

CONFIDENTIAL

TO: [Employee Name/Department]

FROM: [Compliance Department/Legal Counsel]

DATE: [Insert Date]

SUBJECT: MANDATORY NOTIFICATION: Secrecy of Suspicious Activity Reports (SARs)

Dear [Name],

This letter serves as a formal reminder of your legal obligations regarding the confidentiality of Suspicious Activity Reports (SARs) under federal law and [Institution Name] policy.

1. The Prohibition of Disclosure

Under the Bank Secrecy Act (BSA) and implementing regulations, it is strictly prohibited for any financial institution, or any director, officer, employee, or agent of a financial institution, to disclose to any person involved in a transaction that the transaction has been reported in a SAR.

2. Scope of Secrecy

This prohibition applies to:

- The existence of a filed SAR.
- The intent to file a SAR.
- Any information that would reveal that a SAR has been prepared or filed.

3. Civil and Criminal Penalties

Unauthorized disclosure of a SAR is a violation of federal law. Penalties for "tipping off" a subject or disclosing SAR information to unauthorized parties may include:

- Individual criminal fines of up to \$250,000 and/or imprisonment for up to five years.
- Civil money penalties of up to \$100,000 per violation.
- Immediate termination of employment.

4. Internal Protocol

If you receive a subpoena, a request from a third party, or an inquiry from a law enforcement agency (other than a recognized BSA regulatory authority) regarding a SAR, you must not acknowledge the existence of the SAR. You must immediately notify the [Compliance Officer/Legal Department].

Please acknowledge your receipt and understanding of this warning by signing below.

Employee Signature

Date