

**DATE:** [Insert Date]

**TO:** [Employee Name]

**TITLE:** [Employee Job Title]

**DEPARTMENT:** [Department Name]

**FROM:** [Manager/Compliance Officer Name]

**SUBJECT:** ESCALATED WARNING: Repeated Failure to File Suspicious Activity Reports (SARs)

Dear [Employee Name],

This letter serves as a formal escalated warning regarding your continued failure to adhere to the company's Anti-Money Laundering (AML) policies and regulatory requirements. Specifically, you have repeatedly failed to identify and/or file Suspicious Activity Reports (SARs) in a timely and accurate manner as required by law.

**Description of Non-Compliance:**

Despite previous coaching and a prior warning dated [Date of Previous Warning], the following instances of non-compliance have been identified:

- [Date/Reference of Incident 1]: Failure to report [Specific Activity].
- [Date/Reference of Incident 2]: Failure to report [Specific Activity].

**Impact of Failure:**

The filing of SARs is a critical legal obligation. Failure to comply with these regulations exposes the institution to severe legal penalties, significant regulatory fines, and irreparable reputational damage. Compliance with the Bank Secrecy Act (BSA) and related internal controls is a mandatory condition of your employment.

**Required Corrective Action:**

Effective immediately, you are required to:

1. Complete remedial AML and SAR filing training by [Deadline Date].
2. Review all current accounts under your supervision for any unreported red flags.
3. Ensure all future suspicious activity is documented and escalated within [Number] hours of discovery.

**Consequences:**

Failure to show immediate and sustained improvement in your compliance duties will result in further disciplinary action, up to and including termination of employment. A copy of this warning will be placed in your permanent personnel file.

Please sign below to acknowledge receipt of this letter and your understanding of the seriousness of this matter.

---

Employee Signature

---

Date

---

Supervisor/HR Signature