

Date: [Insert Date]

To: [Employee Name]

Position: [Employee Title]

Department: [Department Name]

Subject: Initial Warning: Failure to Report Suspicious Activity

Dear [Employee Name],

This letter serves as a formal initial warning regarding your failure to adhere to the company's compliance and security protocols. Specifically, it has come to our attention that you failed to report suspicious activity observed on [Date] involving [Briefly describe the incident/transaction].

Under our internal Anti-Money Laundering (AML) and Security Policies, all employees are required to report any unusual or suspicious behavior immediately to the Compliance Officer or via the designated reporting channels. Timely reporting is critical to protecting the company from legal, financial, and reputational risks.

This failure to report is a violation of company policy. We expect you to review the company's reporting procedures immediately to ensure full compliance moving forward. Please be advised that further instances of non-compliance may lead to more severe disciplinary action, up to and including termination of employment.

A copy of this warning will be placed in your personnel file. If you require additional training on how to identify or report suspicious activity, please contact the Compliance Department immediately.

Please sign below to acknowledge that you have received this letter and understand the expectations set forth.

Sincerely,

[Manager Name]

[Manager Title]

Employee Acknowledgment:

[Employee Signature]

[Date]