

# ACAMS

## Exam Questions CAMS

Certified Anti-Money Laundering Specialist (the 6th edition)



#### NEW QUESTION 1

A high-volume dealer of precious metals and stones in a high-risk jurisdiction is approached by a new customer interested in selling gold worth \$200,000. The customer was referred by a longtime family friend of the dealer and provides no indication of background or business purpose for the sale. The dealer agrees to make the purchase based solely on the reference.

What is the money laundering red flag?

- A. The customer was referred by a longtime friend of the dealer
- B. The precious metals dealer is operating in a high-risk jurisdiction
- C. A new customer is selling gold worth \$200,000 to a high volume dealer
- D. The customer provides no background information or business purpose for the transaction

**Answer: D**

#### NEW QUESTION 2

What are two risks to institutions for violating anti-money laundering laws as demonstrated by the 2012 HSBC settlement with United States authorities? (Choose two.)

- A. Forfeiture of assets
- B. Civil money penalties
- C. Loss of bank charter/license
- D. Imprisonment of bank employees

**Answer: AB**

#### NEW QUESTION 3

What is the currency threshold under the European Union Fourth Anti-Money Laundering Directive?

- A. 3,000 Euros
- B. 5,000 Euros
- C. 10,000 Euros
- D. 15,000 Euros

**Answer: C**

#### NEW QUESTION 4

To ensure compliance with economic sanctions established by governmental authorities in the jurisdictions where it operates, a financial institution requires that all new and existing customers be screened at onboarding and quarterly thereafter.

Is this step sufficient to ensure compliance?

- A. No, screening should occur promptly after list updates
- B. Yes, this is recommended by the international guidance
- C. No, it is necessary to screen and perform enhanced due diligence on new relationships
- D. Yes, screening all existing customer relationships ensures the institutions is not dealing with a sanctioned individual or entity

**Answer: B**

#### NEW QUESTION 5

One key aspect of the Office of Foreign Assets Control's extraterritorial reach includes the blocking of certain non-United States initiated transactions for or through the United States (U.S.) for benefit of a restricted person or entity. Under which three circumstances are U.S. banks required to block transactions? (Choose three.)

- A. The transactions are to, or go through, a blocked entity
- B. Those that are by, or on behalf of, a blocked individual or entity
- C. Those that are by or on behalf of a blocked individual and a licensed entity
- D. Those that are in connection with a transaction in which a blocked individual or entity has an interest
- E. Those that are in connection with a transaction in which a blocked individual or entity has no interest

**Answer: ABD**

#### NEW QUESTION 6

Historically, a tour guide has made monthly cash deposits averaging \$10,000. Over the past three months, the monthly deposits have averaged \$100,000. When the financial institution questions the increased deposits, the tour guide explains that there have been numerous conventions in town so business has increased substantially.

Which further action(s) should the financial institution take?

- A. Immediately terminate the relationship
- B. Schedule a periodic review of activity
- C. Perform further investigation, it appropriate report the activity to the authorities and consider terminating the relationship
- D. Perform further investigation, if appropriate report the activity to the authorities and place a limit on future transactions

**Answer: C**

#### NEW QUESTION 7

Which method is used to launder money via wire remittances sent through a bureau de change or money services business? A. A customer in country A makes a weekly small wire transfer to the bank account of an individual in country B.

- A. A customer in country A makes frequent wire transfers to a single customer in country B that are slightly under the legal reporting threshold.
- B. A large number of wire transfers are sent from a large number of senders in country A to a large number of recipients in country B during the period of December 1 to December 15.
- C. A customer in country A receives four small wire transfers from four different individuals located in country B on December 21. The aggregate of the wire transfers falls below the legal reporting threshold.

**Answer:** B

#### NEW QUESTION 8

A client opens a bank account for a multi-level marketing company. The debits and credits of the account are numerous and very involved. Further, there are a lot of international transactions. Also, funds are being tunneled from the company to the client's personal account in another jurisdiction. Which two steps should law enforcement take in investigating this matter? (Choose two.)

- A. Determine who are the signatories on the account
- B. Ask the bank for the history of this multi-level marketing company
- C. Examine the flow of money from the company to the individual in an effort to determine if it is legitimate
- D. Examine possible Suspicious Activity Report information received from the local Financial Intelligence Units

**Answer:** AC

#### NEW QUESTION 9

A compliance officer was recently reviewing transactional data for an international charity and found transactions that present a higher risk. Which reason is cause for terminating the banking relationship?

- A. The charity has had a high a high turnover rate of official positions
- B. The charity has several incoming international funds transfers
- C. The flow of funds both in and out are complex and hard to trace
- D. The charity is headquartered in a country on the Office of Foreign Assets Control list

**Answer:** C

#### NEW QUESTION 10

Which two aspects of precious metals pose the highest risk of money laundering? (Choose two.)

- A. Some precious metals can be formed into other objects, making easier to transport
- B. Precious metals have high intrinsic value in a relatively compact form and are easy to convert into currency
- C. The value of precious metals can be inflated easily, making it easy to increase the amount of money laundered
- D. Precious metals can be readily used in many high-tech commercial applications, making them all the more valuable

**Answer:** BD

#### NEW QUESTION 10

A financial institution receives a regulatory enforcement action because of deficiencies in its anti-money laundering program. Which action should the board of directors take?

- A. Terminate the compliance officer and staff
- B. Purchase and install a new suspicious activity monitoring system
- C. Hire an attorney with instructions to protest the enforcement action
- D. Instruct the compliance officer to develop a plan to remediate the institution's anti-money laundering program

**Answer:** D

#### NEW QUESTION 11

A bank employee recently opened an account for a new restaurant. Daily cash deposits over a three-month period are close to \$9,500. What are two red flags that indicate possible money laundering or terrorist financing? (Choose two.)

- A. The restaurant is located in a different city
- B. The daily cash deposits are so close in amount
- C. It is a new account that has daily cash deposits
- D. The new account demonstrates a steady flow of income

**Answer:** BD

#### NEW QUESTION 13

Which two channels can be utilized during a cross-border money laundering investigation to assist in gathering information according to Financial Action Task Force? (Choose two.)

- A. Contacting existing liaison officers in the foreign jurisdiction
- B. Exchanging information between national law enforcement agencies
- C. Contacting the potential suspect or their family members to request information
- D. Submitting only formal requests for information to a financial intelligence unit

**Answer:** AB

#### NEW QUESTION 18

A bank located in New York has identified suspicious transactions at a correspondent bank in China. For one of the international customers, the correspondent bank is not following agreed upon protocols. Which factor indicates that the bank should terminate the relationship?

- A. The correspondent bank has opened branches in a country on the Office of Foreign Assets Control list.
- B. The compliance officer at the correspondent bank is currently being investigated due to bribery allegations.
- C. The correspondent bank has recently exceeded acceptable limits in the primary banks' recently developed risk model.
- D. The primary institution has requested transactional details from the correspondent bank to aide in their investigation.

**Answer:** C

#### NEW QUESTION 19

The anti-money laundering compliance officer for a small money transmitter has several agent locations in the same geographic area in the United States. The customers are immigrants from Country A and the majority of the funds are remitted to Country A.

In a meeting with one of the agents, it is recently discovered that two new customers have been coming in three times a week and sending funds to the same recipient in Country B. Each cash transaction always totals exactly \$8,000. What should alert the agent to possible money laundering activity by the two customers?

- A. They remit funds to the same person
- B. They have been coming in three times a week
- C. It is unusual for customers to remit to Country B
- D. Each of their transactions is just below the cash reporting threshold

**Answer:** A

#### NEW QUESTION 21

A corporate services provider in a European Union (EU) country has a prospect from an African country who deals in oil and gas. The prospect intends to develop an oil terminal in his home country with a \$75 million dollar loan secured by a third party, which is a trust formed in a Caribbean island with a holding company based in a European secrecy haven. A young lady is presented as an ultimate beneficial owner who has gained her wealth through a fitness studio in her home country.

What are two red flags that could indicate money laundering or financing terrorism? (Choose two.)

- A. A loan worth \$75 million with a third-party guarantor
- B. The guarantor company's ownership structure is overly complex
- C. The prospect wishes to have a corporate structure with a holding company in EU country
- D. The ultimate beneficial owner is young lady who has gained her wealth through a small business

**Answer:** BD

#### NEW QUESTION 22

A bank compliance officer discovers cash deposit activity inconsistent with the expected and historical cash activity within the personal accounts of the chairman of the board. The cash activity appears structured to avoid the local legal filing requirements for large cash transactions, and a suspicious transaction report (STR) was filed.

How should the compliance officer report the filing of the STR to the board of directors without revealing the existence of the filing to the subject?

- A. Inform the legal counsel of the bank
- B. Follow the financial institution's established STR reporting policy
- C. Notify the financial institution's regulator to disclose the activity
- D. The compliance officer and the chief executive officer should jointly interview the chairman

**Answer:** A

#### NEW QUESTION 26

Who has the ultimate responsibility within a bank for ensuring that the bank has a comprehensive and effective Bank Secrecy Act / anti-money laundering (BSA/AML) program and oversight framework that is reasonably designed to ensure compliance with applicable regulations?

- A. Senior management
- B. Board of directors
- C. Business line managers
- D. BSA/AML compliance officer

**Answer:** B

#### NEW QUESTION 31

A bank's anti-money laundering section receives an anonymous tip that a customer might be engaging in possible money laundering. Which two facts should be considered during the course of an investigation into this matter? (Choose two.)

- A. The customer has had a long-standing account at the bank
- B. The customer is on the exempt list for currency transaction reporting requirements
- C. The customer is issuing a number of wires to several relatively high-risk jurisdictions
- D. The customer's account has had a large volume of activity, but the month-end balance is usually low

**Answer:** CD

#### NEW QUESTION 36

Which method is used to launder money in casinos?

- A. Purchase chips with cash and play at a table

- B. Purchase chips with cash and redeem for cash
- C. Purchase chips with cash and redeem for a check
- D. Purchase chips with cash and sell to another person for cash

**Answer:** C

#### NEW QUESTION 40

Financial Action Task Force (FATF)-style regional bodies are created and obliged to understand the inherent money laundering and terrorist financing risks in the region of the world they serve. What is one of the methods they use to understand these risks?

- A. They require member countries to develop statistical metrics over money laundering and terrorist financing crimes
- B. They require participating financial institutions of their members to file suspicious transaction reports to the regional body
- C. They conduct global research on money laundering and terrorist financing trends and report their findings in their own typologies report
- D. They conduct regional-level research and analysis of the money laundering and terrorist financing methods and trends using standards and templates used for FATF typologies reports

**Answer:** B

#### NEW QUESTION 41

A bank operates in multiple countries and offers a variety of products and services. The compliance officer recently joined the bank and wants to better understand the inherent level of anti-money laundering risk across the entire organization. Which two factors should be considered? (Choose two.)

- A. The Transaction Monitoring program
- B. The Customer Due Diligence program
- C. Countries that the bank operates in
- D. Products and services offered by the bank

**Answer:** AB

#### NEW QUESTION 44

A bank is preparing for its anti-money laundering independent review, which is performed every two years under the direction of the compliance officer. The bank's corporate audit department will conduct the review. The compliance officer will review the final report before it is released to the Board of Directors. What is the issue with this situation?

- A. Independent reviews must be performed annually
- B. The review must be performed by a group outside of the bank
- C. The final report must be presented directly to the board of directors
- D. There is a conflict of interest with the management of the review process

**Answer:** A

#### NEW QUESTION 47

How should a financial institution respond to a verbal request from a law enforcement agency to keep an account open to assist in an investigation?

- A. Agree to keep the account open
- B. Request a subpoena to maintain the account
- C. Request a letter on the agency's letterhead
- D. Request a search warrant from the local court

**Answer:** C

#### NEW QUESTION 48

What is a key objective of the Egmont Group?

- A. To find ways to promote the development of Financial Intelligence Units and the sharing of expertise.
- B. To safeguard the financial system from illicit use and combat money laundering and promote national security.
- C. To issue binding standards that establish consistently operated Financial Intelligence Units in member jurisdictions.
- D. To provide best practices for financial institutions on how to report suspicious activity to best share the information with law enforcement.

**Answer:** B

#### NEW QUESTION 53

A bank maintains a relationship with a customer who owns a small bakery business. Which customer action indicates potential money laundering?

- A. The customer continually makes regular cash deposits
- B. The customer has multiple bank accounts at several locations
- C. The customer purchased property insurance that is twice the value of the business
- D. The customer recently wired a large amount to a foreign jurisdiction where family is located

**Answer:** D

#### NEW QUESTION 56

A foreign politically exposed person (PEP) requests to add a beneficiary to a life insurance policy. How should the request be processed to mitigate risk?



- A. Perform due diligence on the beneficiary
- B. Determine the source of wealth and source of funds
- C. Decline the request if the beneficiary is a foreign PEP
- D. Decline the request to add a beneficiary due to increased risk

**Answer:** A

#### NEW QUESTION 58

As a result of an audit, a policy exception was identified that had been approved by the compliance officer. The auditor determined that the policy exception is a violation of a regulatory requirement. What should the auditor do?

- A. Advise the compliance officer on how to appropriately respond to policy exceptions.
- B. Include the regulatory violation in the audit report and report it to the board of directors.
- C. Consult with legal counsel to determine if the approval of the policy exception was acceptable.
- D. Include the regulatory violation in the audit report and recommend the compliance officer be subject to disciplinary action by the board of directors.

**Answer:** B

#### NEW QUESTION 59

The branch manager calls the compliance officer and informs her that a law enforcement officer has just left the branch and was asking a lot of questions and left a business card. What should the compliance officer do?

- A. File a suspicious transaction report
- B. Follow up to verify that the officer received all necessary information
- C. Verify that the reported officer was an actual authorized representative
- D. Require the branch manager to write a detailed memo about the request

**Answer:** C

#### NEW QUESTION 60

What are two reasons physical certificates present a money laundering risk to broker-dealers? (Choose two.)

- A. The trade information on a physical certificate can be easily altered
- B. Physical certificates do not expire and may be held by the owner for perpetuity
- C. There is little information readily available to the broker confirming the source of the funds
- D. Physical certificates may be provided to nominees for deposit or settled in off-market transactions

**Answer:** CD

#### NEW QUESTION 65

What are the regulatory risks to a bank employee who willfully violates anti-money laundering laws?

- A. Investigation and reputational damage
- B. Fines and suspension from the industry
- C. Criminal investigation and imprisonment
- D. Enforcement actions including fines against the financial institution

**Answer:** C

#### NEW QUESTION 70

In which two ways does a government Financial Intelligence Unit interact with public and private sectors? (Choose two.)

- A. It governs the methods of investigation used by competent authorities
- B. It mediates disputes between financial institutions and investigative authorities
- C. It receives and analyzes disclosures filed by financial and non-bank institutions
- D. It disseminates information and the results of its analysis to competent authorities

**Answer:** CD

#### NEW QUESTION 72

Which two factors should increase the risk of a correspondent bank customer and require additional due diligence according to the Wolfsberg Anti-Money Laundering Principles for Correspondent Banking? (Choose two.)

- A. The customer is located in a Financial Action Task Force member country and provides services primarily to a local individual customer.
- B. The customer is located in a Financial Action Task Force member country and the bank's head of information security is a politically exposed person.
- C. The customer is located in a Financial Action Task Force member country and provides services to other correspondent banks in neighboring countries.
- D. The customer is located in a non-Financial Action Task Force member country and services mostly commercial customers who engage in international trade.

**Answer:** CD

#### NEW QUESTION 73

A law enforcement agency is reviewing a suspicious transaction report (STR) filed by a financial institution for suspicious activity on a client's account. Subsequently, the agency requests further information. Which supporting documentation might the law enforcement agency request from the institution to facilitate its investigation?

- A. Previously filed STRs on the same customer
- B. Account opening documents and account statements
- C. Copies of promotional materials sent to the customer
- D. A copy of the institution's STR policy and procedures

**Answer:** B

#### NEW QUESTION 74

What is a key risk associated with Correspondent Accounts according to the Basel Customer Due Diligence paper?

- A. It is not used on a daily basis
- B. The service fees are insufficient to cover the cost of managing the account
- C. The respondent bank's customer acceptance and know your customer policies are ineffective
- D. The volume and value of transactions passing through the account may not be in line with the original correspondent agreement

**Answer:** C

#### NEW QUESTION 77

Which three methods are commonly used by an accountant to launder money? (Choose three.)

- A. Representing a client court
- B. Understanding income to take a tax loss
- C. Overstating income to hide excess cash
- D. Acting as a conduit for transferring cash between accounts
- E. Acting as a designee for someone who wishes to hide their identity

**Answer:** CDE

#### NEW QUESTION 80

In reviewing recent activity, a compliance officer for a money transmitter that several customers are each remitting the same amount of money but much more frequently. How should the institution respond?

- A. File a suspicious transaction report
- B. Instruct the tellers not to process remittances for these customers in the future
- C. Conduct further investigation to determine whether this is truly suspicious activity
- D. Immediately contact the customers and ask them why they are remitting money more often

**Answer:** C

#### NEW QUESTION 84

In the summer, an institution identifies anti-money laundering concerns regarding a customer's account activity. The customer, an ice cream, has deposited a lot of checks drawn on banks in foreign countries, sent large number of high dollar international wires to different countries, made cash deposits of a few hundred dollars every few days and written multiple checks for a few hundred dollars to the same dozen payees every two weeks. Which two transaction types warrant investigation? (Choose two.)

- A. Regular cash deposits
- B. The wires to foreign countries
- C. Repeated checks to the same payees
- D. Checks drawn on banks in foreign countries

**Answer:** BD

#### NEW QUESTION 85

Which method do terrorist financiers use to move funds without leaving an audit trail?

- A. Extortion
- B. Cash couriers
- C. Casa de cambio
- D. Virtual currency

**Answer:** B

#### NEW QUESTION 87

A customer living in a high-risk jurisdiction makes frequent, large cash deposits at a bank. The same customer sends small wire transfers to unrelated parties in other high-risk jurisdictions. What are two red flags that may indicate money laundering? (Choose two.)

- A. The bank allows cash deposits
- B. The client resides in a high-risk jurisdiction
- C. Wire transfers are to high-risk jurisdiction
- D. Large cash deposits are from a high-risk jurisdiction

**Answer:** CD

#### NEW QUESTION 89

An immigrant residing in the United States opens a bank account that includes a debit card. Several months later, the transactional monitoring system identifies

small deposits into the account followed by corresponding ATM withdrawals from a country bordering a conflict zone.  
How should the bank respond?

- A. Block any further activity
- B. File a suspicious transaction report
- C. Initiate an investigation into the activity
- D. Contact the customer if the transaction activity continues

**Answer: C**

#### NEW QUESTION 91

A non-U.S. bank wants to open an account at Bank A, which is a U.S.-based bank.  
Which information must Bank A obtain under the USA PATRIOT Act?

- A. A complete client list from the non-U.
- B. bank
- C. The identity of owners and percentage of ownership of the non-U.
- D. bank
- E. The structure and identity of the management team at the non-U.
- F. bank
- G. The details of the non-U.
- H. bank's anti-money laundering compliance training program

**Answer: C**

#### NEW QUESTION 92

The compliance officer for a private bank has been tasked with writing a policy on how the bank will deal with intermediaries.  
Which two aspects should be included in the policy in respect of intermediaries to align it with the Wolfsberg Anti-Money Laundering Principles for Private Banking? (Choose two.)

- A. When an intermediary introduces clients to the bank, it is not necessary for the bank to perform due diligence on the intermediary's clients.
- B. Where an intermediary introduces clients to the bank, the bank must obtain the same type of information with respect to an introduced client that would otherwise be obtained by the bank, absent the involvement of the intermediary.
- C. Where an intermediary manages assets on behalf of a number of clients and is the account holder with the bank, but that intermediary does not conduct the same level of due diligence as the bank, it is necessary for the bank to undertake due diligence on the intermediary's clients.
- D. Where an intermediary manages assets on behalf of a number of clients and arranges for the opening of accounts for its clients with the bank, and that intermediary is a financial institution subject to similar regulations, it is necessary for the bank to perform due diligence on the intermediary's clients.

**Answer: BD**

#### NEW QUESTION 94

A compliance officer at an insurance company has been reviewing the transaction activity of several clients. Which transaction is considered a red flag for potential money laundering?

- A. A client paid the quarterly life insurance premium using money orders from two different banks.
- B. A client from a high-risk jurisdiction recently purchased property insurance for a real-estate development.
- C. A corporation owns several affiliates and recently opened separate group life insurance policies for each of the affiliates.
- D. A client established a \$100,000 charitable annuity with a non-profit organization that provides health and safety assistance internationally.

**Answer: D**

#### NEW QUESTION 97

The branch manager notices that a number of customers come in weekly and always use the same teller to process their deposits. The manager notices that the customers and the teller, who are from the same ethnic group, are speaking in a foreign language and every once in a while the customers from local ethnic restaurants will bring the teller lunch. The commercial customers that visit the teller generally deposit the same amount of cash each time they come in.  
How should the branch manager respond to this activity?

- A. Transfer the teller to another branch
- B. Conduct further investigation before taking any other action
- C. Encourage the teller to bring in more business from the ethnic community
- D. Suggest to the teller to send the customers to other tellers to avoid the opportunity for collusion

**Answer: B**

#### NEW QUESTION 102

What is the goal of the Egmont Group in providing a forum for Financial Intelligence Units (FIUs) around the world?

- A. To improve international laws to combat money laundering and the financing of terrorism and foster the implementation of domestic programs.
- B. To provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.
- C. To improve communication with law enforcement in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.
- D. To improve cooperation with state and federal governments in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.

**Answer: B**



#### NEW QUESTION 107

An organization's automated surveillance system identifies large fluctuations in customer activity. As a result of an audit, the compliance officer is informed that the system is not generating alerts when activity is consistently abnormal over a long period of time. Currently the organization is evaluating new alert scenarios in an attempt to address this problem.

Which type of scenario is helpful in mitigating this weakness?

- A. Peer
- B. Income
- C. Mapping
- D. Below-the-line

**Answer:** C

#### NEW QUESTION 110

Which two factors assist a money laundering investigation that involves multiple countries? (Choose two.)

- A. Law enforcement and other authorities should have access to financial information that is pertinent to the investigation.
- B. Every country should share all their information with foreign law enforcement and government authorities to facilitate rapid investigations.
- C. Law enforcement and other authorities should be allowed to establish and utilize joint investigative teams with law enforcement in other countries.
- D. Law enforcement and other authorities should not expedite information sharing between countries to ensure that all information is provided at the same time to avoid premature conclusions.

**Answer:** BC

#### NEW QUESTION 113

A United States (U.S.) bank was recently alerted by law enforcement of an increase in sale of large denomination U.S. bank notes to casas de cambio. They suspect that a Mexican syndicate is operating a money laundering scheme in the bank's jurisdiction.

Which two steps should be taken to trace funds through the bank to assist law enforcement in their investigation? (Choose two.)

- A. Identify the money laundering scheme and submit a suspicious transaction report
- B. Identify if there is a decrease in the sale of large denomination U.
- C. bank notes to casas de cambio by the bank
- D. Identify deposits by casas de cambio that include third-party items including sequentially numbered monetary instruments
- E. Identify multiple wire transfers initiated by casas de cambio to jurisdictions outside of Mexico that bear no apparent business relationship with that casa de cambio

**Answer:** CD

#### NEW QUESTION 117

A politically exposed person (PEP) maintains an account at a bank. Last month a money laundering analyst filed a suspicious transaction report about unusual wire deposits originated by unknown individuals in the home country of the official. To whom should this situation be escalated?

- A. The board of directors
- B. The line of business executive
- C. The bank's anti-money laundering officer
- D. The Financial Action Task Force's PEP Hotline

**Answer:** C

#### NEW QUESTION 120

What are two sources for maintaining up-to-date sanctions information? (Choose two.)

- A. U.
- B. Federal Bureau of Investigation's National Security Letters
- C. U.
- D. Department of the Treasury Office of Foreign Assets Control
- E. U.
- F. Department of the Treasury – Section 311 – Special Measures
- G. Financial Action Task Force's list of High Risk and Non-Cooperative Jurisdictions

**Answer:** BD

#### NEW QUESTION 125

A bank has maintained an account for a European charity for several years. The charity provides clothing to persons in need in various countries with active terrorists' cells. Which action by the charity indicates possible terrorist financing?

- A. The charity frequently withdraws cash from the bank
- B. The charity has branch locations located in various countries
- C. The charity receives cash donations primarily from European countries
- D. The charity maintains a bank account for non-business-related expenses

**Answer:** B

#### NEW QUESTION 128

The vice president of the foreign correspondent banking department at a large United States bank has been notified that a foreign bank with an offshore license wants to open a correspondent account.

Which two things must the vice president acquire under the USA PATRIOT Act? (Choose two.)

- A. A list of all the customers of the correspondent bank
- B. A list of the types of businesses served by the correspondent bank
- C. Information relating to the foreign bank's anti-money laundering program
- D. The identity of 10% owners of the correspondent bank, unless it is publicly traded

**Answer:** CD

**NEW QUESTION 129**

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

**NEW QUESTION 131**

A customer opens a corporate account with a broker-dealer on behalf of several beneficial owners, with a stated long-term investment goal. The customer deposits \$25.5 million into the account and three days later transfers \$5 million to an overseas bank. Shortly thereafter, the customer begins making numerous purchases of pesos. The compliance officer receives a query regarding the movement of funds. Within a month of account opening, the customer depletes the account. Which two red flags should prompt the firm's compliance officer to take action? (Choose two.)

- A. The new account deposit is \$25.5 million
- B. A corporate account is opened on behalf of several beneficial owners
- C. The compliance officer receives the query regarding the movement of funds
- D. The customer's stated investment goal is not reflective of account activity

**Answer:** CD

**NEW QUESTION 136**

What should countries do to help prevent non-profit organizations from being abused for the financing of terrorism according to the Financial Action Task Force 40 Recommendations?

- A. Allow for freezing assets of non-profit organizations
- B. Require all non-profit organizations to register with the country's financial intelligence unit
- C. Ensure non-profit organizations cannot be used to conceal or obscure the diversion of funds intended for legitimate purposes to terrorists' organizations
- D. Create laws that forbid non-profit organizations from completing cross-border transactions without first running them through known terrorist data bases

**Answer:** C

**NEW QUESTION 138**

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:** B

**NEW QUESTION 139**

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:** C

**NEW QUESTION 143**

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

**NEW QUESTION 146**

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