

# Latest Version: 17.0

## Question: 1

A bank account is established for a new business customer. The business was established five years ago with an address in another state. The business website contains few details other than stating it is a real estate business.

One principal has an international telephone number and appears to be living in another country. The other principal works out of a recreational vehicle.

What warrants enhanced due diligence in this scenario?

- A. Shell company
- B. Human trafficker
- C. Politically exposed person
- D. Money laundering through real estate

**Answer: A**

## Question: 2

A branch manager for a small community bank has a new customer who deposits for EUR 50,000 checks into one account. Shortly thereafter, the customer goes to another branch and asks to transfer all but EUR 1,500 to three accounts in different foreign jurisdictions.

Which suspicious activity should be the focus of the suspicious transaction report?

- A. The customer opened the account with four large checks
- B. The customer goes to a different branch to make this transaction
- C. The customer transfers almost all of the funds out of the account
- D. The customer asks to transfer funds to accounts in three different foreign jurisdictions

**Answer: D**

## Question: 3

A government has instituted a new anti-money laundering laws which require all financial institutions to obtain certain information from its customers.

Which step should an institution located in this jurisdiction take to ensure compliance?

- A. Change procedures to require that the necessary information is obtained
- B. Change procedures and systems as necessary and provide employee training
- C. Send a notice to customers asking them to provide the necessary information

D. Change systems to ensure the required information is automatically obtained from all customers

**Answer: B**

### Question: 4

An anti-money laundering audit identifies a significant weakness in how transaction monitoring alerts are cleared. Audit sampling identified potentially suspicious activity that was cleared as not suspicious. Management accepts the audit finding and develops a remediation plan. What is the role of the auditor during the correction phase?

- A. Directing the remediation of the deficiency in a timely manner
- B. Developing procedures to provide sufficient risk-based documentation for clearing alerts
- C. Providing training to the alert clearing department on the importance of effective alert clearing
- D. Validating the successful remediation of the issue once management indicates the issue is resolved

**Answer: D**

Explanation:

The audit function should report to the audit committee of the board of directors (or similar oversight body) and independently evaluate the risk management and controls of the bank through periodic assessments, including the adequacy of the bank's controls to mitigate the identified risks, the effectiveness of the bank's staff's execution of the controls, the effectiveness of the compliance oversight and quality controls and the effectiveness of the training.

### Question: 5

Which method to launder money through deposit-taking institutions is closely associated with International trade?

- A. Forming a shell company
- B. Using Black Market Peso Exchange
- C. Structuring cash deposits withdrawals
- D. Investing in legitimate business with illicit funds

**Answer: B**

Explanation:

Reference: [http://fraudaid.com/Dictionary-of-Financial-Scam-Terms/black\\_market\\_peso\\_exchange.htm](http://fraudaid.com/Dictionary-of-Financial-Scam-Terms/black_market_peso_exchange.htm)