

[Date]

[Recipient Name]

[Recipient Title/Department]

[Organization Name]

RE: Notice of AML Model Weakness and Control Deficiencies

Dear [Recipient Name],

This letter serves as formal notification regarding specific weaknesses identified within the institution's Anti-Money Laundering (AML) model and transaction monitoring system. Following a recent [Audit/Model Validation/Regulatory Examination] conducted on [Date], the following deficiencies have been documented:

1. Description of Model Weakness:

[Detailed description of the technical or logical flaw in the model, e.g., incorrect threshold settings, data integrity issues, or failure to capture specific typology risks.]

2. Regulatory Impact:

The identified weakness may result in non-compliance with [Reference specific regulation, e.g., Bank Secrecy Act / FinCEN requirements]. This creates a risk of undetected suspicious activity and potential regulatory sanctions.

3. Required Remediation Actions:

- [Action Item 1: e.g., Recalibration of risk scoring parameters]
- [Action Item 2: e.g., Enhancement of data feed validation protocols]
- [Action Item 3: e.g., Implementation of look-back testing for impacted periods]

4. Response Deadlines:

Please provide a written Remediation Plan by [Date]. This plan must include a timeline for resolution and the designation of a responsible party for oversight. Final remediation is expected no later than [Date].

Failure to address these deficiencies within the specified timeframe may lead to further escalation. We remain available to discuss the technical requirements of these findings.

Sincerely,

[Your Name]

[Your Title]

[Compliance/Risk Management Department]