

Date of Review	10/5/2011
Date Alert Generated	9/10/2011
Decision:	Cleared
Customer ID:	274195000
Customer's Name:	XYZ IMPORT INC
Account:	362467000
Analyst:	Barry Midura
Alert ID	22676

Comment [1]: Concise table summaries key data, in particular the date the alert was generated, when the review was completed and the decision of the analyst.

INTRODUCTION:

Alert Advisory Account 362467000 alerted for cash transactions conducted during the month of August 2011 and wire transactions involving High Risk countries in August 2011.

Comment [2]: Clearly state the source and reason for the alert.

ALERTED TRANSACTION(S):

Account	Type	Date	Amount	Description	Beneficiary	Country
362467000	CASH	08/12/2011	\$4,166.00	Deposit		
362467000	CASH	08/10/2011	\$4,183.00	Deposit		
362467000	CASH	08/24/2011	\$4,317.00	Deposit		
362467000	CASH	08/03/2011	\$4,718.00	Deposit		
362467000	CASH	08/31/2011	\$5,541.00	Deposit		
362467000	CASH	08/29/2011	\$7,443.00	Deposit		
362467000	CASH	08/25/2011	\$8,336.00	Deposit		
362467000	CASH	08/08/2011	\$4,003.00	Deposit		
362467000	Wire	08/08/2011	\$24,013.00	Wire - Outgoing	LMNOP S.A.	GT
362467000	CASH	08/02/2011	\$9,190.00	Deposit		
362467000	CASH	08/03/2011	\$4,049.00	Deposit		
362467000	CASH	08/30/2011	\$4,039.00	Deposit		
362467000	CASH	08/22/2011	\$3,467.00	Deposit		
362467000	CASH	08/15/2011	\$3,675.00	Deposit		
362467000	Wire	08/15/2011	\$33,540.00	Wire - Outgoing	DEFG S.A.	MX
362467000	CASH	08/24/2011	\$3,729.00	Deposit		
362467000	CASH	08/05/2011	\$3,793.00	Deposit		
362467000	CASH	08/23/2011	\$3,818.00	Deposit		
362467000	CASH	08/09/2011	\$3,861.00	Deposit		
362467000	CASH	08/18/2011	\$3,893.00	Deposit		
Totals	18		\$86,221.00			

Comment [3]: Present the transactions that caused the alert (if too many to list, then present a sample summary).

CUSTOMER BACKGROUND:

According to internal bank records, XYZ Import Inc maintains checking account number 362467000 opened on 01/10/2011. The business established a relationship with ABCD Bank on 12/21/2010. Mario Sanchez is the sole signer for the account. Bank records and Internet research indicate that the business is a wholesale distributor of health and beauty products for the Latin market (www.webaddress.com). Internet research confirms three store locations within Smallville.

Comment [4]: Describe extent of relationship with bank, including when accounts were open, how many opened, who is an authorized signer.

Comment [5]: Provide description of business if its not a personal account and provide web address if available. Reference CDD information on file.

HISTORIC REVIEW OF TRANSACTIONS/RELATED ACCOUNTS/PREVIOUS ALERTS GENERATED:

Account 362467000 was reviewed for the time period of 07/01/2011 through 09/30/2011.

Comment [6]: State the time period that the analyst reviewed. In this case a month before the alerted transactions and the month after.

The alerted account was primarily funded by ACH credits, account transfers, wires, checks, and cash deposits. Withdrawals primarily included checks for business expense such as payroll, rent, and purchase of office supplies, account transfers, wires and ACH debits to businesses that appear related to the shipment and distribution of products.

Comment [7]: Explain the source and use of funds and *why* those are reasonable for the account.

No unusual transactions were identified.

Comment [8]: State whether any transactions were unusual. If there are, explain why.

The alerted activity consisted of cash deposits ranging in amounts from \$3,467 to \$9,190 and international wires to entities in Mexico and Guatemala (both countries designated as high risk). The recipients of the alerted international wires were primarily found to be in the same or related industries for which the business relationship could be easily established. For example LMNOP S.A of Guatemala was identified as a supplier of vitamins and DEFG S A DE C V of Mexico was identified as a supplier of beauty products.

Comment [9]: Address the specific transactions that alerted and *why* they are acceptable.

No negative information was found for any of the wire recipients or the originator in a search of the OFAC database and other watch lists in Lexis Nexis.

Comment [10]: Statement that public records and watch lists were checked.

The account activity appears consistent with anticipated transactions for a wholesaler of products from Latin America with both individual and aggregate cash deposits ranging under and over \$10,000 and CTRs filed throughout the review period and international and domestic wires which appear consistent with anticipated activity for the business type.

Comment [11]: Further explanation for why activity is not suspicious. In this case the analyst addressed the issue of structuring by pointing out that the customer has numerous deposits below AND above \$10,000 suggesting he is not showing an attempt to avoid cash reporting rules.

There have been no SARs file on this customer, and since 01/01/2011 there have been 68 CTRs filed and 7 alerts prior alerts, none of which were escalated to Tier 2 investigations.

Comment [12]: Finalizes the picture of the customer's past activity and whether he has been under review before.

CONCLUSION:

Tier I is not escalating this activity to Tier II. The cash transactions during the review period ranged in individual and aggregate amounts under and over \$10,000 with CTRs filed and international and domestic wires that appear consistent with anticipated activity for a wholesaler of products originating in Latin America. The cash deposits are expected for a retail store with multiple locations. No unusual activity was detected.

Comment [13]: Provide succinct summary of analysis and decision.

QC COMMENTS:

10/06/2011 Ghaga QC Approved

Comment [14]: Not all alerts will be reviewed by a manager or QC reviewer, but where they are, that should be noted.