

**Date:** [Insert Date]

**To:** [Employee Name]

**ID:** [Employee ID]

**Department:** [Department Name]

**Subject:** Formal Warning: Failure to Detect Suspicious Activity

Dear [Employee Name],

This letter serves as a formal warning regarding your performance during the recent internal audit conducted on [Audit Date]. The audit findings indicate a failure to identify and report suspicious activity related to [Reference Transaction/Account Number].

As per company policy [Policy Number/Name], it is a core responsibility of your role to exercise due diligence and monitor for red flags. In this instance, the following indicators were missed:

- [Description of missed red flag 1]
- [Description of missed red flag 2]

This oversight poses a significant risk to the organization's compliance status and security. We require you to complete the following remedial actions by [Deadline Date]:

- Mandatory retraining on Suspicious Activity Reporting (SAR) protocols.
- Review of the updated Compliance Handbook.
- [Additional Action Item]

Failure to demonstrate immediate improvement or further instances of oversight may lead to additional disciplinary action, up to and including termination of employment.

Please acknowledge receipt of this letter by signing below.

Sincerely,

[Manager Name]

[Title]

[Company Name]

**Employee Acknowledgment:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_