

REGULATORY ALERT

DATE: July 3, 1996

NO.: 96-RA-3

TO ALL FEDERALLY INSURED CREDIT UNIONS:

RE: Suspicious Activity Report Software Program

Recently, we notified you of the adoption of a new suspicious activity reporting system and regulations requiring use of the uniform interagency "Suspicious Activity Report" (SAR). This report replaced NCUA's Criminal Referral Form. This information, plus a copy of the SAR, was contained in NCUA Letter to Credit Unions No. 96-CU-3. We have also placed a template of the [SAR form on NCUA's Website](#). This can be downloaded, completed, and filed. In an effort to reduce the burden on institutions filing SARs, the forms are to be sent to the Financial Crimes Enforcement Network (FinCEN), an agency of the Treasury Department, at the IRS Detroit Computing Center.

I am writing to inform you software has recently been developed for use in preparing and filing SARs. The NCUA, along with the other regulatory agencies, is making the optional software available to credit unions and other financial institutions. Credit unions that submit numerous SARs may wish to consider using this software; however, occasional filers may want to continue to send paper copies to the Detroit Computing Center, since it would likely be less costly.

This new software is available in Windows or DOS format. If you choose to use the SAR software to prepare and file your SARs, you must first fill out the Form DCC-4419A and mail it to the Internal Revenue Service, Detroit Computing Service, at the address identified on the Form DCC-4419A. A copy of the form is attached. This form identifies you as an intended filer of SARs on disk. Once the Detroit Computing Center has received your Form DCC-4419A, you will receive a **Transmitter Control Code**. It will be necessary to place the **Transmitter Control Code** on the label of each disk containing SARs that is filed with FinCEN, at the Detroit Computing Center. **Please note that you cannot send any disks containing SARs to the Detroit Computing Center until you have received your Transmitter Control Code.**

The SAR software has **not** been designed to operate on a Local Area Network ("LAN") or any other type of network system. The SAR software does not contain a copyright and there is no license fee for its use or multiple use. Thus, the SAR software may be copied and distributed throughout your credit union. The SAR software has been designed to allow multiple installations to different directories on your computer. It will also allow you to establish defaults for certain fields so information common to all your SARs (such as credit union name and charter number) will automatically be inserted on any new report prepared.

Multiple SARs may be put on one disk for filing. Please note the printed form of the SAR that the software will generate **is not an acceptable form** for filing with FinCEN. This means you cannot use the software to print a completed SAR for filing by mail. If the software is used, you must mail the disk itself to the Detroit Computing Center. The printed form the SAR software generates is an acceptable copy of the SAR for your institution's internal records only.

If you currently provide your currency transaction reporting to FinCEN via magnetic tape,

you may elect to file SARs in this way. Prior approval is required for magnetic tape filing. Attached is a copy of FORM DCC-4804A, Transmittal of Magnetic Media Reporting of Suspicious Activity Reports, should you desire to seek approval to file in this manner.

Acceptable Filing Methods

The **only** acceptable methods for filing SARs are:

1. Using the SAR software to prepare the SARs and transferring them to a disk, once you have received a Transmitter Control Code.
2. Using the official government produced paper version of the SAR, a copy of which was provided in Letter No 96-CU-3 and is currently available on NCUA's Website (WWW.NCUA.gov). This version may be photocopied.
3. Using magnetic tape, once the specifications of your system for down loading to a magnetic tape are approved by the Detroit Computing Center.

It is **not** acceptable to:

1. File SARs using the SAR software, but download the SARs to some media other than a 3½ or 5¼ disk. Any other method of downloading the SARs must have the prior approval of the Detroit Computing Center.
2. File SARs using a revised or altered version of the SAR software, without the prior approval of the Detroit Computing Center.
3. File SARs using a paper form other than the form distributed by the government. This prohibition includes forms generated from the SAR software or forms developed by institutions to look similar to the SAR. These alternative forms may only be used after receiving the approval of the Detroit Computing Center.

The [Windows version of the software](#) with the accompanying documentation is available on NCUA's Website at: <http://www.ncua.gov>. Copies of the SAR software disk, either the Windows or DOS versions, and the documentation may also be obtained by contacting the [NCUA Distribution Center](#), 1775 Duke Street, Alexandria, VA 22314-3428. Two disks will be sent, one with the software and one with the documentation. Ten (**\$10**) will be charged for copies of the disks to cover our costs for reproducing the software and for mailing. If you want a printed copy of the documentation, the charge will be **\$15**. Please specify either the Windows version or the DOS version. Checks should be made payable to NCUA and should be included with your request to the Distribution Center.

You can obtain assistance or have questions answered regarding the installation or operation of the SAR software by calling the Detroit Computing Center at (313) 234-2000. Other questions regarding SARs may be directed to John K. Ianno, Office of General Counsel at (703) 518-6540.

Sincerely,

/S/

Karl T. Hoyle
Executive Director

Attachments

(sent to all NCUA staff via MS-MAIL 7/10/96)

