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Advanced CAMS-Financial Crimes Investigations

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Question: 1

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.

After further review, the decision is made that transactions appear suspicious. Which are the next steps the investigator should take? (Select Two.)

- A. Close the customer's accounts since the FIU is issuing a warrant to freeze the funds.
- B. Contact local LE and advise them of the investigation details to help speed up the investigation and prosecution.
- C. Provide additional information to the LE upon receiving a formal request.
- D. Close the investigation as the FIU is already on this matter, and they will inform LE if needed.
- E. Gather all the information that would be useful for law enforcement (LE) and recommend filing a SAR/STR

Answer: C, E

Explanation:

The correct answer is C and E. The investigator should provide additional information to the LE upon receiving a formal request, and gather all the information that would be useful for LE and recommend filing a SAR/STR. These steps are consistent with the best practices of conducting financial crime investigations and reporting suspicious activity. The investigator should not close the customer's accounts or the investigation, as this may interfere with the ongoing LE inquiry and violate the FI's policies and procedures. The investigator should also not contact local LE directly, as this may compromise the confidentiality of the investigation and the FIU's authority. Reference:

Advanced CAMS-FCI Study Guide, Chapter 4: Reporting Suspicious Activity, pages 40-411

Advanced CAMS-FCI Study Guide, Chapter 5: Governance of an AFC Investigations Unit, pages 48-491

Advanced CAMS-FCI Certification | ACAMS

Question: 2

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.

Answer: C

Explanation:

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.

Reference:

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: 3

Refer to the exhibit.

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

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?

- 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.

Answer: B

Explanation:

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.

Reference:

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: 4

Refer to the exhibit.

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
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Joshua White	Low	Manager at engineering company	Cyprus	\$ 90,000	\$ 2,400.00	\$ 3,240.00	\$ 2,664.00	\$1,470.00

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

Answer: B

Explanation:

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.

Reference:

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 & When To Use Them) - Eventbrite

Question: 5

An investigator is reviewing an alert for unusual activity. System scanning detected a text string within a company customer's account transactions that indicates the account may have been used for a drug or drug paraphernalia purchase. Based on the KYC profile, the investigator determines the customer's company name and business type are marketed as a gardening supplies company. The investigator reviews the account activity and notes an online purchase transaction that leads the investigator to a website that sells various strains of marijuana. Additional account review detects cash deposits into the account at the branch teller lines, so the investigator reaches out to the teller staff regarding the transactions. The teller staff member reports that the business customers have frequently deposited cash in lower amounts. The teller, without prompting, adds that one of the transactors would occasionally smell of a distinct scent of marijuana smoke.

Which are the best next steps for the investigator to take? (Select Three.)

- A. Review the customer's transaction history.
- B. Request information from the internet service provider who hosts the website.
- C. Check internal KYC information.
- D. Research other customer accounts for transactions to the same website.
- E. Conduct adverse media and open-source searches on the customer's background.
- F. Identify if the customer has opened accounts in an urban city area.

Answer: A, C, E

Explanation:

The best next steps for the investigator to take are:

- A . Review the customer's transaction history. This can help the investigator identify any patterns or

anomalies in the customer's account activity, such as changes in transaction volume, frequency, amount, source, destination, purpose, etc. The investigator can also compare the customer's transaction history with their KYC profile and risk rating to assess if there are any discrepancies or inconsistencies.

C . Check internal KYC information. This can help the investigator verify the customer's identity, business nature, ownership structure, expected activity, source of funds, etc. The investigator can also update or enhance the customer's KYC information based on any new or relevant information obtained from other sources.

E Conduct adverse media and open-source searches on the customer's background. This can help the investigator find out if there is any negative or adverse information about the customer in public data sources, such as news articles, social media posts, blogs, forums, etc. Adverse media and open-source searches can also provide additional context and insight into the customer's reputation, behavior, associations, etc. The other options are incorrect because:

B . Request information from the internet service provider who hosts the website is not feasible, as it may require a legal process or a court order to obtain such information. Moreover, the internet service provider may not have or disclose any useful information about the website or its owner.

D . Research other customer accounts for transactions to the same website is not relevant, as it may not provide any meaningful information about the customer under investigation. Furthermore, it may violate

the privacy and confidentiality of other customers who are not related to the investigation.

F . Identify if the customer has opened accounts in an urban city area is not helpful, as it may not have any bearing on the customer's involvement in a drug or drug paraphernalia purchase. Additionally, it may not be possible to access or verify such information without the customer's consent or authorization.

Reference:

Advanced CAMS-FCI Certification | ACAMS, Section 2: Investigating Financial Crimes, page 11

Leading Complex Investigations Certificate | ACAMS, Module 3: Conducting Research and Analysis, page 6 Adverse Media Screening - Using AI to Mitigate Risk

Legal requirements for adverse media screening - Thomson Reuters

Electronic client due diligence | Ethics helpsheets | ICAEW

6AMLD & FATF: Where Adverse Media Screening Fits In

Free Adverse Media Check | NameScan

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