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Anti-Money Laundering Reports Don’t Fall Into “Black Hole,” Officials Say

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By RACHEL LOUISE ENSIGN

Wall Street Journal

The anti-money laundering reports filed by banks are consistently being used by law enforcement to make cases, current and former law-enforcement officials said at an industry conference.

People “think their [suspicious activity reports] fall into a black hole. I’m here to tell you that that doesn’t happen,” said Dennis Lormel, president and chief executive of DML Associates LLC and a former top Federal Bureau of Investigation official. He was speaking at an Association of Certified Anti-Money Laundering Specialists conference in Las Vegas.

Angela Byers, section chief of the FBI’s criminal investigative division’s financial crimes section, reiterated this point, saying that anti-money laundering data “applies to almost all investigations conducted by the FBI.”

The agency uses the reports in a variety of ways, including an alert system that searches the reports for names of individuals under investigation monthly, she said.

More than 1.6 million suspicious activity reports, or SARs, were filed in 2013, an increase of about 3% from the year prior, the Treasury Department’s Financial Crimes Enforcement Network has said. The number of SARs filed has steadily grown since 2010.

The reports may not even come in handy until years after they are filed, said Bryan Smith, unit chief in the FBI’s criminal investigative division’s financial institution fraud unit. “SARs that you put out there sometimes don’t mean anything until six years later,” said Mr. Smith.

“Sometimes it feels like a one-way street,” Mr. Smith said to the banker-heavy audience, “I know sometimes we don’t call and let you know and say ‘thank you, that just broke the case.’ But it happens, and it happens every day.”

Write to Rachel Louise Ensign at rachel.ensign@wsj.com

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