



Financial Crimes Enforcement Network Department of the Treasury

Unauthorized Disclosure of Suspicious Activity Reports

The Financial Crimes Enforcement Network has an obligation to ensure that data collected under the Bank Secrecy Act are properly collected, securely maintained and appropriately disseminated. Following the unauthorized and unlawful disclosures of certain Suspicious Activity Reports to the press in the spring of 2004, the Director of the Financial Crimes Enforcement Network directed the formation of a subcommittee of the Bank Secrecy Act Advisory Group to study and recommend to the Group additional measures to be considered by constituent regulatory, law enforcement and financial institutions to guard against such unauthorized disclosures. As a first step, the subcommittee presented to and obtained concurrence from the Bank Secrecy Act Advisory Group a recommendation that the following statement be posted on the Financial Crimes Enforcement Network's website. The subcommittee has also made substantive recommendations that will be taken up at the October meeting of the Bank Secrecy Act Advisory Group. The Bank Secrecy Act Advisory Group is a public/private partnership authorized by the Congress and formed in 1994 by the Secretary of the Treasury. The Director of the Financial Crimes Enforcement Network chairs the Group. The Group's principal mission is to advise the Secretary on matters relating to the administration of the Bank Secrecy Act.

The statement of the Bank Secrecy Act Advisory Group on unauthorized disclosure of information from Bank Secrecy Act reports follows:

The unauthorized disclosure of Suspicious Activity Reports is not only a violation of federal criminal law, but it undermines the very purpose for which the suspicious activity reporting system was created - the protection of our financial system through the prevention, detection, and prosecution of financial crimes and terrorist financing. The unauthorized disclosure of Suspicious Activity Reports can compromise the national security of the United States as well as threaten the safety and security of those institutions and individuals who file such reports. The Bank Secrecy Act Advisory Group is committed to continuing to work with the Financial Crimes Enforcement Network, the federal functional regulatory agencies, law enforcement, and the financial services industry to ensure that the information contained in Suspicious Activity Reports is safeguarded, and that anyone who makes an intentional, unauthorized disclosure of a Suspicious Activity Report is brought to justice, whether that person is inside or outside of the Government.

To: The Bank Secrecy Act Advisory Group
From: Co-Chairs—Les Joseph, Rob Rowe, Dan Stipano
Re: Recommendations of the Subcommittee on Unauthorized Disclosure
of Suspicious Activity Reports
Date: October 12, 2004

1. FinCEN should continue to review agencies that have access to the system to ensure that they have proper procedures in place to safeguard information.
2. A statement should be added to the SAR form specifying that unauthorized, intentional disclosure of SARs by financial institutions, their officers, employees, and agents, and governmental officers and employees is subject to criminal penalties.
3. The names of individuals who prepare SARs should not be required on the SAR form itself.
4. Educational and supplemental guidance on safeguarding SARs should be provided to the Government and the financial services industry.
5. Congress should be encouraged to strengthen the statutory prohibition against SAR disclosure to prevent disclosures not in furtherance of the purposes of the BSA.