Doing Our Part…

Here’s how we can each help…

Advisors

Advisors, pay close attention to activity involving the rapid movement of money to/from offshore accounts, particularly offshore trust accounts. If something seems unusual and can’t be rationally explained, be wary.

Example: Does a client with an investment account often ask to waive restrictions on accepting cash? This request contravenes the Wealth group’s policy, which prohibits accepting cash for deposit into investment accounts. Any situation in which a customer habitually asks us to break policy is cause for concern.

Relationship/Account Managers

Relationship and Account Managers, you have the advantage of being able to spot suspicious activity within the overall client picture.

Example: A client who previously opened a trading account for the purpose of retirement suddenly initiates or receives a large influx of deposits. A sudden and unexplained change in behaviour is a potential money laundering red flag.

Private Bank Employees

Private bank employees have close relationships with their clients. They watch over client accounts and generally, are closer to their clients than is normally the case elsewhere in the firm and can quickly detect unusual account activity.

Example: Has client behaviour changed suddenly and without explanation? Or, does client activity involve high risk countries or countries subject to sanctions programs? Both are red flags. Getting to know your clients establishes trust and clients may be more willing to open up. These involved in illegal activity, like terrorist financing or money laundering, often provide no explanation, while honest clients usually share legitimate reasons for behavior changes.

Assurance Specialists

With varying customer needs, Assurance Specialists should look for the unusual and ask “why.”

Example: Is it unusual that a new customer wants to pay for a full year of premiums on a life insurance policy, in cash? Yes, it is impractical and against BMO Assurance policy. So, why would a customer want to perform such a transaction? If there isn’t a legitimate reason, it warrants filing a UAR.

Reporting Unusual Activity…

Regardless of where you work in the bank, if you observe any unusual or suspicious activity, you must file a UAR. Prompt filing is essential in order for the AML File to investigate and meet our FINTRAC requirements, should an STR be required. FINTRAC reporting doesn’t identify you by name and you are protected from criminal and civil liability. There is no disadvantage to reporting. But, it is illegal to “tip off” a customer when filing a UAR. So, be discreet, remain calm and carry on as though nothing unusual is going on.

If you are uncertain, management or a supervisor can help make the judgment call on whether or not to file a UAR. The Enterprise AML OFFICE and the AML File are also available for help.

Red Flags to Watch For…

Stated occupation not commensurate with the type or level of customer activity.

Account activity not consistent with the purpose of accounts.

Account activity involves substantial currency transactions.

Large, unexplained funds received on behalf of foreign clients.

Transactions to and from higher-risk locations and/or known tax havens.

Numerous and sizable transfers between companies whose purposes are not known or immediately clear.

Early redemption of investment products with no apparent concern for penalties or lost revenue.

Be observant. Be diligent. Be prompt. Be discreet.