

Date: [Insert Date]

To: [Employee Name]

Employee ID: [Insert ID]

Department: [Insert Department]

Subject: Formal Notice of Compliance Violation - Failure to Report Suspicious Transactions

Dear [Employee Name],

This letter serves as formal notification regarding a violation of the company's Anti-Money Laundering (AML) and Financial Compliance policies. It has been determined that you failed to identify and/or report suspicious financial activity involving [Account Number/Client Name] occurring on [Date].

Description of Violation:

Under our current compliance framework, all employees are required to submit a Suspicious Activity Report (SAR) or internal notification when a transaction meets the criteria of [mention specific policy, e.g., unusual patterns, structuring, or high-risk indicators]. Our records indicate that the following activity was not reported:

- Transaction Date: [Date]
- Transaction Amount: [Amount]
- Nature of Activity: [Brief description of suspicion]

Consequences:

Failure to report suspicious transactions poses significant legal and regulatory risks to the firm. As a result of this oversight, the following action is being taken:

- [Action, e.g., Written Warning / Mandatory Retraining / Suspension]

Required Next Steps:

1. You are required to complete the [Name of Training Module] by [Date].
2. A formal review of your current files will be conducted over the next [Number] days.
3. Please provide a written explanation for the failure to report this activity by [Date].

Please be advised that further violations may lead to additional disciplinary action, up to and including termination of employment.

Sincerely,

[Your Name]

[Your Title]

[Compliance Department Name]

Employee Acknowledgment:

I acknowledge that I have received this letter and understand the nature of the violation.

Signature: _____ Date: _____