NAVY FEDERAL Credit Union

Currency Transaction Reports

Why is my financial institution asking me for identification and personal information?

Federal law requires financial institutions to report currency (cash or coin) transactions over $10,000 conducted by, or on behalf of, one person, as well as multiple currency transactions that aggregate to be over $10,000 in a single day. These transactions are reported on Currency Transaction Reports (CTRs). The federal law requiring these reports was passed to safeguard the financial industry from threats posed by money laundering and other financial crime. To comply with this law, financial institutions must obtain personal identification information about the individual conducting the transaction, such as a Social Security Number as well as a driver's license or other government-issued document. This requirement applies whether the individual conducting the transaction has an account relationship with the institution or not.

There is no general prohibition against handling large amounts of currency and the filing of a CTR is required regardless of the reasons for the currency transaction. The financial institution collects this information in a manner consistent with a customer's right to financial privacy.

Can I break up my currency transactions into multiple, smaller amounts to avoid being reported to the government?

No. This is called"structuring." Federal law makes it a crime to break up transactions into smaller amounts for the purpose of evading the CTR reporting requirement, and this may lead to a required disclosure from the financial institution to the government. Structuring transactions to prevent a CTR from being reported can result in imprisonment for not more than five years and/or a fine of up to $250,000. If structuring involves more than $100,000 in a twelve-month period or is performed while violating another law of the United States, the penalty is doubled. The following scenarios are examples of structuring.

Examples of Structured Transactions

1. John has $15,000 in cash he obtained from selling his truck. John knows that if he deposits $15,000 in cash, his financial institution will be required to file a CTR. John instead deposits $7,500 in cash in the morning with one financial institution employee and comes back to the financial institution later in the day to another employee to deposit the remaining $7,500, hoping to evade the CTR reporting requirement.
2. Jane needs $18,000 in cash to pay for supplies for her wood-carving business. Jane cashes a $9,000 personal check at a financial institution on a Monday, then cashes another $9,000 personal check at the financial institution the following day. Jane cashed the checks separately and structured the transactions in an attempt to evade the CTR reporting requirement.
3. A married couple, John and Jane, sell a vehicle for $15,000 in cash. To evade the CTR reporting requirement, John and Jane structure their transactions using different accounts. John deposits $8,000 of that money into his and Jane's joint account in the morning. Later that day, Jane deposits $1,500 into the joint account, and then $5,500 into her sister's account, which is later transferred to John and Jane's joint account.
4. Bob wants to place $24,000 cash he earned from his illegal activities into the financial system by using a wire transfer. Bob knows his financial institution will file a CTR if he purchases a wire with over $10,000 currency in one day. To evade the CTR reporting requirement, Bob wires the $24,000 by purchasing wires with currency in $6,000 increments over a short period of time, occasionally skipping days in an attempt to prevent the financial institution from filing a CTR.

Navy Federal implements these measures to comply with legal requirements established by the Financial Crimes Enforcement Network. We encourage you to contact us at **1-888-842-6328** with questions or concerns regarding these policies. You may also contact FinCEN's Regulatory Helpline at **1-800-949-2732**.

1-888-842-NFCU (6328)

navyfederal.org

For toll-free numbers when overseas, visit navyfederal.org/overseas/

Collect internationally 1-703-255-8837

TDD for hearing impaired 1-888-869-5863

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