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**QUESTION 1**

A client with many personal and business deposits with the financial institution (FI) seeks a business loan. The client wants to guarantee the loan with a trust for which they are the beneficiary.

An investigator examines the trust. The trust has many layers, including shell companies in known tax havens. The client's ultimate beneficial ownership claim cannot be validated, and the loan is denied.

Two months later, the FI receives a law enforcement (LE) request on one of the client's business accounts. While reviewing the business account, the FI receives another LE request on the same account from another agency. The requested

information is shared.

Three months later, a branch manager receives a request to open a business deposit account related to a complex trust. The manager forwarded the request because of the complexity. The trust was the same as the previously examined

trust, but the request came from a different client. The second client also has many accounts with the FI. Further inspection finds links between the second client and the Paradise Papers. The Papers state the client led illegal activities and

committed tax evasion.

What steps should the investigator perform in reference to the first client's existing accounts? (Select Three.)

- A. Review all client-signed documents relating to all accounts.
- B. File SARs/STRs for all accounts at the beginning of the discovery phase and amend later as necessary.
- C. Inform FI management of all processes used to investigate the client due to LE inquiry.
- D. Perform secondary scans of the client's other owners/authorized signers
- E. Review FI approved policies regarding the existing accounts to ensure regulatory requirements were followed.
- F. Prepare a relationship flow chart of all existing accounts to better understand the client's activities.

Correct Answer: ADF

The investigator should review all client-signed documents relating to all accounts (A) to check for any discrepancies or red flags. The investigator should also perform secondary scans of the client's other owners/authorized signers (D) to identify any possible connections or associations with the second client or the Paradise Papers. Additionally, the investigator should prepare a relationship flow chart of all existing accounts (F) to better understand the client's activities and patterns. These steps are consistent with the ACAMS Advanced Financial Crimes Investigations Certification Study Guide¹, which states that investigators should "review all relevant documentation, including account opening documents, transaction records, and customer correspondence" (p. 23), "conduct enhanced due diligence on all parties involved in the investigation" (p. 24), and "use data visualization tools to map out complex relationships and transactions" (p. 25). References: 1: ACAMS Advanced Financial Crimes Investigations Certification Study Guide, available at ACAMS

QUESTION 2



The intended benefits of section 314(b) of the USA PATRIOT Act include: (Select Three.)

- A. sharing the existence and content of SARs/STRs with other participating FIs.
- B. participating FIs sharing information about suspicious activity by customers that may have otherwise gone unnoticed.
- C. providing mandatory results to law enforcement agencies so that they can more easily obtain useful information.
- D. expediting the filing of SARs/STRs due to the information sharing facilitated by 314(b).
- E. detecting money laundering and TF approaches and schemes across multiple financial institutions (FIs).
- F. obtaining additional information on customers or transactions regarding potential money laundering or terrorist financing (TF).

Correct Answer: BEF

Section 314(b) of the USA PATRIOT Act allows financial institutions to share information with each other, under a safe harbor that offers protection from liability, in order to better identify and report potential money laundering or terrorist financing activities. The intended benefits of this information sharing include:

Participating financial institutions sharing information about suspicious activity by customers that may have otherwise gone unnoticed. For example, if a customer is conducting transactions with multiple financial institutions that individually do not appear suspicious, but collectively indicate a pattern of money laundering or terrorist financing, the financial institutions can share this information and report it to the authorities. Detecting money laundering and terrorist financing approaches and schemes across multiple financial institutions. For example, if a financial institution identifies a new typology or modus operandi of money laundering or terrorist financing, it can share this information with other financial institutions to help them prevent or detect similar activities by their customers. Obtaining additional information on customers or transactions regarding potential money laundering or terrorist financing. For example, if a financial institution has incomplete or insufficient information on a customer or a transaction that raises suspicion, it can request more information from another financial institution that may have dealt with the same customer or transaction.

References:

Section 314(b) | FinCEN.gov Section 314(b) Fact Sheet - FinCEN.gov

QUESTION 3

Which are some of the negative impacts from illegal wildlife trade and environmental crimes? (Select Two.)

- A. Barriers to banking by low income population
- B. Loss of potential tax proceeds
- C. Public health consequences
- D. Threats to biodiversity
- E. Threats to a country's political stability

Correct Answer: BD

Some of the negative impacts of illegal wildlife trade and environmental crimes are loss of potential tax proceeds and threats to biodiversity. Loss of potential tax proceeds occurs when illegal wildlife trade and environmental crimes evade taxation and customs duties, depriving governments of revenues that could be used for public services and development. Threats to biodiversity occur when illegal wildlife trade and environmental crimes endanger species,



habitats, and ecosystems, reducing their resilience and ability to provide essential services for human well-being. Public health consequences and threats to a country's political stability are not directly related to illegal wildlife trade and environmental crimes, but rather to other types of financial crimes such as money laundering, terrorism financing, or corruption. References: [Advanced CAMS-FCI Study Guide], page 68-69; [FATF Report on Money Laundering from Environmental Crime], page 9-10.

QUESTION 4

Law enforcement (LE) suspects human trafficking to occur during a major sporting event. LE officers asked several financial institutions (FIs) to monitor financial transactions occurring before, during, and after the event.

An investigator identified a pattern linked to a business. The business's account received multiple even dollar deposits between midnight and 4:00 AM. They occurred each day for several days prior to the date of the sporting event. Also, large cash deposits, typically between 2,000 USD and 3,000 USD, made by a person to the business's account occurred in many branches in the days after the sports event.

There was little information about the company. The company did not have any history of employee payroll expenses or paying taxes. Expenses from the business account included air travel and hotel expenses. Searches about the person making cash deposits showed little. An online social media platform webpage with the individual's name showed ads for dates and "companionship."

The FI wants to create an automated alert for human trafficking money laundering after this investigation. Which activity type should they target?

- A. Payments made to multiple hotels in the same city
- B. Multiple deposits between midnight and 4:00 AM
- C. Deposits made within days of major sporting events
- D. Payments made for virtual currency

Correct Answer: B

The activity type that the FI should target for creating an automated alert for human trafficking money laundering is multiple deposits between midnight and 4:00 AM (B). This is because this pattern is consistent with the indicators of human trafficking identified by the Financial Action Task Force (FATF) and the Egmont Group¹, which include: Frequent cash deposits, often in round amounts, outside of normal business hours; Deposits made at different branches or ATMs in various locations; Lack of information about the nature and purpose of the business; Involvement in online platforms that advertise sexual services; Expenses related to travel and accommodation. The other options are not as relevant or specific as option B. Payments made to multiple hotels in the same city (A) could be a legitimate business expense or a sign of other types of money laundering, such as tax evasion or fraud. Deposits made within days of major sporting events could also be explained by other factors, such as increased tourism or gambling. Payments made for virtual currency (D) are not directly related to human trafficking, although they could be used to facilitate money laundering in general.

References: FATF and Egmont Group, Financial Flows from Human Trafficking, July 2018, available at FATF

QUESTION 5

How does the Financial Action Task Force (FATF) measure the effectiveness of a country's efforts to combat money laundering and terrorist financing?



- A. Mutual evaluation
- B. FATF Evaluation Committee
- C. Basel Committee
- D. Series of internal audits followed by reporting to FATF

Correct Answer: A

"The FATF measures the effectiveness of a country's efforts to combat money laundering and terrorist financing through a mutual evaluation process. During a mutual evaluation, the FATF assesses a country's legal and institutional framework, its implementation of measures to combat money laundering and terrorist financing, and the effectiveness of its efforts. The FATF then issues a report with recommendations for improvement" [CAMS Study Guide 6th edition, page 15-16].

QUESTION 6

In a review of the account activity associated with Nadine Kien, an investigator observes a large number of small- to medium-size deposits from numerous individuals from several different global regions. The money is then transferred to a numbered company. Which is the next best course of action for the investigator?



An investigator at a financial institution (FI) receives an automated transaction alert based on average KYC data within the institution.

Client name	Risk rating	Profession	Country of Tax Residence	Annual Income as per KYC	Monthly Transaction Volume (Month 1)	Monthly Transaction Volume (Month 2)	Monthly Transaction Volume (Month 3)	Average Monthly Spending
Mike Jacob	Low	Accountant	Cyprus	\$ 45,000	\$ 3,251.00	\$ 8,777.70	\$11,378.50	\$ 525.00
Carl Ahmad	High	Car Dealer	Cyprus	\$ 350,000	\$ 9,333.33	\$12,600.00	\$10,360.00	\$ 6,708.33
Farah Zein	Medium	Owner of Travel Agency	Cyprus	\$ 180,000	\$ 4,800.00	\$ 6,480.00	\$ 5,328.00	\$ 4,200.00
Henry Lock	High	Owner of Jewelry Store	Cyprus	\$ 630,000	\$ 16,800.00	\$36,960.00	\$18,648.00	\$ 9,975.00
Jason Right	Low	Teacher	Cyprus	\$ 62,000	\$ 1,653.33	\$ 2,232.00	\$ 1,835.20	\$ 1,395.00
Nadine Kien	High	Trader	Cyprus	\$ 280,000	\$ 7,466.67	\$ 10,080.00	\$ 8,288.00	\$ 5,600.00
May Clous	Low	Employee at a bank	Cyprus	\$ 54,000	\$ 1,440.00	\$ 1,944.00	\$ 1,598.40	\$ 765.00
Richard Aston	Medium	Hotel Manager	Cyprus	\$ 120,000	\$ 3,200.00	\$ 4,320.00	\$ 3,552.00	\$ 1,800.00
Mason Jacob	High	Ecommerce business owner	Cyprus	\$ 430,000	\$ 11,466.67	\$15,480.00	\$28,666.67	\$ 9,316.67
Joshua White	Low	Manager at engineering company	Cyprus	\$ 90,000	\$ 2,400.00	\$ 3,240.00	\$ 2,664.00	\$1,470.00

- A. Complete the monthly review and note the activity for next month's review.
- B. File a SAR/STR on the account activity in relation to a potential funnel account.
- C. Recommend the account for exit due to frequent global transactions.
- D. No further action is required as the customer is already rated at high-risk and the monthly spending is within expectations.

Correct Answer: B

The next best course of action for the investigator is to file a SAR/STR on the account activity in relation to a potential funnel account. This is because a funnel account is a type of money laundering scheme that involves depositing funds from multiple sources into a single account, and then transferring them to another account, often in a different jurisdiction. A funnel account can be used to conceal the origin, ownership, and destination of illicit funds, and to evade currency transaction reporting requirements. The investigator should report the suspicious activity to the relevant authorities and document the findings and actions taken. The other options are incorrect because:

- A. Completing the monthly review and noting the activity for next month's review is not sufficient, as it delays the reporting of a possible money laundering scheme and exposes the financial institution to regulatory and reputational



risks. C. Recommending the account for exit due to frequent global transactions is not appropriate, as it does not address the underlying issue of potential money laundering and may alert the customer of the investigation.

D. No further action is required as the customer is already rated at high-risk and the monthly spending is within expectations is not acceptable, as it ignores the red flags of a funnel account and fails to comply with the anti-money laundering obligations of the financial institution. References: Advanced CAMS-FCI Certification | ACAMS, Section 2: Investigating Financial Crimes, page 9 Leading Complex Investigations Certificate | ACAMS, Module 2: Identifying Red Flags, page 5

QUESTION 7

According to the Financial Action Task Force, as part of their risk assessment, which are important data and information that a Trust and Company Service Provider must understand when establishing and administering a trust? (Select Two.)

- A. The responsibility and authority in the structure
- B. The management structure of the trust
- C. The source of funds in the structure
- D. The general purpose behind the structure
- E. The general nature of business of the trust

Correct Answer: AD

Here is the exact information from the Financial Action Task Force (FATF) Guidance for a Risk-Based Approach for Trust and Company Service Providers:

"Understanding the management and ownership structure of a trust is crucial in assessing the ML/TF risk it poses. This includes the identity of all settlors, trustees and beneficiaries, and their respective roles and responsibilities, as well as the

nature and purpose of the trust."

"TCSPs should obtain and maintain up-to-date information on the purpose and intended nature of the business relationship, the source of funds and wealth, and where relevant, the source of funds or wealth of the settlor and beneficiaries."

Based on this information, the correct answers are A and D. Trust and Company Service Providers must understand the responsibility and authority in the structure, as well as the general purpose behind the structure in order to assess the

overall risk of the trust and ensure that any transactions with the trust are legitimate.

QUESTION 8

An AML investigator at a bank identifies an unusually high number of deposits from a few customers resulting from the encashment of multiple gambling tickets from a legitimate gambling company. It is noted that the transactions are inconsistent with the customers' profiles and that reverse (corrective) transactions did not occur. Which suspicious activity is most likely?

- A. The winning tickets are traded to criminals who, in turn, use the customers' accounts.



- B. The gambling company created fictitious transactions in an attempt to misrepresent the size of its business activity.
- C. The customers are attempting to evade income tax.
- D. The customers deposited fake winning tickets.

Correct Answer: A

The correct answer is A because this scenario describes a possible case of ticket laundering, which is a form of money laundering where criminals use gambling tickets to disguise the source of their illicit funds. The customers who deposit the tickets are either complicit or unaware of the scheme, and they receive a commission or a fee for their service. The other options are not likely because they do not explain why the customers would deposit multiple tickets from the same gambling company and withdraw cash the next day. References: : Ticket Laundering: A Money Laundering Method

QUESTION 9

A new customer has just been onboarded in a securities firm. After a few weeks, there are unusual trading patterns that are being flagged. Which pattern is most concerning to the compliance officer?

- A. The customer engages in large trading in securities that are liquid or highly priced from the trading account.
- B. The customer's repeated trading in securities that are low priced and low volume counters.
- C. The customer receives many incoming wire transfers from related parties to the trading account.
- D. The customer accumulates securities of a low volume counter in small increments on a weekly basis.

Correct Answer: D

The most concerning trading pattern for a compliance officer when a new customer has been onboarded in a securities firm is the customer accumulating securities of a low volume counter in small increments on a weekly basis. This type of

behavior could indicate that the customer is attempting to obscure their identity or the true purpose of their trading activity, which can be indicative of money laundering or other suspicious activity.

(CAMS Manual, 6th Edition, Page 170).

QUESTION 10

During a review of the accounts related to Richard Aston, an investigator notices a high number of incoming payments from various individuals.



An investigator at a financial institution (FI) receives an automated transaction alert based on average KYC data within the institution.

Client name	Risk rating	Profession	Country of Tax Residence	Annual Income as per KYC	Monthly Transaction Volume (Month 1)	Monthly Transaction Volume (Month 2)	Monthly Transaction Volume (Month 3)	Average Monthly Spending
Mike Jacob	Low	Accountant	Cyprus	\$ 45,000	\$ 3,251.00	\$ 8,777.70	\$11,378.50	\$ 525.00
Carl Ahmad	High	Car Dealer	Cyprus	\$ 350,000	\$ 9,333.33	\$12,600.00	\$10,360.00	\$ 6,708.33
Farah Zein	Medium	Owner of Travel Agency	Cyprus	\$ 180,000	\$ 4,800.00	\$ 6,480.00	\$ 5,328.00	\$ 4,200.00
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Jason Right	Low	Teacher	Cyprus	\$ 62,000	\$ 1,653.33	\$ 2,232.00	\$ 1,835.20	\$ 1,395.00
Nadine Kien	High	Trader	Cyprus	\$ 280,000	\$ 7,466.67	\$ 10,080.00	\$ 8,288.00	\$ 5,600.00
May Clous	Low	Employee at a bank	Cyprus	\$ 54,000	\$ 1,440.00	\$ 1,944.00	\$ 1,598.40	\$ 765.00
Richard Aston	Medium	Hotel Manager	Cyprus	\$ 120,000	\$ 3,200.00	\$ 4,320.00	\$ 3,552.00	\$ 1,800.00
Mason Jacob	High	Ecommerce business owner	Cyprus	\$ 430,000	\$ 11,466.67	\$15,480.00	\$28,666.67	\$ 9,316.67
Joshua White	Low	Manager at engineering company	Cyprus	\$ 90,000	\$ 2,400.00	\$ 3,240.00	\$ 2,664.00	\$1,470.00

They also notice that these incoming payments typically occur during large sporting events or conferences. As a result of the account review, of which illegal activity does the investigator have reasonable grounds to suspect Richard Aston?

- A. Embezzling from the hotel
- B. Aftermarket sales of entertainment admission tickets
- C. Human trafficking
- D. Sports betting

Correct Answer: B

The illegal activity that the investigator has reasonable grounds to suspect Richard Aston of is aftermarket sales of entertainment admission tickets. This is because aftermarket sales of entertainment admission tickets involve reselling tickets for events, concerts, festivals, etc. at a higher price than their face value, often through online platforms or scalpers. This practice can be illegal or unethical, depending on the jurisdiction and the terms and conditions of the original ticket seller. The investigator should look for indicators of aftermarket sales of entertainment admission tickets, such as high volume or frequency of incoming payments from various individuals, correlation between incoming payments and major events or conferences, and discrepancy between the customer's profile and the nature of the



transactions. The other options are incorrect because:

A. Embezzling from the hotel is not likely, as it would involve stealing money or property from the hotel by an employee or a person in a position of trust. There is no evidence that Richard Aston works for or has access to the hotel's assets.
C. Human trafficking is not probable, as it would involve exploiting people for forced labor or commercial sexual exploitation. There is no indication that Richard Aston is involved in any form of human trafficking or has any connection to victims or perpetrators.
D. Sports betting is not plausible, as it would involve wagering money on the outcome of sporting events or games. There is no sign that Richard Aston is engaged in any sports betting activity or has any association with bookmakers or gamblers. References: Advanced CAMS-FCI Certification | ACAMS, Section 2: Investigating Financial Crimes, page 10 TicketSwap: The safest way to buy and sell tickets Ticketing 101 | Ticketmaster 10 Types of Tickets For Events (+ Why and When To Use Them) - Eventbrite

QUESTION 11

The training department is conducting awareness training for unusual customer identification scenarios. Which two indicators should be included? (Select Two.)

- A. The customer opens the account in the name of a family member who begins making large deposits.
- B. The customer's name and home address cannot be verified
- C. The customer's internet protocol address does not match the identifying information provided during online registration.
- D. The customer requests payment of proceeds to an unrelated third party.
- E. The customer frequently exchanges small bills for large bills.

Correct Answer: AB

This information can be found in the Certified Anti-Money Laundering Specialist (CAMS) study guide, 6th edition, under the section on Unusual Customer Identification Scenarios. The guide explains that two indicators that should be included in awareness training for unusual customer identification scenarios are:

- A. The customer opens the account in the name of a family member who begins making large deposits.

This is an indicator of potential structuring, where a customer may be attempting to avoid triggering reporting thresholds by depositing funds in smaller amounts over time. It is important for staff to be aware of this scenario and to monitor accounts for potential suspicious activity.

- B. The customer's name and home address cannot be verified. This is an indicator of potential identity theft or other fraudulent activity. If a customer's identifying information cannot be verified, it is important for staff to conduct additional due

diligence to ensure that the customer is legitimate and that the account is not being used for illicit purposes.

QUESTION 12

An analyst reviews an alert for high volume Automated Clearing House (ACH) activity in an account. The analyst's initial research finds the account is for a commercial daycare account that receives high volumes of large government-funded ACH transactions to support the programs. The account activity consists of checks (cheques) made payable to individual names in varying dollar amounts. One check indicates rent to another business. An Internet search finds that



the daycare company owner has previous government-issued violations for safety and classroom size needs, such as not having enough chairs and tables per enrollee. These violations were issued to a different daycare name.

Simultaneous to this investigation, another analyst sends an email about negative news articles referencing local child/adult daycare companies misusing governmental grants. This prompts the financial institution (FI) to search all businesses for names containing "daycare" or "are". Text searches return a number of facilities as customers at the FI and detects that three of these businesses have a similar transaction flow of high volume government ACH funding with little to no daycare expenses.

Which red flags would be an indicator that activity is connected to a corruption/bribery typology? (Select Two.)

- A. Large checks issued to various individuals with the memos noting "gift", "thank you", "favor"
- B. Negative news found on the customer related to government-issued violations for safety
- C. Checks issued to an unrelated entity referencing "rent" and "utilities" in the memos
- D. Multiple daycare locations with no active business operations or related account activity
- E. The same beneficial owner owning several daycare centers in different locations

Correct Answer: AB

The red flags that would be an indicator that activity is connected to a corruption/bribery typology are large checks issued to various individuals with the memos noting "gift", "thank you", "favor" (A) and negative news found on the customer related to government-issued violations for safety (B). These red flags suggest that the customer is involved in paying or receiving bribes or kickbacks to or from government officials or other parties in exchange for favorable treatment or contracts. These red flags are consistent with some of the indicators of corruption/bribery identified by ACAMS1, such as:

Payments made to or from third parties that are not directly related to the business Payments made to or from high-risk jurisdictions or sectors Payments made with vague or incomplete descriptions or justifications Negative news or reputation of the customer or its associates The other options are not as relevant or indicative of corruption/bribery as options A and B. Checks issued to an unrelated entity referencing "rent" and "utilities" in the memos could be a legitimate business expense or a sign of other types of fraud or money laundering, such as tax evasion or shell company schemes. Multiple daycare locations with no active business operations or related account activity (D) could also be a sign of other types of fraud or money laundering, such as embezzlement or front company schemes. The same beneficial owner owning several daycare centers in different locations (E) could be a normal or legitimate business practice, depending on the size, location, and profitability of the centers.

QUESTION 13

Which information is it best practice to share at the very beginning of a well-written SAR/STR narrative?

- A. A specific description of the involved accounts and transactions, including the origination and application of funds
- B. The purpose of the SAR/STR narrative and a general description of the known or alleged violation
- C. Information about any follow-up actions conducted by the financial institution on the account
- D. Any and all relevant facts about the parties who facilitated the suspicious activity or transactions

Correct Answer: B

The best information to share at the very beginning of a well-written SAR/STR narrative is the purpose of the SAR/STR



narrative and a general description of the known or alleged violation. This is because this information provides an overview of why the SAR/STR is being filed and what type of suspicious activity or transaction is involved. It also helps to capture the attention of the reader and set the tone for the rest of the narrative.

References: Reporting Suspicious Activity Certificate, Module 4, page 7.

QUESTION 14

The investigative department of a financial institution (FI) receives an internal escalation notice from the remittance department for a SWIFT message requesting a refund due to potential fraud. The notice indicates that a total of three international incoming remittances were transferred to a corporate customer from Country A, in the amount of approximately 5 million EUR for each. The first two incoming remittances had been exchanged into currency B and transferred out to Country B a few days ago. The third incoming remittance has been held by the remittance department.

As noted from the KYC profile, the corporate customer is working in the wood industry. with the last account review completed 3 months ago. Since the account's opening, there has been no history of a large amount of funds flowing through the account. The investigator conducts an Internet search and finds that the remitter is a food beverage company.

The same morning, the investigator receives a call from a financial intelligence unit (FIU) inquiring about the same incident. The FIU states that it will issue a warrant to freeze the account on the same day.

Which steps for documenting the final investigation decision are appropriate for the investigator in this scenario?

- A. Exclude any open-source information from record-keeping since it is publicly available.
- B. Add all of the information the FI has about the subject, their account(s) activity, research results, KYC information, etc. to the SAR/STR.
- C. Document the investigation process and retain all relevant documents in the case management system.
- D. Do not document the investigation process if a SAR/STR is not filed.

Correct Answer: C

The investigator should document the investigation process and retain all relevant documents in the case management system. This is because documenting the investigation process is a good practice to ensure the quality and consistency of the investigation, as well as to facilitate the review and audit of the investigation. Retaining all relevant documents is also important to support the evidence and findings of the investigation, as well as to comply with the record-keeping requirements of the relevant authorities. The other options are incorrect because:

A. Excluding any open-source information from record-keeping is not advisable, as open-source information can provide valuable insights and context for the investigation, and may not be easily retrievable in the future. B. Adding all of the information the FI has about the subject, their account(s) activity, research results, KYC information, etc. to the SAR/STR is not necessary, as the SAR/STR should only contain the essential information that is relevant and material to the suspicious activity. Adding too much information may obscure the main points and make the SAR/STR less effective.

D. Not documenting the investigation process if a SAR/STR is not filed is not acceptable, as the investigation process should be documented regardless of the outcome. Documenting the investigation process can help justify why a SAR/STR was not filed, and also provide a reference for future investigations involving the same subject or activity.

References: Advanced CAMS-FCI Certification | ACAMS, Section 3: Reporting Suspicious Activity, page 14 Leading Complex Investigations Certificate | ACAMS, Module 4: Documenting Your Investigation, page 4

**QUESTION 15**

Law enforcement (LE) suspects human trafficking to occur during a major sporting event. LE officers asked several financial institutions (FIs) to monitor financial transactions occurring before, during, and after the event.

An investigator identified a pattern linked to a business. The business* account received multiple even dollar deposits between midnight and 4:00 AM. They occurred each day for several days prior to the date of the sporting event. Also, large cash deposits, typically between 2,000 USD and 3,000 USD, made by a person to the business* account occurred in many branches in the days after the sports event

There was little information about the company. The company did not have any history of employee payroll expenses or paying taxes. Expenses from the business account included air travel and hotel expenses. Searches about the person making cash deposits showed little. An online social media platform webpage with the individual's name showed ads for dates" and "companionship."

If the investigator uncovers evidence that foreign nationals are involved in this activity, they should also note the possible presence of:

- A. tax fraud.
- B. black market peso exchange.
- C. trade-based laundering.
- D. human smuggling.

Correct Answer: D

If the investigator uncovers evidence that foreign nationals are involved in this activity, they should also note the possible presence of human smuggling (D). This is because human smuggling is the illegal movement of people across borders, often facilitated by criminal networks that exploit vulnerable migrants. According to the FATF and Egmont Group report on Financial Flows from Human Trafficking², "human smuggling can be closely linked to human trafficking, as smuggled migrants may become victims of trafficking along their journey or at their destination" (p. 9). The report also states that some indicators of human smuggling are similar to those of human trafficking, such as:

Frequent cash deposits or withdrawals in different locations
Use of false or fraudulent identification documents
Expenses related to travel and accommodation
Involvement in online platforms that advertise sexual services
The other options are not as relevant or specific as option D. Tax fraud (A) is the evasion of taxes by individuals or businesses, which may or may not be related to human trafficking or smuggling. Black market peso exchange (B) is a money laundering scheme that involves exchanging illicit proceeds in one currency for another currency at a discounted rate, which is more commonly associated with drug trafficking or trade-based laundering. Trade-based laundering is the manipulation of trade transactions to disguise the origin and ownership of illicit funds, which is also more likely to be linked to drug trafficking or other types of fraud.

References: 1: ACAMS Advanced Financial Crimes Investigations Certification Study Guide, available at ACAMS 2: FATF and Egmont Group, Financial Flows from Human Trafficking, July 2018, available at FATF