364	↑ 16%
	ID Policy Evasion	12,465	9,784	↑ 27%
	Unusual Activity (Unspecified)	10,361	6,622	↑ 56%
	Unusual Wire Activity	3,468	1,837	↑ 89%
	Prepaid Access	2,202	1,775	↑ 24%
	Emerging	Source of Funds Evasion	1,718	1,603

MSB filings contained more unspecified trending than any other industry. While some contained a minimal degree of detail by incorporation of venue (Investment Scam, Merchandise Fraud, and Shopping Scam), others were broad in nature: Fraud, Possible Scam, and Unusual Activity. Still other entries were limited to a single word: *Counterfeit* and *Excessive* – to include *Flipping* which, like the two mentioned, more often than not provided no additional text as to the asset being bought and sold.

In 2014 the MSB industry reported more instances of (z) Other activity than all other industries combined. In more than 100,000 instances for the 2014 trends noted above, filers should have furnished more detail relative to the suspicious activity being reported. Greater detail and context better assists in identifying a more accurate and discernable variety of trends.

For High Risk Jurisdiction(s) (and High Risk Country), filers should, where known, specify the location(s) involved in the suspicious transaction.

32. Includes: Narcotics.

33. Includes: High Risk Country.

34. Includes: Excessive Flipping.

35. Includes: Suspicious Money Transfer and Suspicious Movement of Funds.

Casinos & Card Clubs

Casino industry trends remain consistent overall, but each of the prevalent activities noted appeared with much more frequency in 2014 than in 2012-2013.

Most notable among trends in 2014 filings is the appearance of Unknown Chip Source and, to a lesser extent comparatively, the term Recorded Play with No Recorded Redemption, which in many cases was reported in association with Chip Walking.

Note: Despite not appearing as trending within the Structuring suspicious activity category in 2014, there were more free-text entries containing the prohibited phrase *See Narrative*³⁶ than in data pulled for 2012-2013 when said term (and its variations) was indicated as trending. For the period 1 March 2012 through 31 December 2014, there were over 500 references to *See Narrative* (and variations) entered within the (z) Other free-text line within the category of Structuring by Casinos and Card Clubs. *See Narrative* (and variations) is one of the prohibited phrases not to be used in any text fields other than Part V of the Suspicious Activity Report form. For the complete set of prohibited words and phrases, please refer to Attachment C – Electronic Filings Instructions of the FinCEN SAR Electronic Filing Requirements (General Instructions, Item 11): <http://bsaefiling.fincen.treas.gov/docs/FinCENSARElectronicFilingRequirements.pdf>.

Casinos and Card Clubs				
Suspicious Activity Category	Trending Now	2014	2012-2013 ³⁷	Change ³⁸
CASINOS	Chip Walking	2,561	1,112	↑ 130%
	Rated Play Does Not Support Amount of Chips Redeemed	1,077	530	↑ 103%
	Emerging Recorded Play with no Recorded Redemption	485	64	↑ 658%
	Emerging Unknown Chip Source	365	4	↑ 9000%
MONEY LAUNDERING	Cash Out Without Play	498	129	286%
	Emerging Chip Walking	89	0	↑ NA
OTHER SUSPICIOUS ACTIVITIES	Jackpot Switch	196	91	↑ 115%
	CTR Avoidance	128	102	↑ 25%
STRUCTURING	Chip Walking	1,842	873	↑ 111%
	Use of An Agent ³⁹	1,452	435	↑ 234%

36. Includes: See Attached, See Detailed Explanation, and Described in Part V.

37. Represent filings from 1 March 2012 through 31 December 2013.

38. All percentages are approximate.

39. Includes: Use of Another, Use of a Guest, Use of Others Player Card (variations).

Securities & Futures Firms

Overwhelmingly, Penny Stocks were again identified as the basis of suspicious activity within Securities/Futures/Options. References to this activity/product soared from approximately 1,800 references within 2012-2013 data to almost 4,400 in 2014. Despite the preponderance of activities involving Penny Stocks, only a few of this year's free-text entries, as in previously submitted SARs (Form 111 FinCEN BSAR Report), provided any specifics as to the issue involved (e.g., promotion, manipulation, or liquidation of) with most entries just indicating *Penny Stocks*.

The number of reported Unauthorized Wire Transfer(s), as submitted by Securities & Futures firms for 2014 within the category of Fraud, numbered 175. There were only 10 references to the same within 2012-2013 data. This is interesting in that, as compared to the other reporting industries, Unauthorized Wire Transfer(s) represents one of a few instances where an emerging trend is more prevalent than any other previously reported trending theme of suspicious activity for the same category.

Recurring fraud activities involving New Account(s) and E-Mail(s) more than doubled in 2014 from those reported in last year's edition of *SAR Stats*.

This year's edition, as with last, further saw *See Narrative*⁴⁰ as the predominant (by far) free-text entry with suspicious activities as related to Money Laundering. While a detailed explanation can and should be provided in the narrative section of the SAR, filers should *briefly describe the type of suspicious activity in the associated text field. If necessary, explain the type of suspicious activity in more detail in Part V (the narrative)*. The theme of Layering followed as both an emerging and defined prevalent trend within the Securities & Futures-reported category of Money Laundering. Layering saw substantial growth in 2014, rising over 800% from previously submitted 2012-2013 data.

References in the Other Suspicious Activities category to some practice of fraud via E-Mail increased 1,400% in 2014 from data retrieved for the same in previous filings from Securities and Futures firms. Citations involving fraudulent e-mail-related activity represent another instance where an emerging trend surpasses a recurring one.

Adverse media, negative news, and other forms of derogatory information continue to trend as a basis for submitting a SAR (in whole or part).

Most notable within the Mortgage category of suspicious activities was the high number of entries referencing Penny Stocks. Because penny stocks are more commonly associated with Securities/Futures/Options, inclusion of the term here may reflect filer error. And, while Income Fraud continued to be the most prevalent activity within Mortgage-related activities, it substantially decreased in number of reported instances in 2014.

40. In 2012-2013 and 2014, Securities and Futures firms selected the (z)Other option of the Casinos suspicious activity category 127 and 76 times, respectively. Among the 127 free-text entries for 2012-2013, 111 FinCEN BSAR Report, all referenced *See Narrative*. Similarly, 68 of the 76 entries made in 2014 indicated *See Narrative*.

Securities & Futures Firms				
Suspicious Activity Category	Trending Now	2014	2012-2013 ⁴¹	Change ⁴²
FRAUD Emerging	Unauthorized Wire Transfer	175	10	↑ 1,600%
	E-Mail Fraud ⁴³	163	72	↑ 126%
	New Account	153	60	↑ 155%
	Securities Fraud (Unspecified)	127	177	↓ -28%
MONEY LAUNDERING Emerging	See Narrative	385	284	↑ 35%
	Layering	73	8	↑ 812%
MORTGAGE Emerging	Income Fraud	187	624	↓ -70%
	Penny Stocks	141	0	NA
OTHER SUSPICIOUS ACTIVITIES Emerging	E-Mail Compromise ⁴⁴	826	54	↑ 1,400%
	Adverse Media ⁴⁵	639	421	↑ 52%
SECURITIES/FUTURES/OPTIONS	Penny Stocks	4,387	1,782	↑ 146%
	Securities Fraud/Rules Violation (Unspecified)	465	394	↑ 18%
	Unregistered Securities Distribution/Offering/Resale	258	567	↓ -54%
	Prearranged Trading	182	217	↓ -16%

Insurance Companies

Compared to other industry types, selections of the (z) Other option from insurance company submissions remain relatively few. Data for 2014 showed Marijuana Limited and Suspicious use of Prepaid Access Card as newly trending within the categories of Insurance and Money Laundering, respectively. Recent references to Marijuana Limited resulted from FinCEN's Guidance published in February 2014⁴⁶ where filers are instructed to use the term Marijuana Limited in the narrative section of the SAR. Though the guidance does not specify said term as also required in the free-text (z) Other option field, absence of this specific term in the (z) Other fields within 2012-2013 data (for all industries), as well as furnished narratives for the same, substantiates this conclusion.

41. Represent filings from 1 March 2012 through 31 December 2013.

42. All percentages are approximate.

43. Includes: Compromised, Fraudulent, Hacked, Hijack(ed), Phishing, Scheme, and Takeover.

44. Includes: Fraud, Fraudulent, Hacked, Hijack(ed), Phishing, Scheme, and Takeover.

45. Includes: Negative News, Information, Article, and Adverse Information.

46. http://www.fincen.gov/statutes_regs/guidance/pdf/FIN-2014-G001.pdf

And, though there were less-than-half as many as the most prevalent activity within the Money Laundering category, in 2014 Insurance Company became the fourth filer type to include Prepaid Access as a trending suspicious activity type. This milestone, however, must be put into perspective as the overall number of SARs concerned numbered twenty-seven. Still, it is important to comment that this tally exceeds previous 2012-2013 reports by twenty-seven for the same category and activity. Moreover, whereas all three other industries indicated prevalent Prepaid Access-related activities within the category of Fraud (and additionally Structuring for MSBs), Insurance Company-filed SARs noted a new suspicious activity category (Money Laundering) for the same.

Note: For CY2014 there were too few entries in the (z) Other option to provide a list of trending activities within the category of Mortgage Fraud. Conversely, unlike in *SAR Stats – Issue 1*, there were enough entries in the Other Suspicious Activities category to illustrate prevailing trends based on data provided.

Insurance Companies				
Suspicious Activity Category	Trending Now	2014	2012-2013 ⁴⁷	Change ⁴⁸
INSURANCE Emerging	Proceeds Received from Unknown Third Party ⁴⁹	56	49	↑ 14%
	Marijuana Limited	24	0	↑ NA
MONEY LAUNDERING Emerging	Multiple Cash Equivalents Received	59	32	↑ 84%
	Suspicious use of Prepaid Access Card	27	0	↑ NA
	Loan Within Six Months of Policy Issue	26	41	↓ -37%
OTHER SUSPICIOUS ACTIVITIES⁵⁰	Match to Government List/OFAC Match	34	23	↑ 48%
	Unconfirmed Source/Destination of Funds	28	2	↑ 1,300%
	Beyond Expected Income	23	0	↑ NA
STRUCTURING	Money Orders Bought Same/Different Days/Locations – Submitted Together ⁵¹	103	173	↓ -40%

47. Represent filings from 1 March 2012 through 31 December 2013.

48. All percentages are approximate.

49. Activity should have been entered in Insurance Suspicious Activity Category field 36(c): Proceeds sent to or received from unrelated third party.

50. Category of Other Suspicious Activities (Insurance Industry) was not illustrated in Trending Now section of SAR Stats – Issue 2.

51. Includes: (unspecified) Bought same/Different Days/Locations – Submitted Together.

Other Types of Financial Institutions

Several of the newly trending activities for 2014 saw sizable increases, within their respective suspicious activity categories, as compared to 2012-2013 data: Occupancy Fraud/Misrepresentation⁵² (up from 32 cites to 136); SSN Issued Prior to DOB (up from 5 to 164); Loan Level Misrepresentation (climbing to 465 mentions from 11 prior); ACH Fraud (listed 509 times in CY2014 – up from 20); Payment Fraud (459 references – up from 70); Adverse Media (from 14 to 363), and Misrepresentation/Impersonation (up to 602 from 75). The prevalent term *Suspicious Cash Withdrawals*, indicated 17 times in combined 2012-2013 data, went up to 806 in 2014 within the same category.

Among recurring activities, Prepaid Card, SSN Not Issued by SSA, and False Statement continued to substantially trend in their respective categories, each rising sharply from the previous reporting period.

Of the sixty-six free-text entries for the Casinos Suspicious Activity (z) Other option, as filed by Other Types of Financial Institutions in CY2014, thirty-one (47%) indicated *Not Applicable* or *No SAR*. A trend, albeit an uninformative one.

Other Types of Financial Institutions				
Suspicious Activity Category	Trending Now	2014	2012-2013 ⁵³	Change ⁵⁴
CASINOS	Not Applicable ⁵⁵	31	32	↓ -3%
FRAUD Emerging	Prepaid Card	873	204	↑ 328%
	Mortgage Fraud (Unspecified)	574	327	↑ 75%
	Occupancy	136	32	↑ 325%
	Debt Elimination	126	144	↓ -12%
IDENTIFICATION DOCUMENTATION Emerging	SSN Not Issued by SSA	1,502	121	↑ 1,100%
	SSN Issued Prior to Stated DOB	164	5	↑ 3,200%
MONEY LAUNDERING Emerging	Large Overpayment with Refund Check(s) Issued ⁵⁶	124	3	↑ 4,000%
	Money Laundering (Unspecified)	104	106	↓ -2%

52. Most references to Occupancy were unspecified.

53. Represent filings from 1 March 2012 through 31 December 2013.

54. All percentages are approximate.

55. Includes: No SAR.

56. Includes: Large Overpayment(s) with Multiple Refund Checks, Multiple Large Overpayments with Refund Checks Issued, Large Overpayment and/or with Check Issued, Large Overpayment with Credit Balance Refund, (variations).

MORTGAGE FRAUD	Misrepresentation of Occupancy/Fraud	626	471	↑ 33%
	Misrepresentation of Income/Fraud	567	470	↑ 21%
	Emerging Loan Level Misrepresentation	465	11	↑ 4,100%
	Emerging Employment Misrepresentation/Fraud	305	339	↓ -10%
	Debt Elimination	203	259	↓ -22%
OTHER SUSPICIOUS ACTIVITIES	Emerging Suspicious Cash Withdrawals	806	17	↑ 4,600%
	False Statement	642	180	↑ 257%
	Emerging Misrepresentation/Impersonation ⁵⁷	602	75 ⁵⁸	↑ 700%
	Emerging ACH Fraud	509	20	↑ 2,400%
	Emerging Payment Fraud	459	70	↑ 555%
	Emerging E-Mail Fraud	369	288	↑ 28%
Emerging Adverse Media	363	14	↑ 2,500%	
SECURITIES/ FUTURES/OPTIONS	Marking the Close	41	28	↑ 46%
STRUCTURING	Structuring (Unspecified)	125	201	↓ -38%
	Split Transaction(s)	113	174	↓ -35%
TERRORIST FINANCING	N/A ⁵⁹	38	44	↓ -14%
	Emerging Transactions in Line with Known Terrorist Financing ⁶⁰	28	27	↑ 4%

57. Includes; Telephone Impersonation.

58. Includes: Client/Customer Impersonation.

59. Includes: No, No SAR, and Not Applicable.

60. Includes: Terrorist Financing (Unspecified), Possible Terrorist Financing, and May Be Terrorist Financing.

Housing GSE and Loan or Finance Company

As indicated above, a dedicated filing type identifier did not become available for both Housing GSEs and Loan or Finance Companies until August 2014.

Nonetheless, a query of available data showed Housing GSEs as having selected the (z) Other option within the Mortgage suspicious activity category 124 times. Of these, sixty-one referenced *Check Narrative* while another 28 indicated Loan Level Misrepresentation.

HOUSING GSEs				
Suspicious Activity Category	Trending Now	2014	2012-2013 ⁶¹	Change
MORTGAGE FRAUD	Check Narrative	61	NA	↑ NA
	Loan Level Misrepresentation	28	NA	↑ NA

Adherence to Guidance

The substantial filings rates for *Funnel Account Activity*⁶² (to include *Cash Between Two Parties Multiple Locations*) in 2014, shows adherence to FinCEN Guidance published on May 28th, 2014 - particularly as they spiked in the month of June. This is also the case with Marijuana Limited, the first reference(s) to which occurred in February 2014, the month when FinCEN Guidance for the same was published.

Further review of filings within other categories and industries showed the same adherence to both Guidance's.

Methodology Notes

Listed themes represent an aggregation of text entered. Terms that were interchangeable - (e.g., Prepaid Card Fraud or Prepaid Access Fraud) were consolidated to one theme. The terms scam and *scheme* are used interchangeably.

Activities that were strung together in an entry (e.g., Income/Employment/Occupancy Misrepresentation) were individually counted.

Variations of the same topic, though entered differently, were classified as the same theme. For example, the multiple instances involving some kind of tax violation (e.g., tax evasion, tax refund scheme, tax preparer, tax filing fraud, income tax, and so forth), were consolidated into an overall category of Tax Fraud. See [Tax Fraud](#) above for an overview of such entries.

While certain trends may be more prevalent than others, all themes listed represent a noticeable degree of activity within reported suspicious transactions.

61. Compliance for Housing GSEs went into effect in August 2014.

62. See Figure 1 above.

Best Practices for Completing the (z) Other Field

The following free-text entries continue to be prevalent and fail to meet best practices for completing the (z) Other field as described above.

1. Thousands of entries continue to lack critical specifics by omitting the type of product or instrument used in the suspicious activity. For example, there were thousands of entries containing only the single term *Kiting*. This one-word subject needed vital specific descriptors that would have made it useful (e.g., *Check Kiting*). Specific descriptors will reveal activity trends more clearly and are more useful to law enforcement tracking the extent of the products/instruments frequently associated with the activity, in this case, checks and credit cards.

Kiting-related entries lacking detail also included several variations or of the same: *Kite*, *Kite Activity*, *Kiting Activity*, *Kiting Scheme*, *Kiting Suspected*, *Kitting*, *Possible Kiting/Kiting Scheme*, *Possible Kiting/Kiting Activity*, and *Suspect(ed) Kiting*.

Unspecified entries containing other types of suspicious activity associated with kiting, but ones which are not specific to the product or instrument, also do little to identify the detail specific to the kiting activity: e.g., *Kiting and Ponzi Scheme*, *Kiting and Tax Evasion*.

2. General characterizations indicative of suspicious activity sans context provide little or no value beyond the term indicated: *Fraud*, *Scam(s)*, and *Scheme(s)*. These terms are often the only description provided in the free-text field of the (z) Other option. Variations of the same, and additional terms still lacking framework, are equally as useless: *Con-Scheme(s)*, *Scam Activity*, *Scam Victim*, *Scammed Victim*, *Scamming*, *Scheme or Scam*, *Scheme/Fraudulent*, and *Schemes and Scams*.

Such entries should be accompanied by a degree of context. For example, *Pyramid Scheme*, *Romance Scam*, *Wire Fraud*, and so forth.

3. Similarly, the use of broad all-inclusive themes also should not be used as they do nothing to further put the entry into perspective: e.g., *BSA/Structuring/Money Laundering* or, simply, *BSA*, *Structuring*, or *Money Laundering*.
4. The use of prohibited words and phrases⁶³, entries containing only dollar amounts, dates, a series of numbers and/or prohibited characters (such as quotation marks) are of no value.

63. Except as contained in Part V.

In CY2014 the most common entries containing a prohibited word or phrase include N/A⁶⁴ and *See Narrative* – this latter description of activity appearing in several variations: *Described in Narrative, Described in Part V, Please See Narrative, Refer to Narrative, Refer to Part V, See Attached, See Attached Narrative, See Attached Spreadsheet, See Below, See Comments, See Description, See Detail Sheet, See Detailed Explanation, See Explanation, See Narrative, See Narrative Section, See Narrative Section Below, See Notes, See Part V, See Part VI⁶⁵, See Remarks, See Statement, See Suspicious Activity Narrative for Explanation, (See Narrative), and (See Narrative Section).*

In multiple cases, *See Narrative* was a trend in various categories or, in one instance, the only trend.

There were also several Instances where prohibited phrases were used in tandem with a described activity (often following it): e.g., *Check Kiting – See Narrative*. While this is not the same as an entry void of particulars, all defined activities should be explained in more detail in the narrative body of the SAR.

5. Entries starting with or containing only dollar amounts, dates, a series of numbers (to include SSN, EIN, or Account Number) and/or prohibited characters are of no value.

Overall, free-text entries comprising of such prohibited data are on the decline across all industries as compared to entries of the same for 2012-2013 Form 111 reports. Still, these type entries continue to constitute a substantial portion of useless information and are to be avoided.

Other Types of Errors

6. Filers should avoid using the (z) Other field when an option already exists for that violation.⁶⁶ For example, filers entered Account Takeover or Elder Financial Exploitation in the z Other field within the Fraud category instead of checking box 35(a) (Account Takeover) or 35(d) (Elder Financial Exploitation) within the Other Suspicious Activities category.

Additionally, filers should avoid entering pre-existing options within a suspicious activity category in the (z) Other free-text field. For example, In CY2014 filings, several of the available options within the Fraud category (ACH, Check, Consumer Loan, and Wire among the most frequent) were erroneously entered in the (z) Other field.

64. Includes: NA, None, None Selected, and Not Applicable.

65. FinCEN Form 111 does not contain a Part VI.

66. To include: Elder Abuse.

7. Text should not merely repeat the category without providing any specifics: Category: Terrorist Financing, (z) Other text entry: *Terrorist Financing* or Category: Fraud, (z) Other text entry: *Fraud*. The text entry in (z) Other is intended to provide more information to streamline searching.

8. The (z) Other boxes should not be checked when the associated text field is left blank.

The intention of adding more structured field violation types, as well as the (z) Other fields, was to improve the accuracy and precision of the reporting; however, if filers do not exercise care in completing the report, incorrect entries could potentially have the opposite impact.

Sector Highlight

Depository Institution “Call Outs” of Suspicious Activity

During CY 2014, depository institutions used 53,872 unique combinations of words to call out suspicious activity that they felt could not be adequately categorized using the “check boxes” on the FinCEN BSAR. Filers detailed suspicious activity information on Form 111 in Part II, with ten suspicious activity categories and 80 check boxes in fields 29-38. Filers also had 50 characters of free text entry capability in fields 29z-38z, with one free text field for each of the ten suspicious activity categories. FinCEN designed the free text fields to allow filers to report emerging types of suspicious activity, and about 27% of the industry’s 886,927 SAR filings last year contained such free text phrases.

For this edition of *SAR Stats*, FinCEN analyzed the CY 2014 free text phrases to determine the most common types of suspicious activity called out by depository institutions (DIs). Figure 1 highlights the most material categories of activity; each of these 19 types of activity was described in more than 1,000 SAR filings last year. The most prevalent category by far was Social Security Number (SSN) fraud, with 51,700 SARs using some variation of the words “fraudulent use of SSN” to describe the suspicious activity. Other common free text phrasings related to fraud included income fraud (24,016 SARs), tax fraud (14,248 SARs), ID fraud/theft (12,302 SARs), origination fraud (9,175 SARs), scams or schemes (9,140 SARs), and cyber-related keywords (7,322 SARs.) Phrases more closely associated with money laundering included those describing cash activity (19,804 SARs), funnel accounts (12,510 SARs), deposit activity (5,691 SARs), movement of funds (5,497 SARs), use of funds (4,093 SARs), and withdrawal activity (1,538 SARs.) Other concepts described in free text of over 1,000 DI SARs included kiting, counterfeiting, prepaid card activity, derogatory information, due diligence, and safe deposit box activity. Specific words or phrases that depository institutions used in each of these keyword categories created by FinCEN for Figure 1 are contained in Table 1.

Figure 1: Common Keyword Categories for “Other” Suspicious Activity Described in DI SARs

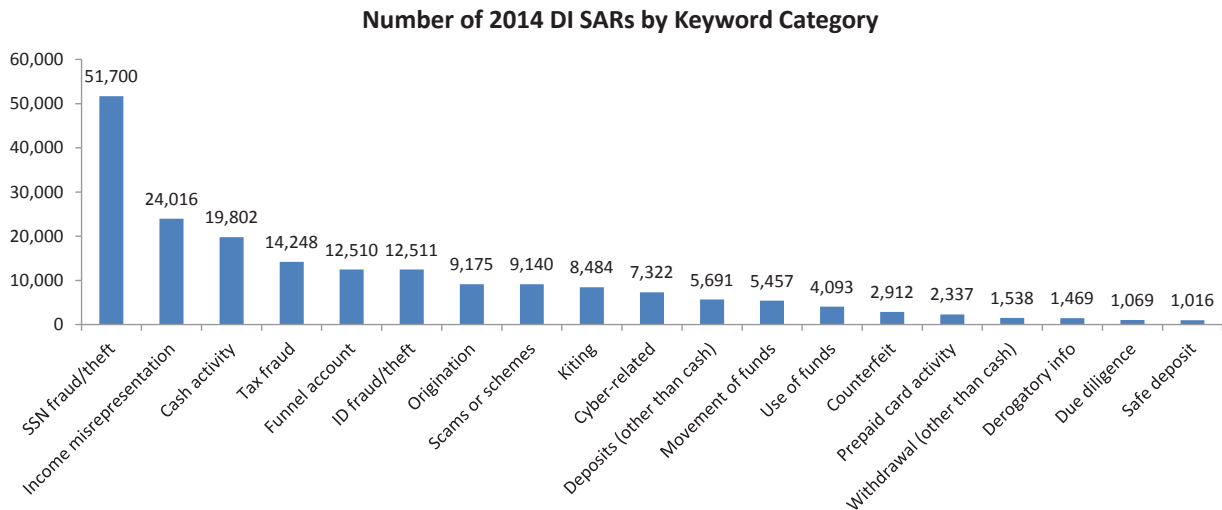


Table 1 – Common Free Text Words or Phrases Used to Describe Suspicious Activity in CY 2014 by Depository Institutions in Each FinCEN-Created Key Word Category

FinCEN Key Word Category	Filer Free Text Words or Phrases
SSN Fraud/Theft	Fraudulent use of SSN (or Social Security Number), ITIN/SSN misuse
Income Misrepresentation	Income fraud, income discrepancy, income misrepresentation or "misrep," undeclared income, falsification of income, avoid showing or reporting income
Cash Activity	Excessive cash, excessive cash payments, unusual cash, cash withdrawals, cash deposits, cash on/off, cash in/out, cash volume, cash activity, suspicious cash activity
Funnel Account	Funnel account or activity, interstate deposit, interstate withdrawal (or cross state or out of state deposit or withdrawal), cash between two parties multiple locations, multiple originators to single beneficiary, cross state cash
Tax Fraud	Tax evasion, tax refund fraud, income tax fraud
ID Fraud/Theft	Identity fraud, alleged ID theft, false ID theft claim
Origination	Origination fraud, loan origination fraud (excluding all SARs flagging income fraud, SSN fraud, or debt elimination with loan origination)
Scams or schemes	Debt elimination (by far the most common scam), advance or advanced fee, credit repair, lottery scam, sweepstakes scam, bust out scheme, investment scam, foreclosure rescue scam, Ponzi scheme, online dating or romance scam, Nigerian scam, con scam, employment scam or scheme, short sale scam or scheme, Internet scheme
Kiting	Credit card kiting, check kiting, kiting, cash kiting, bust out and kiting
Cyber-related	Online banking fraud, unauthorized internet transaction, email hack, unauthorized online transfer, email compromise, online bill pay fraud, online gambling, mobile banking fraud, online wire, cyber banking, online banking internal transfer, phishing email, computer intrusion, email fraud
Movement of funds	Suspicious, rapid, or unusual movement, velocity, or flow of funds
Deposits (other than cash)	Deposit fraud, deposit of sequentially numbered checks, ATM deposit fraud, Green Dot or Money Pak deposit fraud, returned deposits, mobile deposit fraud, suspicious or returned check deposits, excessive currency deposits
Use of funds	Suspicion concerning use of funds (by far most common), unknown or suspicious use, disposition, or destination of funds

Counterfeit	Counterfeit check (by far most common), counterfeit credit or debit card, counterfeit currency, counterfeit money order
Prepaid card activity	Prepaid card fraud, suspicious use of prepaid card, prepaid access
Withdrawal (other than cash)	Unauthorized, excessive, unusual or immediate withdrawal; ATM withdrawal
Derogatory info	Negative news, adverse or derogatory public info or media, OFAC SDN or alert or reissued payment, possible evasion of OFAC sanctions, subpoena, 314 request or match, law enforcement inquiry
Due diligence	Due diligence
Safe deposit	Cash in safe deposit box, unusual or suspicious safe deposit box activity

Interestingly, FinCEN found that many of the free text phrase categories appeared in more than one of the nine suspicious activity categories on the SAR form. Table 2 quantifies the percentage distribution of each keyword category in six of the ten suspicious activity categories on the form. We left the securities/futures, insurance, casino, and terrorist financing categories out of the table because there were virtually no DI SARs with free text in these categories.

Table 2: Common Keywords in SARs Are Spread Across Suspicious Activity Categories on SAR Report

Keyword Category	Total # 2014 DI SARs by Keyword Category	Fraud	ID documentation	Money laundering	Mortgage Fraud	Other suspicious activities	Structuring
SSN fraud/theft	51,700	1%	97%	0%	2%	0%	0%
Income misrepresentation	24,016	5%	0%	0%	6%	89%	0%
Cash activity	19,802	7%	0%	42%	0%	37%	14%
Tax fraud	14,248	42%	0%	7%	1%	48%	2%
Funnel account	12,510	0%	0%	97%	0%	2%	1%
ID fraud/theft	12,511	1%	5%	0%	11%	82%	0%
Origination	9,175	0%	0%	0%	100%	0%	0%
Scams or schemes	9,140	42%	0%	1%	26%	31%	0%
Kiting	8,484	31%	0%	9%	0%	52%	6%
Cyber-related	7,322	69%	1%	4%	0%	26%	0%
Deposits (other than cash)	5,691	60%	0%	7%	0%	17%	15%
Movement of funds	5,457	6%	0%	60%	0%	32%	2%
Use of funds	4,093	0%	0%	94%	0%	5%	1%
Counterfeit	2,912	96%	0%	0%	0%	3%	0%
Prepaid card activity	2,337	93%	0%	5%	0%	2%	0%
Withdrawal (other than cash)	1,538	25%	0%	30%	0%	32%	10%
Derogatory info	1,469	1%	1%	15%	0%	83%	0%
Due diligence	1,069	99%	0%	0%	0%	0%	0%
Safe deposit	1,016	2%	0%	23%	0%	67%	8%
			75 to 100%			10 to 24%	
			50 to 74%			5 to 9%	
			25 to 49%				

For example, FinCEN found the phrases related to tax fraud in five of the ten suspicious activity categories on the SAR form; 42% in fraud, 7% in money laundering, 1% in mortgage fraud, 48% in other suspicious activity, and 2% in structuring. Similarly, ID fraud/theft appeared in four categories; 1% in fraud, 5% in ID/documentation, 11% in mortgage fraud, and 82% in other suspicious activities.

In contrast, some other phrases were highly concentrated in one category, and are highlighted red in Table 2. These include SSN fraud/theft, which was primarily reported in the ID/documentation category. Funnel account and use of funds reports were both highly concentrated in the money laundering category. Reports flagging counterfeiting, prepaid cards, and due diligence issues were highly concentrated in the fraud category.

This analysis illuminates some best filing practices for the suspicious activity “free text” fields. Table 1, above, contains many examples of effective phrases used by depository institutions in their *CY 2014 SARs*. Reiterating points made in the “Trending Now” section of SAR Stats, helpful free text phrases contain sufficient detail about the activity, and are not repetitious with suspicious activities characterized by check boxes. For example, in the “Kiting” category of Table 1, the phrases “credit card kiting”, “check kiting”, and “cash kiting” are helpful free text entries, because they are sufficiently detailed. The word “kiting” alone is less helpful without information about the product or instrument being kited. Similarly, the phrases under “counterfeit” are all helpful, because they all include a specific type of instrument, such as “counterfeit check.” Also, under the “scams or schemes” category in table 1, many free text phrases are very helpful in their specificity. These include “debt elimination”, “advance fee”, “credit repair”, “lottery scam”, “Ponzi scheme”, “online dating scam”, and “employment scam.” “Con scam,” however, is less helpful because of its vagueness. In the emerging “cyber-related” category, most of the phrases in Table 1 are helpful because they are specific and because they truly identify emerging activities not classified well with the SAR check boxes. However, the phrase “computer intrusion” is not helpful, because it is so similar to check box 35q, “unauthorized electronic intrusion.” Please refer to the box below “Refresher Guidance on the Unauthorized Electronic Intrusion Violation” for further information.

Another example of helpful phrasing, although it was not used frequently enough to make the charts and tables in this section, relates to “human trafficking.” Depository institutions used variations of the phrase “human trafficking” in about 820 filings during CY 2014. In a handful of reports, filers also entered “cigarette trafficking”, “drug trafficking”, or “sex trafficking.” A few filers also entered the word “trafficking” alone, which is obviously less helpful given the dramatic differences between the implications of trafficking humans, sex, drugs or cigarettes!

FinCEN encourages filers to use the free text field in the suspicious activity section as specifically as possible to enable SAR users (FinCEN, law enforcement, and regulators) to identify and act upon their reports most efficiently.

Data Insider

Value Summary Reports

Value Summary Reports (VSR) provide viewers with a more granular perspective of detail at the local rather than broader state level by breaking it down by county and Metropolitan Statistical Area (MSA).

County Data

County Data illustrates geographic summaries of Suspicious Activity Report (SAR) figures at the **county/parish** level and is provided when data is available for two consecutive calendar years. If no data is available for any county for both years, that county will not be displayed.

Counties are defined by zip codes as provided by the filing institution indicating where the suspicious activity occurred.⁶⁷

Note: As zip codes are contained within and represent groups of delivery points (addresses), instances may exist where zip codes correspond to more than one county.

Metropolitan Statistical Area Data

VSRs further illustrate SAR filings rates by Metropolitan Statistical Area (MSA). The United States Office of Management and Budget (OMB) defines a Metropolitan Statistical Area as *having at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.*

Characterization of Suspicious Activity

In addition to filings by county and MSA, Value Summary Reports illustrate each characterization of suspicious activity (based on options selected within each category) by states and territories (as a whole). As with counties, only existing data is displayed. In instances where a particular activity was not indicated in both years, the characterization of suspicious activity is not displayed.

67. The geographic distributions of data generally reflect where the transaction activity occurred. FinCEN initially pulls data as entered in fixed-field 68 (State of branch or office where activity occurred) within Part III (Information about Financial Institution Where Activity Occurred) of Form 111. If no entry was made in fixed-field 68, then the item entered in fixed-field 59 (Financial Institution's Permanent State Address) is counted accordingly. Absence of an entry in fixed-field 68 may reflect a financial transaction as having occurred at the firm's headquarters or permanent address rather than a branch or office location. In instances where both fields 59 and 68 are left empty or contain entries that do not apply, a designation of Unknown/Blank is given. Numeric discrepancies between the total number of filings and the combined number of filings of states and/or territories are a result of multiple locations listed on one or more Suspicious Activity Reports.

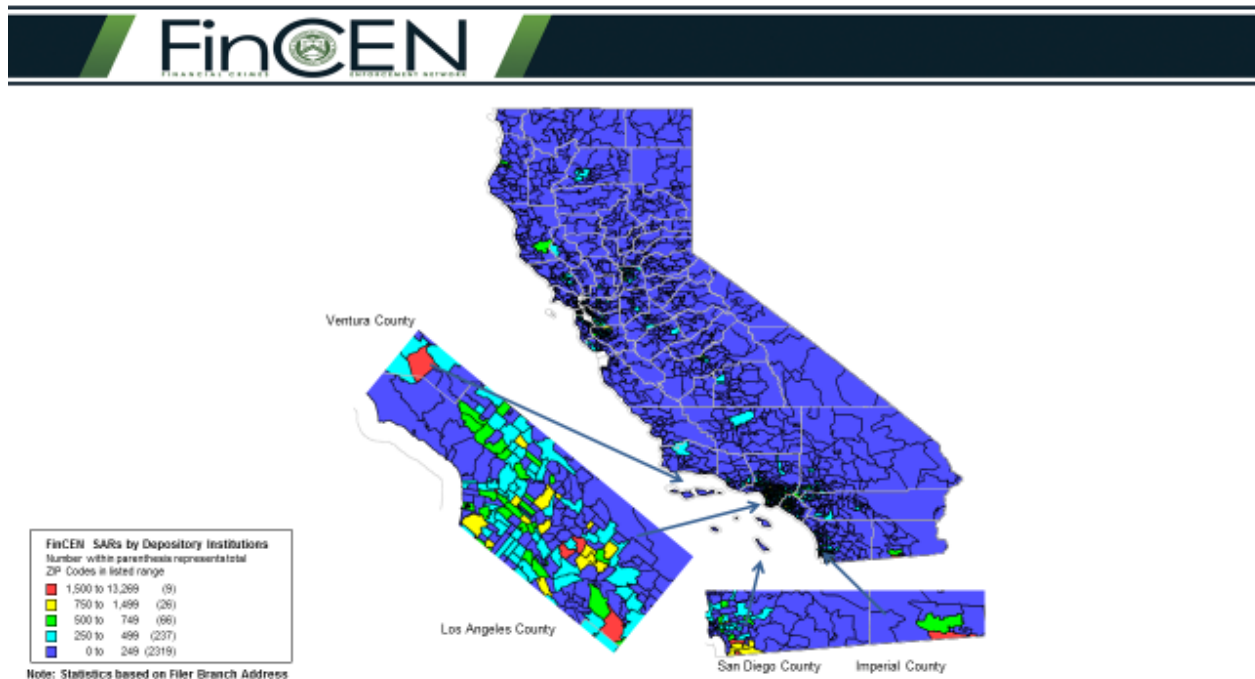
All Value Summary Reports data are viewable via **Exhibit 2** of each industry section within SAR Stats as well as state graphical displays (traditionally referred to as “heat maps”) for CY2014 which are also generated from zip codes provided in the address field(s) of where the transaction activity occurred.

Following is an **example** of the steps showing where and how to access VSR data:

Step 1: Click on Hyperlink for Specific State/Territory

FinCEN		STATE/TERRITORY	2012	2013	2014	TOTAL
Exhibit 2 Filings by States & Territories	Alabama	470	6,896	9,410	14,776	
	Alaska	29	1,390	1,916	3,335	
	American Samoa	127	609	666	1,302	
	Arizona	717	29,373	19,579	49,669	
	Arkansas	186	2,878	3,818	6,844	
	California	4,460	127,490	161,355	283,295	
	Colorado	1,068	9,400	11,878	22,346	
	Connecticut	221	7,422	10,340	17,983	
	Delaware	428	32,776	83,544	84,748	
	District of Columbia	129	2,500	2,957	5,584	
	Federated States of Micronesia	1	8	28	37	
	Florida	1,627	53,556	64,294	119,477	
	Georgia	564	20,420	26,127	47,131	
	Guam	277	938	1,508	2,723	
	Hawaii	122	7,616	7,700	15,444	
	Idaho	98	1,407	1,679	3,184	
	Illinois	1,195	27,482	33,948	42,625	
	Indiana	494	8,931	11,188	20,613	
	Iowa	316	2,485	3,156	5,957	
	Kansas	306	3,292	4,331	7,929	
Kentucky	406	5,201	5,921	11,528		
Louisiana	344	7,237	9,264	14,847		
Maine	192	2,639	3,372	6,203		
Marshall Islands	0	1	6	7		
Maryland	471	11,099	14,091	25,661		
Massachusetts	505	11,757	14,904	27,169		
Michigan	398	14,580	17,429	32,407		
Minnesota	306	7,362	9,845	17,513		
Mississippi	278	3,979	6,528	10,785		
Missouri	1,213	12,556	11,647	25,416		
Montana	63	680	895	1,638		
Nebraska	170	1,847	2,522	4,539		
Nevada	202	8,907	11,942	21,051		
New Hampshire	73	1,499	1,898	3,470		

View of State Graphical Display (CY 2014)



Step 2: Select Value Summary Report data by clicking on Hyperlink



- Hyperlink →  [Filings by County](#)
-  [Filings by Metropolitan Statistical Area](#)
-  [Characterizations by Suspicious Activity](#)

View of Filings at County Level for State



SAR Filings by County

State Abbrev.	County	2013 Filings	2014 Filings
CA	Alameda County	7,896	9,471
CA	Alpine County	4	5
CA	Amador County	61	73
CA	Butte County	810	1,315
CA	Calaveras County	35	61
CA	Colusa County	36	63
CA	Contra Costa County	4,134	5,136
CA	Del Norte County	94	102
CA	El Dorado County	418	602
CA	Fresno County	3,037	3,941
CA	Glenn County	21	52
CA	Humboldt County	2,203	3,004
CA	Imperial County	2,426	2,578
CA	Inyo County	10	27
CA	Kern County	1,986	2,799
CA	Kings County	250	328
CA	Lake County	405	550
CA	Lassen County	58	51
CA	Los Angeles County	58,447	70,140
CA	Madera County	391	550
CA	Marin County	1,037	1,320
CA	Mariposa County	16	33
CA	Mendocino County	1,099	1,266
CA	Merced County	614	822
CA	Modoc County	11	10
CA	Mono County	33	41
CA	Monterey County	898	1,551
CA	Napa County	389	540
CA	Nevada County	288	406

Note: For all three sections of the Value Summary Reports, commencing in *SAR Stats - Issue 3* (and all subsequent editions of the same) which will contain both CY2014 and CY2015 data, VSRs will also display [filing rate] percentage changes between the most recent year as compared to the previous twelve months.

