

The SAR Activity Review – By the Numbers

Issue 10 (May 2008)

Table of Contents

Introduction

Sections (Click on hyperlink to view exhibits within each section.)

Section 1: [Suspicious Activity Report by Depository Institutions
\(Form TD F 90-22.47\) for April 1, 1996 through December 31, 2007](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by States &
Territories in Descending Order
- Exhibit 4: Number of Filings by Characterization of
Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Characterization of
Suspicious Activity
- Exhibit 6: Filings by Primary Federal Regulator
- Exhibit 7: Relationship of Suspect to
Financial Institution
- Exhibit 8: Characterization of Suspicious Activity by State &
Territory by Year

Section 2: [Suspicious Activity Report by Money Services Business
\(FinCEN Form 109¹\) for October 1, 2002 through December 31, 2007](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by States &
Territories in Descending Order
- Exhibit 4: Number of Filings by Character of Suspicious
Activity in Descending Order
- Exhibit 5: Number of Filings by Character of Suspicious
Activity
- Exhibit 6: Filings by Type of Filer

¹ Formerly Form TD F 90-22.56.

- Exhibit 7: Filings by Financial Services Involved
- Exhibit 8: Character of Suspicious Activity by State & Territory by Year

Section 3: [Suspicious Activity Report by Casinos & Card Clubs \(FinCEN Form 102\) for August 1, 1996 through December 31, 2007](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by States & Territories in Descending Order
- Exhibit 4: Number of Filings by Type of Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Type of Suspicious Activity
- Exhibit 6: Filings by Type of Gaming Establishment
- Exhibit 7: Filings by Relationship of Suspect to Financial Institution
- Exhibit 8: Type of Suspicious Activity by State & Territory by Year

Section 4: [Suspicious Activity Report by Securities & Futures Industries \(FinCEN Form 101\)² for January 1, 2003 through December 31, 2007](#)

- Exhibit 1: Filings by Year & Month
- Exhibit 2: Filings by States & Territories
- Exhibit 3: Number of Filings Ranked by State & Territories in Descending Order
- Exhibit 4: Number of Filings by Type of Suspicious Activity in Descending Order
- Exhibit 5: Number of Filings by Type of Suspicious Activity
- Exhibit 6: Filings by Instrument Type
- Exhibit 7: Filings by Type of Reporting Institution
- Exhibit 8: Type of Suspicious Activity by State & Territory by Year

² Includes suspicious activity reported by a certain segment of the insurance industry (those insurance companies offering covered products) since May 2, 2006. See footnote 4.

Introduction

Welcome to the tenth issue of *The SAR Activity Review – By the Numbers*, a compilation of numerical data gathered from Suspicious Activity Report forms filed by depository institutions since April 1996, by certain money services businesses since January 2002,³ by casinos and card clubs since August 1996, by certain segments of the securities and futures industries since January 2003, and by certain segments of the insurance industry since May 2006.⁴ *By the Numbers* serves as a companion piece to the *SAR Activity Review - Trends, Tips & Issues*, which provides information about the preparation, use, and utility of Suspicious Activity Reports.

By the Numbers generally is published twice a year to cover two filing periods: January 1 to June 30 and July 1 to December 31. The numerical data from the filing periods is available for publication on the FinCEN website after the end of each period. The last issue of *By the Numbers* was published in January 2008 to cover Suspicious Activity Reports filed through June 30, 2007, and may be accessed through the following link: http://www.fincen.gov/sars/sar_by_numb_09.pdf.

In Issue 8, FinCEN introduced a new reporting format for on-line readers by enhancing the data provided in Exhibit 2 for depository institution Suspicious Activity Reports. This feature allows readers to link from a state to various visual representations of the numerical data including graphs, charts and maps providing filing “hot spots.” For this current edition, we updated the visual representations to Section 1, Exhibit 2 (for depository institution Suspicious Activity Reports filed through December 31, 2007) and added this enhancement to Section 3, Exhibit 2 for casinos & card clubs’ Suspicious Activity Reports.

A review of the numerical data generated for Issue 10 of *By the Numbers* reveals some interesting facts. As of December 31, 2007, over 5.4 million Suspicious Activity Reports had been filed with FinCEN.⁵ Filings by non-depository institutions continued to increase. From January 1, 2006 to

³ Although the mandatory suspicious activity reporting requirement for certain money services businesses became effective on January 1, 2002, the Suspicious Activity Report by Money Services Business form was not available for industry use until October 1, 2002. (Money services business filers reporting suspicious activity used Form TD F 90-22.47 between January 1, 2002 and September 31, 2002. The filing data for that nine month period is included in Section 1 of this report. Some filers continued using TD F 90-22.47 after the Suspicious Activity Report by Money Services Business form became effective on October 1, 2002. That filing data also is found in Section 1.)

⁴ Until FinCEN Form 108 is published and effective, insurance companies under mandatory suspicious activity reporting requirements use FinCEN Form 101, Suspicious Activity Report by the Securities and Futures Industries, to report any suspicious transactions. Therefore, filing data for certain segments of the insurance industry is included in Section 4.

⁵ This figure represents the combined number of filings from the four types of Suspicious Activity Report forms: depository institution Suspicious Activity Report (TD F 90-22.47); Suspicious Activity Report by Money Services Business (SAR-MSB/FinCEN Form 109); Suspicious Activity Report by Casinos and Card Clubs (SAR-C/FinCEN Form 102); and Suspicious Activity Report by the Securities and Futures Industries (SAR-SF/FinCEN Form 101).

December 31, 2007, non-depository institution Suspicious Activity Reports comprised roughly 48% of all Suspicious Activity Reports filed. In 2007, the total volume of Suspicious Activity Reports within the Bank Secrecy Act database increased 16% from the previous year. Although the remainder of this publication provides detailed numerical data on those filings, some general observations follow for each type of form.

Number of Suspicious Activity Report Filings by Year												
Form	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Depository Institution	62,388 ⁶	81,197	96,521	120,505	162,720	203,538	273,823	288,343	381,671	522,655	567,080	649,176
Money Services Business	-	-	-	-	-	-	5,723	209,512	296,284	383,567	496,400	578,439
Casinos and Card Clubs	85	45	557	436	464	1,377	1,827	5,095	5,754	6,072	7,285	9,943
Securities & Futures Industries	-	-	-	-	-	-	-	4,267	5,705	6,936	8,129	12,881
Subtotal	62,473	81,242	97,078	120,941	163,184	204,915	281,373	507,217	689,414	919,230	1,078,894	1,250,439
Total	5,456,400											

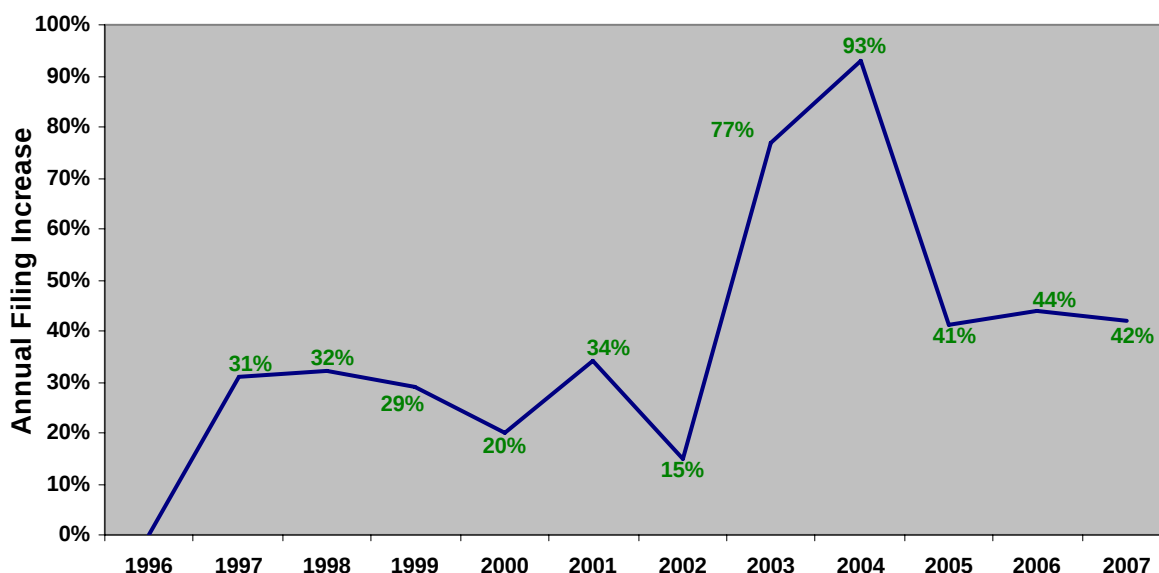
Depository Institution Suspicious Activity Report / TD F 90-22.47 (from the mandated reporting date in April 1996 through December 31, 2007)

The number of depository institution filings depicting Mortgage Loan Fraud as the Characterization of Suspicious Activity has increased significantly since 2003. The rate of growth has been steady over the most recent years (above 40% annually), at a rate of increase much higher than that of depository institution Suspicious Activity Reports generally.⁷

⁶ The 1996 filings include Criminal Referral Forms filed in that year that were subsequently converted to Suspicious Activity Reports by the Internal Revenue Service's Enterprise Computing Center-Detroit.

⁷ For additional information gleaned from Suspicious Activity Reports involving mortgage loan fraud, see FinCEN's recently released analytic product, *Mortgage Loan Fraud: An Update of Trends Based Upon an Analysis of Suspicious Activity Reports*, found at <http://www.fincen.gov/MortgageLoanFraudSARAssessment.pdf>.

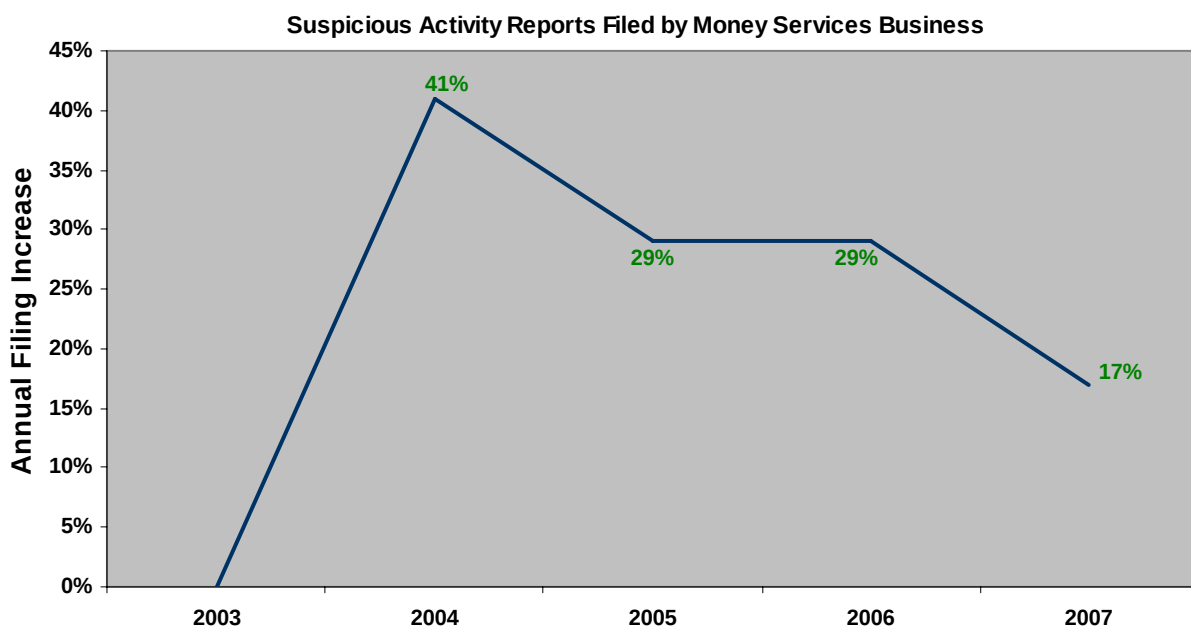
Mortgage Loan Fraud Suspicious Activity Report Filing Trend



- BSA/Structuring/Money Laundering continues to be the most prevalent type of suspicious activity reported by depository institutions, increasing 15% from 2006. Furthermore, this characterization accounts for 47.56% of activity reported overall since 1996.
- The suspicious activity characterization Consumer Loan Fraud increased 19% in 2007, with filing years 2006-2007 accounting for 63% of all such reports filed in the last five years.
- Since April 1996, 100,324 depository institution Suspicious Activity Reports identified False Statement (in whole or in part) as the characterization of suspicious activity. Of these, 55% were filed in the last two years. False Statement filings in 2007 increased 42% over those filed in 2006.
- Reported instances of Terrorist Financing decreased 7% in 2007, maintaining the downward annual filing trend experienced since 2004. Depository institution filers have submitted 3,863 Suspicious Activity Reports marked Terrorist Financing since July 2003, when this characterization was added to the form.
- Since July 2003, depository institutions have filed 100,220 Suspicious Activity Reports identifying Identity Theft (in whole or in part) as the characterization of suspicious activity. Of these, 59% were filed in 2006 and 2007, with 40% filed by institutions in Delaware, California, and Utah, the top three states for both years.

Suspicious Activity Report by Money Services Business / FinCEN Form 109 (from October 1, 2002⁸ through December 31, 2007)

The growth rate for money services business Suspicious Activity Reports has slowed in recent years although the filing volume has increased every year for the last four years.

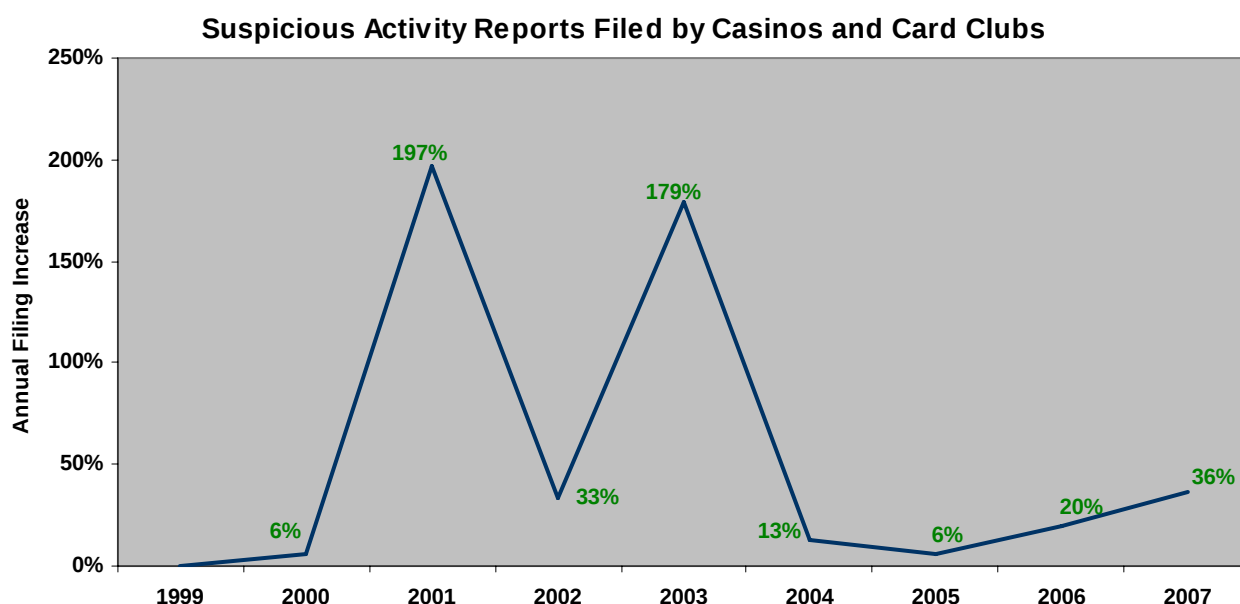


- The number of Suspicious Activity Reports filed by money services businesses in 2007 increased 17% over those filed in 2006.
- In 2007, the U.S. Postal Service filed 102% more Suspicious Activity Reports (totaling 138,955 records) than in the previous year, or 24% of all money services business filings.
- The number of instances where filers left blank the character of suspicious activity increased 49% from the previous twelve months.
- In 2007, filers continued to report money transfers as the most frequent type of financial service related to the suspicious activity. Reports involving money transfers accounted for 53% of the filings for the year. This financial service, followed by money order, comprising 40% of the filings, have been the two leading reported services since the inception of suspicious activity reporting by money services businesses in October 2002.

⁸ See footnote 2.

Suspicious Activity Report by Casinos and Card Clubs / FinCEN Form 102 and, previously, TD F 90-22.49 (from the mandated reporting date in October 1997 through December 31, 2007⁹)

The number of Suspicious Activity Reports filed by casino and card clubs has grown every year since 1999, with noteworthy increases experienced in 2001 and 2003. The growth rate reveals a moderate increase in the most recent years.

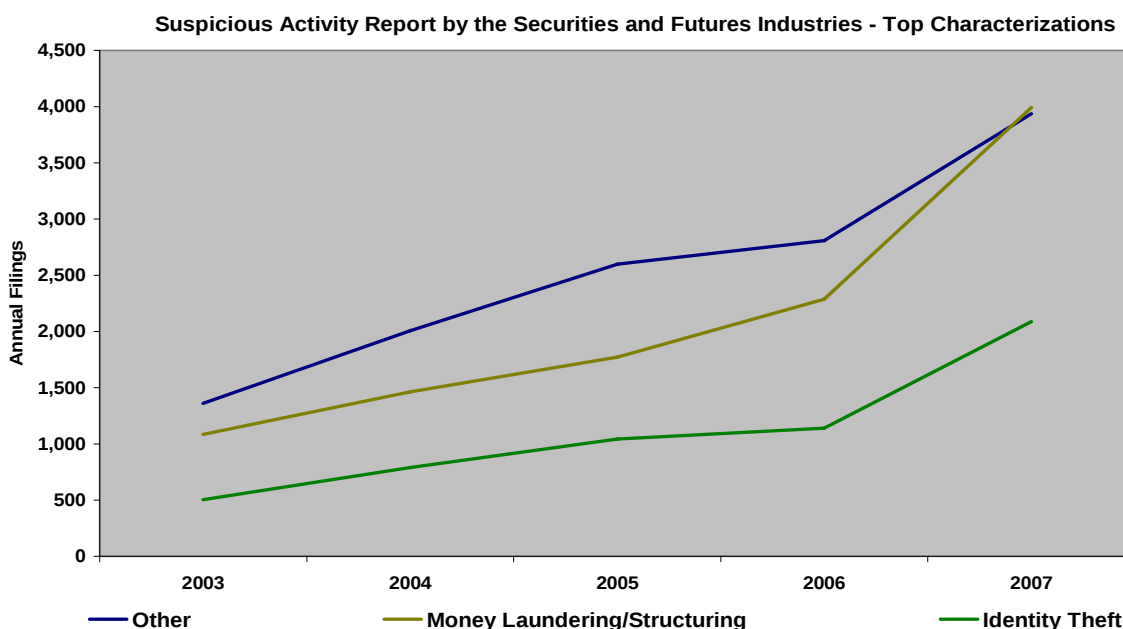


- Between August 1996 and December 31, 2007, casinos and card clubs filed 38,940 Suspicious Activity Reports. This industry filed 65% of these reports in the last two years, with the filing volume in 2007 increasing 36% over those filed in 2006.
- Structuring continued to be the most reported type of suspicious activity, increasing 33% in 2007 over those filed during 2006.
- In 2007, Tribal licensed casino filings increased 40% while State licensed casino filings increased 35%.
- The number of casino Suspicious Activity Reports marked “Minimal Gaming with Large Transactions” increased in 2007, up 72% from the previous year.
- The number of casino Suspicious Activity Reports marked “False or Conflicting ID(s)” increased 67% over those filed in 2006.

⁹ Also includes 85 forms filed by casinos and card clubs in August 1996 prior to the mandatory reporting requirement.

Suspicious Activity Report by the Securities and Futures Industries / FinCEN Form 101 (from the mandated reporting date in January 2003 through December 31, 2007)¹⁰

The top three reported types of suspicious activity filed by the securities and futures industries since the mandated reporting date in 2003 are identified in the graph, which follows. Reports characterizing Other, Money Laundering/Structuring, and Identity Theft have grown every year since 2003, with noteworthy increases experienced in 2007.



- Securities and futures industries filers submitted 37,918 Suspicious Activity Reports between January 1, 2003 and December 31, 2007. Of these reports, 34% were filed in 2007.
- The total suspicious activity reporting volume in 2007 increased 58% over those filed in 2006.
- Reports filed by members of the securities and futures industries characterizing the suspicious activity type as Identity Theft increased 83% from the previous year.
- Filings identifying the suspicious activity type as Terrorist Financing decreased 22% in 2006 from those filed in 2005. However, the volume of reports noting this activity substantially increased 100% in 2007 (50) when compared to those filed in 2006 (25).
- In 2007, Suspicious Activity Reports filed by the securities and futures industries saw significant increases in certain suspicious activity categories when compared to the previous year's filing volumes. Most notably, for example, filers characterizing the

¹⁰ See footnote 3 regarding Suspicious Activity Reports filed by certain segments of the insurance industry with mandatory reporting requirements effective May 2, 2006.

suspicious activity type as Market Manipulation increased 154%, Computer Intrusion increased 173%, and Securities Fraud increased 118%.

- Suspicious Activity Reports filed by the securities and futures industries characterizing the instrument type as Mutual Fund increased 114% in 2007.

The numerical data in this publication is presented in an Excel format to allow readers to download and manipulate the information to support maximum management and compliance needs for their institution or agency.

As always, we welcome your suggestions and comments. Questions regarding present, past, or future issues of *By the Numbers* may be directed to FinCEN's Regulatory Policy and Programs Division, Office of Regulatory Analysis at (703) 905-3968 or by contacting webmaster@fincen.gov.