



## CFTC Whistleblower Alert: Be on the Lookout for Violations of the Bank Secrecy Act, Including Failures in AML and SAR Filing Programs

The Whistleblower Office of the Commodity Futures Trading Commission (CFTC) is issuing this alert to inform members of the public about how they may make themselves eligible for both financial awards and certain protections while helping stop those who violate the CEA by failing to comply with the Bank Secrecy Act (BSA) or related regulations.

### What do the BSA and associated regulations require?

Under Financial Crimes Enforcement Network (FinCEN) regulations pertaining to the BSA, Futures Commission Merchants (FCMs) and Introducing Brokers (IBs), whether registered or required to be registered, must comply with various BSA requirements, including, among other things: (1) implementing and maintaining a written anti-money laundering (AML) program approved by senior management; (2) implementing a written Customer Identification Program (CIP); (3) filing suspicious activity reports (SARs) under certain circumstances; and (4) filing currency transaction reports (CTR).

### What types of misconduct should you be on the lookout for?

The CFTC has brought charges under 17 C.F.R. § 166.3 against FCMs and IBs that fail to comply with BSA requirements. Conduct like that in the [1Pool Ltd.](#), [In re Morgan Stanley Smith Barney](#), and [In re Rosenthal Collins Group](#) cases is always of concern to the CFTC. Other concerns include:

- Improper supervision and records violations
- Failure to diligently supervise officers', employees', and agents' opening and handling of accounts
- Failure to protect customers and the markets from fraud and corruption
- Improper enforcement of trading limits assigned by regulators
- Inadequate construction of a customer identification program as part of the firm's compliance program
- Failure to file suspicious activity reports

### What can you do if you suspect misconduct?

If you see something suspicious, you can

- Complete a [Form TCR \(Tip, Complaint, Referral\)](#) correctly and as completely as possible
- Provide details that are specific, credible, and timely
- Include as much information about the violation as possible – e.g., improper supervision, inadequate policies, etc.
- Attach supporting materials to your Form TCR, as long as they are not protected by the attorney-client privilege or not inconsistent with the requirements of SAR confidentiality
- Supplement your Form TCR filing with any additional information via mail, fax, or email

Note that the Whistleblower Rules define a whistleblower as **one or more individuals**. A company or another entity cannot meet the definition, but a company "insider" (like an employee or trader), a **victim** of fraud, or **other market participants** who observe misconduct may also qualify as whistleblowers.

### About the CFTC

We are the U.S. regulator charged with ensuring the integrity of the futures & swaps markets.

### About the Whistleblower Program

We will pay 10%-30% in **monetary awards** to eligible persons who voluntarily provide us with original information on a Form TCR about violations of the CEA or its rules, if that information leads to a successful CFTC enforcement action resulting in more than \$1 million in monetary sanctions. The program also affords **confidentiality** and **anti-retaliation protections**.

For more information go to: [www.whistleblower.gov](http://www.whistleblower.gov)

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