

## Blow the Whistle on Fraud-Related AML and Sanctions Violations

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) maintains a whistleblower incentive program for members of the public to submit information about violations of certain statutes enforced by Treasury and the Department of Justice (DOJ), including the Bank Secrecy Act (BSA) and the national security laws that serve as the foundation for the U.S. trade and economic sanctions administered by Treasury's Office of Foreign Assets Control (OFAC).<sup>1</sup>

**FinCEN is accepting tips about individuals or entities that may be violating the BSA or OFAC-administered sanctions programs, or that are conspiring to do so. In particular, FinCEN is interested in information about violations of these statutes that may involve, enable, or arise out of a suspected fraud scheme.**

On March 25, 2025, President Trump issued Executive Order (E.O.) 14249, *Protecting America's Bank Account Against Fraud, Waste, and Abuse*, declaring that it is the policy of the United States to defend against financial fraud and improper payments that threaten the integrity of Federal programs and undermine trust in Government.<sup>2</sup> As set out in Treasury's 2024 National Money Laundering Risk Assessment, fraud continues to be the largest source of illicit proceeds in the United States.<sup>3</sup> Combatting fraud is also one of FinCEN's national priorities.<sup>4</sup>

### What To Look For

Fraud is the largest and most significant proceed-generating crime for which funds are laundered in or through the United States.<sup>5</sup> Fraudsters may engage in illegal behavior by:

- Using mispresented, stolen, or fake identities, including using evolving technologies to create "deepfake" identification documents. These identities may be used to create a potential relationship, or to circumvent customer identification and verification and customer due diligence requirements.
- Purporting to provide services—including those associated with government benefits programs—and, instead of doing so, misappropriating the relevant funds, which may be laundered through financial institutions.
- Impersonating or otherwise falsely implying an authorization or endorsement by a real or fictitious government agency.

Financial institutions play an important role in combatting fraud by detecting and reporting fraud to law enforcement through BSA channels, as applicable to the institution’s obligations under the BSA and its risk profile.<sup>6</sup> FinCEN encourages members of the public to inform FinCEN of potential violations of the BSA and the national security laws covered by FinCEN’s whistleblower program, which may include:

- A financial institution failing to perform customer due diligence—or performing insufficient customer due diligence—on a customer that is a recently established company or a non-profit organization enrolled in a government benefit program that is suddenly receiving a significant amount in Federal payments soon after starting its operations.<sup>7</sup>
- A financial institution lacking controls or maintaining deficient controls to detect and investigate potential structuring, where deposits at convertible virtual currency kiosks may be separated into multiple, lower-value transactions, or through “smurfing,” across multiple locations.<sup>8</sup>
- A financial institution lacking controls or maintaining deficient controls to detect and investigate virtual currency investment scams known as “pig butchering.”<sup>9</sup>
- A financial institution failing to comply with a Geographic Targeting Order designed to combat the laundering of the proceeds of fraud.<sup>10</sup>
- A company submitting to a service provider falsified trade-related documentation, which can obfuscate evidence of a nexus to sanctionable activity, a sanctioned jurisdiction, or a Specially Designated National’s (SDN) involvement in the transaction.<sup>11</sup>
- A U.S.-based person sending multiple, structured, or repetitive wire transfers to Mexican financial institutions with memos such as “taxes” or “fees” for a timeshare, indicating that the beneficiaries may be acting on behalf of an SDN.<sup>12</sup>

## How to Blow the Whistle

Individuals suspecting that a financial institution, individual, or other person is violating the BSA and/or sanctions laws, or is conspiring to violate these laws, can submit a tip to FinCEN’s whistleblower program. Individuals located in the United States or abroad may be eligible for a monetary award if the information they provide leads to a successful enforcement action by Treasury or the Department of Justice that results in monetary penalties exceeding \$1,000,000, and if the statutory requirements in 31 U.S.C. § 5323 are otherwise met.

FinCEN advises whistleblowers with information about fraud that has no nexus to the BSA or sanctions laws to submit their information to other more appropriate U.S. government agencies. For example, the Department of Justice administers the False Claims Act, which allows private citizens to file suits on behalf of the government against those who have defrauded the government. More information about the False Claims Act can be found [here](#).

To learn more about FinCEN’s whistleblower program, visit [www.fincen.gov/whistleblower-program](http://www.fincen.gov/whistleblower-program).

1. See 31 U.S.C. 5323. The statutes covered by FinCEN's whistleblower program are subchapter II of chapter 53 of title 31, United States Code; chapter 35 or section 4305 or 4312 of title 50, United States Code; and the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901 *et seq.*).
2. See The White House, Executive Order 14249, *Protecting America's Bank Account Against Fraud, Waste, and Abuse*, 90 Fed. Reg. 14011 (Mar. 25, 2025); The White House, [Fact Sheet: President Donald J. Trump Protects America's Bank Account Against Waste, Fraud, and Abuse](#) (Mar. 25, 2025).
3. See Treasury, 2024 National Money Laundering Risk Assessment (Feb. 2024), pp. 5 and 11-12.
4. See FinCEN, [Anti-Money Laundering and Countering the Financing of Terrorism National Priorities](#) (June 30, 2021).
5. See Treasury, 2024 National Money Laundering Risk Assessment (Feb. 2024), p. 3.
6. FinCEN has published numerous fraud alerts and notices in recent years. See, e.g., FinCEN, FIN-2016-Alert001, [FinCEN Alert on Fraud Rings and Their Exploitation of Federal Child Nutrition Programs in Minnesota](#) (Jan. 9, 2026); FinCEN, FIN-2025-NTC1, [FinCEN Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity](#) (Aug. 4, 2025); FinCEN, FIN-2024-Alert005, [FinCEN Alert on Fraud Schemes Abusing FinCEN's Name, Insignia, and Authorities for Financial Gain](#) (Dec. 18, 2024); FinCEN, FIN-2024-Alert004, [FinCEN Alert on Fraud Schemes Involving Deepfake Media Targeting Financial Institutions](#) (Nov. 13, 2024); FinCEN, FIN-2024-NTC2, [FinCEN, OFAC, and FBI Joint Notice on Timeshare Fraud Associated with Mexico-Based Transnational Criminal Organizations](#) (July 16, 2024); FinCEN, FIN-2024-NTC1, [FinCEN Notice on the Use of Counterfeit U.S. Passport Cards to Perpetrate Identity Theft and Fraud Schemes at Financial Institutions](#) (Apr. 15, 2024); FinCEN, FIN-2023-Alert007, [FinCEN Alert on COVID-19 Employee Retention Credit Fraud](#) (Nov. 22, 2023); FinCEN, FIN-2023-Alert005, [FinCEN Alert on Prevalent Virtual Currency Investment Scam Commonly Known as 'Pig Butchering'](#) (Sept. 8, 2023); FinCEN, FIN-2023-NTC1, [FinCEN Calls Attention to Payroll Tax Evasion and Workers' Compensation Fraud in the Construction Sector](#) (Aug. 15, 2023); FinCEN, FIN-2023-Alert003, [FinCEN Alert on Nationwide Surge in Mail Theft-Related Check Fraud Schemes Targeting the U.S. Mail](#) (Feb. 27, 2023).
7. See FinCEN, FIN-2026-Alert001, [FinCEN Alert on Fraud Rings and Their Exploitation of Federal Child Nutrition Programs in Minnesota](#) (Jan. 9, 2026).
8. See FinCEN, FIN-2025-NTC1, [FinCEN Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity](#) (Aug. 4, 2025).
9. See FinCEN, FIN-2023-Alert005, [FinCEN Alert on Prevalent Virtual Currency Investment Scam Commonly Known as 'Pig Butchering'](#) (Sept. 8, 2023).
10. See FinCEN, Press Release, [Secretary Bessent Announces Initiatives to Combat Rampant Fraud in Minnesota](#) (Jan. 9, 2026).
11. See OFAC, [Compliance Communiqué: Sanctions Guidance for the Maritime Shipping Industry](#) (Oct. 31, 2024); OFAC, [Sanctions Advisory: Guidance for Shipping and Maritime Stakeholders on Detecting and Mitigating Iranian Oil Sanctions Evasion](#) (Apr. 16, 2025).
12. See FinCEN, OFAC, and FBI, [FinCEN, OFAC, and FBI Joint Notice on Timeshare Fraud Associated with Mexico-Based Transnational Criminal Organizations](#) (July 16, 2024).



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