

## Indicators and patterns of money laundering or terrorist financing

A preliminary step to filtering the information is to use indicators to assess the importance of a report, from the FIU perspective as against that of the reporting entity.

Identifying indicators as you examine your data helps with developing a hypothesis. Indicators point to the possibility of specific activities occurring. The more indicators of an activity, the greater the likelihood of it occurring. However, in the real world, indicators may be mixed with irrelevant or even misleading signals.

Possible indicators include:

- cash deposits in different bank branches within a short time frame
- suspect appearance notes (old, covered in powder)
- lack of economic explanation
- transfers to accounts on which there are no other transactions
- transfers followed by cash withdrawals
- more concern about speed than costs
- unusual character compared to transactions usually performed by subject
- activity was inconsistent with the customer's profile
- associations with multiple accounts under multiple names
- bank drafts cashed in for foreign currency
- cash deposited domestically with the funds subsequently withdrawn from ATMs offshore
- cheques issued to a family member of the person
- cash used to purchase large amounts of gold
- deposit of gambling proceeds into a foreign bank account
- depositing multiple large amounts of cash and receiving multiple cheques drawn on that account
- early surrender of insurance policy incurring substantial loss
- elaborate movement of funds through different accounts
- frequent early repayments of loans
- frequent deposits of winning gambling cheques followed by immediate withdrawal of funds in cash
- frequent gaming activity with low returns but with higher chances of winning
- frequent transfers indicated as loans sent from relatives
- frequent remittance of bearer negotiable instruments, e.g. bank drafts offshore
- funds transferred to a charity fund

- gold transported by the individual but purchased with funds drawn from a company account
- high level of funds placed on stored value cards
- high volume of transactions within a short period
- investment cheques issued to a family member
- insurance policy being closed with request for the payment to be made to a third party
- instructing agent to transfer funds into third party accounts
- investment funds sent to countries of concern
- inserting funds into slot machines and immediately claiming those funds as credits
- insurance policy cashed outside the jurisdiction of purchase
- large amount of cash used to purchase insurance policy
- large sums credited into accounts from countries of concern
- large cash deposits used for investment
- large cash deposits into company accounts
- large amounts of currency exchanged for traveller's cheques
- large purchases of gold with the transportation of the gold conducted by the individual
- leaving large amounts of cash with a bookmaker and requesting a cheque in return
- large amounts of cash from unexplained sources
- multiple individuals sending funds to the one beneficiary
- multiple chip cash outs on the same day
- multiple cheques cashed into the one bank account
- multiple loans obtained over a short period of time with repayments made in cash
- multiple issue of stored value cards and debit cards which are accessed offshore
- multiple transactions of a similar nature on the same day in different locations
- obtained loan and repaid balance in cash
- purchasing high value assets (motor vehicles) followed by immediate resale with payment requested via cheque
- purchase of high value assets with cash e.g. diamond ring, bullion, motor vehicle, property
- purchase of an insurance policy followed by immediate surrender
- purchasing and cashing out casino chips with no gaming activity
- regular sale of large amounts of precious metals and jewellery
- regular sale of large amounts of gold with payment received in cash

- purchase of multiple money orders
- regular use of stored value card to withdraw funds overseas
- regular insurance claims for less than the actual premium payments
- sale of large amounts of gold from an individual
- structuring of cash to purchase traveller's cheques
- structuring the placement of betting transactions
- structuring of cash deposits / withdrawals

**Note:** Indicators by themselves may not always be immediately indicative of suspect financial or criminal activity but together with other indicators and other factors, it might confirm ML/TF suspicion or may give rise to further monitoring and due diligence.

**Note: Not all indicators are relevant to every jurisdiction.**

It is important that each FIU develops their own indicators from case studies and feedback from law enforcement agencies.