

Money Laundering Red Flags Checklist

Use this checklist to spot signs of potential money laundering in your business:

1. Unusual Large Transactions

- Customers making big cash deposits or withdrawals that don't match their usual activity.

2. Multiple Small Transactions

- Breaking up a large amount of money into smaller amounts (called "smurfing") to avoid detection.

3. Transactions with High-Risk Countries

- Transfers to or from countries known for weak anti-money laundering laws.

4. Sudden Account Changes

- Big or frequent changes in account activity, such as new beneficiaries or large transfers.

5. Cash-Intensive Businesses

- Companies that handle a lot of cash daily without a clear reason for it.

6. Use of Fake Companies

- Transactions with companies that don't seem to have a real business purpose (called shell companies).

7. Unusual Investment Purchases

- Customers buying expensive assets, like luxury cars or property, without a clear reason.

8. Anonymous or Third-Party Involvement

- Clients using someone else to conduct transactions on their behalf, or not revealing their identity.

9. Round-Trip Transactions

- Money sent out of the country and quickly brought back, making it look like it came from a legal source.

10. Inconsistent Customer Information

- Customer details that don't add up, like mismatched names or addresses.

By keeping an eye out for these warning signs, you can help protect your business from becoming involved in money laundering.