



# FinCEN

# ALERT

FIN-2022-A004

December 16, 2022

## FinCEN Alert on Human Smuggling along the Southwest Border of the United States

The Financial Crimes Enforcement Network (FinCEN) is issuing this alert to better aid financial institutions in the detection of financial activity related to human smuggling along the U.S. southwest border ("SW border").<sup>1</sup> Human smugglers engage in the crime of transporting people across international borders through deliberate evasion of immigration laws, often for financial

### Suspicious Activity Report (SAR) Filing Request:

FinCEN requests that financial institutions reference the alert by including "**HUMAN SMUGGLING FIN-2022-A004**" in SAR field 2 ("Filing Institution Note to FinCEN") and selecting human smuggling (**SAR Field 38(g)**). Additional guidance on filing SARs appears near the end of the alert.

benefit.<sup>2</sup> Human smuggling can endanger lives and have devastating consequences because criminal organizations involved in human smuggling value profit over human life.<sup>3</sup> This alert builds upon FinCEN's previous 2014 and 2020 human smuggling and human trafficking advisories,<sup>4</sup> while providing trends and typologies specifically related to human smuggling occurring along the SW border. This alert also provides red flag indicators to help financial institutions better identify transactions potentially related to human smuggling and reminds financial institutions of their Bank Secrecy Act (BSA) reporting obligations. It further supports ongoing initiatives by the U.S. Government to combat human smuggling and human trafficking.<sup>5</sup> Human smuggling

1. The SW border consists of the 1,954-mile border area along Texas, Arizona, New Mexico, and California.
2. See 8 U.S.C. § 1324. See also U.S. Department of State, "[Human Trafficking and Migrant Smuggling: Understanding the Difference](#)" (Understanding the Difference) (June 27, 2017).
3. See U.S. Department of Homeland Security (DHS) Press Release, "[DHS Announces Operation to Target Criminal Smuggling Organizations](#)," (April 27, 2021). See also U.S. Department of the Treasury (Treasury), "[National Money Laundering Risk Assessment](#)," (February 2022), at p. 27.
4. See FinCEN Advisory, "[Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity](#)," (2020 Advisory) (October 15, 2020) and FinCEN Advisory, "[Guidance on Recognizing Activity that May be Associated with Human Smuggling and Human Trafficking – Financial Red Flags](#)," (2014 Advisory) (September 11, 2014).
5. The U.S. Government has established several initiatives to combat human smuggling and human trafficking. This includes an unprecedented interagency effort launched in June 2022 to disrupt and dismantle human smuggling networks. See DHS, "[FACT SHEET: DHS Leads First-of-Its-Kind Campaign of Unprecedented Scale to Foil Human Smuggling Networks](#)," (DHS Human Smuggling Fact Sheet) (June 9, 2022) and "[FACT SHEET: Counter Human Smuggler Campaign Update](#)" (October 6, 2022). The interagency effort includes actions taken by the Department of Justice's (DOJ) Joint Task Force Alpha; DHS's Operation Sentinel and Operation Expanded Impact; the Treasury, and the Intelligence Community. Other U.S. Government initiatives include the White House's National Action Plan to Combat Human Trafficking (December 2021); the DOJ's National Strategy to Combat Human Trafficking, and the creation the Los Angeles Declaration on Migration and Protection, which is a joint declaration from the participants of the Ninth Summit of the Americas that seeks to mobilize the entire region around bold actions that will transform the approach to managing migration in the Americas. See DOJ Press Release, "[Attorney General Announces Initiatives to Combat Human Smuggling and Trafficking and to Fight Corruption in Central America](#)," (June 27, 2021); DHS Press Release, "[DHS Announces Operation to Target Criminal Smuggling Organizations](#)," (April 27, 2021); White House,

and human trafficking are also included in FinCEN's anti-money laundering and countering the financing of terrorism priorities (AML/CFT) published in June 2021.<sup>6</sup>

**Human Smuggling:** Acts or attempts to bring unauthorized persons to or into the United States, transport them within the United States, harbor unauthorized persons, encourage entry of unauthorized persons, or conspire to commit these violations, knowingly or in reckless disregard of illegal status.<sup>7</sup>

**Human Trafficking:** The recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting a person for the purpose of a commercial sex act (sex trafficking), in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age, or the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery (forced labor).<sup>8</sup>

The information contained in this alert is derived from FinCEN's analysis of BSA data, open-source reporting, and information provided by law enforcement partners.

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["FACT SHEET: The National Action Plan to Combat Human Trafficking \(NAP\)"](#) (December 3, 2021); DOJ, ["National Strategy to Combat Human Trafficking,"](#) (January 2022); and White House, ["FACT SHEET: The Los Angeles Declaration on Migration and Protection U.S. Government and Foreign Partner Deliverables,"](#) (June 10, 2022).

6. See FinCEN, ["Anti-Money Laundering and Countering the Financing of Terrorism National Priorities,"](#) (June 30, 2021), at p. 11.
7. See 8 U.S.C. § 1324. See also Understanding the Difference, *supra* Note 2.
8. See 18 U.S.C. §§ 1581, 1584, 1589, 1590, 1591, 24121, 2422, 2423 and 2425, The Victims of Trafficking and Violence Protection Act of 2000 (Pub. L. No. 106-386), and applicable State Laws.

## Human Smuggling on the SW Border

In fiscal year (FY) 2020, during the height of the COVID-19 pandemic, less than 500,000 encounters<sup>9</sup> occurred at the SW border, a 53 percent decrease from the prior year.<sup>10</sup> However, in FY2021, there were 1.7 million encounters and over 2.3 million encounters in FY2022. Illicit actors seeking to make a profit by smuggling migrants across the SW border have exploited this volume of migration activity, which is being driven by a variety of factors, including oppressive and corrupt regimes in countries such as Venezuela, Cuba, and Nicaragua.<sup>11</sup> Extremely harsh terrains and travel conditions, combined with the potential detection by law enforcement and the threat of violence posed by cartels controlling territory along smuggling routes across Central America and Mexico, make it difficult for migrants to travel from their home countries and reach the SW border without the assistance of smugglers.<sup>12</sup> According to the Financial Action Task Force (FATF), in 2019, approximately two-thirds of migrants transiting through Mexico hired a guide to cross into the United States.<sup>13</sup> As such, individuals from Latin America as well as irregular migrants<sup>14</sup> from across the globe risk their lives and pay sums ranging from hundreds of dollars to over \$10,000 to human smuggling networks and organizations in an attempt to cross into the United States through the SW border. According to the Homeland Security Operational Analysis Center, human smuggling along the SW border generates an estimated \$2 billion to \$6 billion in yearly revenue for these illicit actors.<sup>15</sup>

9. An “encounter” is a U.S. Customs and Border Protection (CBP) enforcement action that can include Title 8 apprehensions, Title 8 inadmissible aliens and Title 42 expulsions by CBP’s U.S. Border Patrol between U.S. ports of entry. Title 8 Enforcement Actions refers to apprehensions or inadmissibles processed under CBP’s immigration authority. “Inadmissibles” refers to individuals encountered at ports of entry who are seeking lawful admission into the United States but are determined to be inadmissible, individuals presenting themselves to seek humanitarian protection under our laws, and individuals who withdraw an application for admission and return to their countries of origin within a short timeframe. Apprehensions refers to the physical control or temporary detainment of a person who is not lawfully in the U.S. which may or may not result in an arrest. Title 42 Expulsions refers to individuals encountered by U.S. Border Patrol and Office of Field Operations and expelled to the country of last transit or home country in the interest of public health under Title 42 U.S.C.265. See CBP Enforcement Statistics, “[Nationwide Enforcement Encounters: Title 8 Enforcement Actions and Title 42 Expulsions Fiscal Year 2023](#)” (Last Modified; November 14, 2022).  
See also Congressional Research Service Report, “[Immigration: Apprehensions and Expulsions at the Southwest Border](#)” (Human Smuggling CRS Report) (December 22, 2021), at Summary.
10. All percentages derived from statistics published by CBP. CBP Stats and Summaries, “[Southwest Land Border Encounters](#),” (Last Modified: November, 14, 2022). The U.S. Government fiscal year (FY) runs from October 1 of the preceding year through September 30 of the current year.
11. According to CPB, there were 135,370 total unique encounters at the SW border in September 2022, of which 77,302 were from Venezuela, Cuba, or Nicaragua, which represents 42 percent of unique encounters, or a 245 percent increase over September 2021. CBP Press Release, “[CBP Releases September 2022 Monthly Operational Update](#)”, (October 21, 2022).
12. See U.S. House of Representatives, “[Statement of Patrick J. Lechleitner, Acting Executive Associate Director Homeland Security Investigations, Regarding a Hearing on Unaccompanied Children and the Root Causes](#),” (Statement of Patrick J. Lechleitner) (June 10, 2021), at p. 1.
13. FATF Report, “[Money Laundering and Terrorist Financing Risk Arising from Migrant Smuggling](#),” (FATF Human Smuggling Report) (March 2022), at p. 12.
14. Irregular migration is the movement of persons that takes place outside the laws, regulations, or international agreements governing the entry into or exit from the State of origin, transit or destination. For more information, see International Organization on Migration, “[Key Migration Terms](#).”
15. Statement of Patrick J. Lechleitner, *supra* Note 12 at p. 2.

Migrants often seek to enter the United States in hopes of greater economic opportunity, family reunification, or to flee from violence and conflict. Despite these aspirations, many migrants face exploitation or mistreatment by human smuggling organizations who prey upon them for financial gain and have little regard for their well-being or physical care.<sup>16</sup> Upon arrival in the United States, some migrants' status and circumstances may make them vulnerable to human trafficking or other forms of exploitation. Transnational human smuggling networks profit from the exploitation of migrants and routinely expose them to violence, injury, and even death.<sup>17</sup> For example, in June 2022, 53 migrants seeking to enter the United States died in San Antonio, Texas while being smuggled in a tractor trailer.<sup>18</sup> This tragedy, as well as other recent events involving the deaths of migrants,<sup>19</sup> illustrates how dangerous human smuggling into the United States can be and how smuggling organizations exploit human beings for profit.

While a majority of migrants encountered at the border originate from Mexico and the Northern Triangle countries of El Salvador, Guatemala, and Honduras, a growing number of encounters are with migrants originating from South America, the Caribbean, Europe, and Asia.<sup>20</sup>

### **SW Border Used to Smuggle Migrants into United States From Around the World**

In 2021, U.S. courts sentenced a Bangladeshi national to 46 months in prison for his role in a scheme to smuggle undocumented individuals from Mexico into the United States. Between March 2017 and June 2019, Mohamed Milon Hossain conspired with and assisted human smugglers operating out of Bangladesh, South and Central America, and Mexico to bring numerous undocumented migrants from Bangladesh to the U.S. border in exchange for payment. Hossain operated out of Tapachula, Mexico, where he maintained a hotel that housed the individuals on their way to the United States. Hossain provided plane tickets and other assistance for the individuals to travel from Tapachula to Monterrey, Mexico, where his co-conspirator Moktar Hossain assisted their illegal crossing into the United States.<sup>21</sup>

16. See DOJ Press Releases, "[Two Guatemalan Nationals Plead Guilty to Human Smuggling Conspiracy Resulting in 2021 Death of Migrant in Odessa, Texas](#)," (September 30, 2022) and "[Eight Indicted in Joint Task Force Alpha Investigation and Arrested as Part of Takedown of Prolific Human Smuggling Network](#)," (September 13, 2022).
17. DOJ Press Release, "[Attorney General Announces Initiatives to Combat Human Smuggling and Trafficking and to Fight Corruption in Central America](#)," (June 7, 2021).
18. See DOJ Press Release, "[53 Fatalities from Tractor Trailer Smuggling Incident – Charges Filed against Four](#)," (June 29, 2022).
19. For example, see Washington Examiner, "[Uvalde rocked by horrific fatal crash involving immigrant smuggler \(msn.com\)](#)" (September 29, 2022); NBC News, "[4 migrants killed, 2 critical in Texas crash during suspected human smuggling incident \(nbcnews.com\)](#)" (June 30, 2022); The Charlotte Observer, "[Overloaded human smuggling plane crashes in Texas desert. Pilot flees, cops say \(msn.com\)](#)" (January 3, 2022).
20. In FY2012, encounters of foreign nationals originating from outside Mexico and the Northern Triangle represented just two percent of all encounters. In FY2021 that figure increased to 22 percent. See Human Smuggling CRS Report, *supra* Note 9 at p. 12.
21. See DOJ Press Release, "[Man Sentenced for Role in International Human Smuggling Conspiracy](#)," (September 28, 2021).

In 2019, U.S. courts sentenced a Jordanian national to 36 months in prison for his role in a conspiracy to bring aliens to the United States and actually bringing Yemeni aliens through Mexico into the United States. During the second half of 2017, Moayad Heider Mohammad Aldairi conspired with others to smuggle at least six Yemeni nationals across the Texas border and into the United States in exchange for payment. Aldairi admitted his role in transporting the aliens from Monterrey, Mexico to Piedras Negras, where he directed them to cross the Rio Grande River into the United States.<sup>22</sup>

## How Human Smuggling Networks Operate

Smuggling operations along the SW border are typically conducted by networks of smaller groups and organizations that perform different functions along smuggling routes. These networks can be extensive and complex and include individuals who may, among other functions, organize the initial travel arrangements, facilitate lodging, and provide services to guide or facilitate the actual crossing of the SW border. These networks often are associated in some way with transnational criminal organizations (TCO), such as drug cartels that “control” territory through which smuggling operations take place. These associations range from the smuggling networks paying a portion of their illicit gains as a “protection tax” to a TCO for safe passage to more direct involvement by the TCO in the day-to-day operations of the smuggling networks.<sup>23</sup>

### Human Smuggling and Organized Crime

In November 2020, the United States, in coordination with El Salvador, Guatemala, and Honduras, arrested 36 individuals and issued criminal charges against hundreds of individuals involved in a human smuggling operation controlled by MS-13 and the 18th Street Gang. These TCOs are also suspected of being involved with a number of other crimes, including human trafficking, narcotics trafficking, and murder.<sup>24</sup>

Human smuggling involves two main phases: solicitation and transportation.<sup>25</sup> During the solicitation phase, smugglers advertise their services, for example, by posing as seemingly legitimate businesses such as travel agencies or work recruiters, and build trust with migrants seeking smuggling services. Smugglers acting in a solicitation role will often share the same national origin or related ethnic background as the migrants they smuggle.<sup>26</sup> Historically, much of the solicitation was done by word of mouth, but with the rapid development of social media and other technology, smugglers have been able to leverage various platforms to reach a broader audience and potential pool of migrants.<sup>27</sup>

22. See DOJ Press Release, “[Jordanian National Sentenced for Conspiracy to Bring Aliens into the United States](#),” (October 29, 2019).

23. See Statement of Patrick J. Lechleitner, *supra* Note 12 at p. 2.

24. See DOJ Press Release, “[More than 700 Members of Transnational Organized Crime Groups Arrested in Central America in U.S. Assisted Operation](#)” (November 27, 2020).

25. 2014 Advisory, *supra* Note 4 at p. 2.

26. See United Nations Office on Drugs and Crime Report, “[Global Study on Smuggling of Migrants](#),” (June 29, 2018) at p. 7.

27. See FATF Human Smuggling Report, *supra* Note 13 at p. 16.

During the transportation phase, smuggling networks often use social media platforms—particularly those that offer end-to-end encrypted communication—to coordinate along the route.<sup>28</sup> Smugglers have also been using social media to recruit third parties to serve as part of the smuggling operation along the SW border. One example involves the recruitment of unaffiliated truck drivers based in the United States to smuggle migrants across the SW border. This is advantageous to the smuggling networks because crossing the SW border presents one of the largest risks of apprehension by law enforcement associated with the journey. By contracting out this portion of the operation to third parties, smuggling networks insulate themselves to a degree because these contracted individuals lack knowledge of the network's operations or chain-of-command.

### Illicit Finance Typologies

As previously reported in FinCEN's 2014 Advisory, migrants generally pay smugglers in one of three ways: 1) payment in advance, in which the migrant or the migrant's relatives provide full payment to the smuggler before traveling; 2) partial payment, in which a migrant pays some portion upon departure and the remaining balance is paid in full upon arrival, and 3) payment on arrival, in which the migrant's relatives pay the full fee to the smuggler after the migrant is successfully smuggled.<sup>29</sup> These payments are still primarily conducted in cash, but the use of wire transfers is also common. Migrants who cannot afford full payment might also enter into work agreements with the smugglers to assist along the smuggling route or upon arrival to the United States. However, migrants who cannot afford full payment, are unable to pay any outstanding debt upon arrival in the United States or do not voluntarily enter into work agreements may be vulnerable to human trafficking, to include commercial sex trafficking, forced labor, fraud, kidnapping, and other forms of exploitation, once within the United States.<sup>30</sup>

The methodologies used by human smuggling networks to launder their illicit gains remain largely the same as previously reported.<sup>31</sup> Because human smuggling is often tied to larger criminal organizations, these often overlap with money laundering methods used by TCOs.

- ***Cash Placement and Layering into the Formal Financial System:*** Cash is still the primary method migrants use to pay smugglers.<sup>32</sup> Smuggling networks often engage in bulk cash smuggling<sup>33</sup> and, among other money laundering methods, also engage in cash purchases of high-value assets, including real estate and businesses.<sup>34</sup> In some cases, smugglers avoid

28. *Id.* at p. 2.

29. 2014 Advisory, *supra* Note 4 at p. 3.

30. See DHS Human Smuggling Fact Sheet, *supra* Note 5.

31. FinCEN has previously reported on common methods used to launder funds associated with human smuggling and human trafficking. See 2014 Advisory and 2020 Advisory, *supra* Note 4.

32. See FATF Human Smuggling Report, *supra* Note 13 at p. 22.

33. Bulk cash smuggling involves moving physical currency across an international border, often to be deposited in a financial institution in another country. Criminals will often divide the cash into multiple smaller increments so that any individual portion that is seized represents a fraction of the total amount being trafficked. See Government Accountability Office Report, "[Trafficking and Money Laundering: Strategies Used by Criminal Groups and Terrorists and Federal Efforts to Combat Them](#)" (December 2021), at p. 14.

34. See FATF Human Smuggling Report, *supra* Note 13 at p. 20.

depositing their cash proceeds into a financial institution and instead use them to finance their living expenses, to purchase luxury items, or to support their drug or gambling habits.<sup>35</sup> For example, in 2021, the DOJ indicted members of a human smuggling network alleged to have reaped more than \$200 million from a human smuggling scheme that exploited migrants for labor. This network allegedly laundered the funds through cash purchases of land, homes, vehicles, and businesses; and by funneling millions of dollars through casinos.<sup>36</sup>

- ***Funnel Accounts:*** Smuggling fees, often paid by the family members of migrants already settled in the United States and disguised as remittances, are sent to funnel accounts at financial institutions with branches or locations along both sides of the SW border.<sup>37</sup> Smuggling networks may seek to establish accounts with financial institutions with a large U.S. presence to allow for easy collection of payments from the families of those being smuggled and who may be located throughout the United States.
- ***Alternative Payment Methods:*** In addition to payment via cash, human smugglers also use mobile payment applications and other forms of peer-to-peer (P2P) networks to transfer funds. For example, smugglers may use P2P networks to collect payments from migrants to cover the expenses necessary for their travel from the country of origin to their final destination.

## Financial Red Flag Indicators of Human Smuggling

FinCEN has identified the following financial red flag indicators to assist financial institutions in detecting, preventing, and reporting suspicious transactions associated with human smuggling. Because no single financial red flag indicator is determinative of illicit or suspicious activity, financial institutions should consider the relevant facts and circumstances of each transaction, in keeping with their risk-based approach to compliance.

- 1 Transactions involving multiple wire transfers, cash deposits, or P2P payments from multiple originators from different geographic locations either across (1) the United States, or (2) Mexico and Central America, to one beneficiary located on or around the SW border, with no apparent business purpose.
- 2 Deposits made by multiple individuals in multiple locations into a single account, not affiliated with the account holder's area of residence or work, with no apparent business purpose.
- 3 Currency deposits into U.S. accounts without explanation, followed by rapid wire transfers to countries with high migrant flows (e.g., Mexico, Central America), in a manner that is inconsistent with expected customer activity.

35. *Id.* at p. 20.

36. See DOJ Press Release, "[Human smuggling, forced labor among allegations in south Georgia federal indictment](#)" (November 22, 2021).

37. Funnel accounts generally involve an individual or business account in one geographic area that receives multiple cash deposits, often in amounts below the cash reporting threshold, from which the funds are withdrawn in a different geographic area with little time elapsing between the deposits and withdrawals. See 2020 Advisory, *supra* Note 4 at p. 4.

- 4 Frequent exchange of small-denomination for larger-denomination bills by a customer who is not in a cash-intensive industry.
- 5 Multiple customers sending wire transfers to the same beneficiary (who is not a relative, and may be located in the sender's home country), inconsistent with the customer's usual business activity and reported occupation.
- 6 A customer making significantly greater deposits—including cash deposits—than those of peers in similar professions or lines of business.
- 7 A customer making cash deposits that are inconsistent with the customer's line of business.
- 8 Extensive use of cash to purchase assets, such as real estate, and to conduct transactions.

## **Reminder of Relevant BSA Obligations and Tools for U.S. Financial Institutions**

*Suspicious Activity Reporting*

*Other Relevant BSA Reporting*

*USA PATRIOT ACT Section 314(b) Information Sharing Authority*

### **Suspicious Activity Reporting**

A financial institution is required to file a SAR if it knows, suspects, or has reason to suspect a transaction conducted or attempted by, at, or through the financial institution involves funds derived from illegal activity; is intended or conducted to disguise funds derived from illegal activity; is designed to evade regulations promulgated under the BSA; lacks a business or apparent lawful purpose; or involves the use of the financial institution to facilitate criminal activity, including sanctions evasion.<sup>38</sup> All statutorily defined financial institutions may voluntarily report suspicious transactions under the existing suspicious activity reporting safe harbor.<sup>39</sup>

When a financial institution files a SAR, it is required to maintain a copy of the SAR and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the SAR.<sup>40</sup> Financial institutions must provide any requested

38. See 31 CFR §§ 1020.320, 1021.320, 1022.320, 1023.320, 1024.320, 1025.320, 1026.320, 1029.320, and 1030.320.

39. See 31 U.S.C. § 5318(g)(3). Financial institutions may report suspicious transactions regardless of amount involved and still take advantage of the safe harbor.

40. See 31 CFR §§ 1020.320(d), 1021.320(d), 1022.320(c), 1023.320(d), 1024.320(c), 1025.320(d), 1026.320(d), 1029.320(d), 1030.320(d).

SAR and all documentation supporting the filing of a SAR upon request by FinCEN or an appropriate law enforcement or supervisory agency.<sup>41</sup> When requested to provide supporting documentation, financial institutions should take special care to verify that a requestor of information is, in fact, a representative of FinCEN or an appropriate law enforcement or supervisory agency. A financial institution should incorporate procedures for such verification into its BSA compliance or AML program. These procedures may include, for example, independent employment verification with the requestor's field office or face-to-face review of the requestor's credentials.

### SAR Filing Instructions

FinCEN requests that financial institutions indicate a connection between the suspicious activity being reported and the activities highlighted in this alert by including the key term "**HUMAN SMUGGLING FIN-2022-A004**" in SAR field 2 (Filing Institution Note to FinCEN), as well as in the narrative, and by selecting SAR field 38(g) (human smuggling). Financial institutions that suspect human trafficking activity should also select SAR field 38(h) (human trafficking) and highlight other advisory or alert keywords in the narrative, if applicable.

*Financial institutions wanting to expedite their report of suspicious transactions that may relate to the activity noted in this alert should call the Financial Institutions Toll-Free Hotline at (866) 556-3974 (7 days a week, 24 hours a day).<sup>42</sup>*

Financial institutions should include any and all available information relating to the account and locations involved in the reported activity, identifying information and descriptions of any legal entities or arrangements involved and associated beneficial owners, and any information about related persons or entities involved in the activity. Financial institutions also should provide any and all available information regarding other domestic and foreign financial institutions involved in the activity; where appropriate, financial institutions should consider filing a SAR jointly on shared suspicious activity.<sup>43</sup>

### **Other Relevant BSA Reporting Requirements**

Financial institutions and other entities or persons also may have other relevant BSA reporting requirements to provide information in connection with the subject of this alert. These include obligations related to the Currency Transaction Report (CTR),<sup>44</sup> Report of Cash Payments

41. *Id.* See also FinCEN, "[Suspicious Activity Report Supporting Documentation](#)" (June 13, 2007).

42. The purpose of the hotline is to expedite the delivery of this information to law enforcement. Financial institutions should immediately report any imminent threat to local-area law enforcement officials.

43. See 31 CFR §§ 1020.320(e)(1)(ii)(A)(2))(i), 1021.320(e)(1)(ii)(A)(2)), 1022.320(d)(1)(ii)(A)(2), 1023.320(e)(1)(ii)(A)(2)(i), 1024.320(d)(1)(ii)(A)(2), 1025.320(e)(1)(ii)(A)(2), 1026.320(e)(1)(ii)(A)(2)(i), 1029.320(d)(1)(ii)(A)(2), 1030.320(d)(1)(ii)(A)(2).

44. A report of each deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to a financial institution that involves a transaction in currency of more than \$10,000. Multiple transactions may be aggregated when determining whether the reporting threshold has been met. See 31 CFR §§ 1010.310-313, 1020.310-313, 1021.310-313, 1022.310-313, 1023.310-313, 1024.310-313, and 1026.310-313.

Over \$10,000 Received in a Trade or Business (Form 8300),<sup>45</sup> Report of Foreign Bank and Financial Accounts (FBAR),<sup>46</sup> Report of International Transportation of Currency or Monetary Instruments (CMIR),<sup>47</sup> Registration of Money Service Business (RMSB),<sup>48</sup> and Designation of Exempt Person (DOEP).<sup>49</sup> These standard reporting requirements may not have an obvious connection to illicit finance, but may ultimately prove highly useful to law enforcement.

### Form 8300 Filing Instructions

When filing a Form 8300 involving a suspicious transaction relevant to this alert, FinCEN requests that the filer select *Box 1b* (“suspicious transaction”) and include the key term “HUMAN SMUGGLING FIN-2022-A004” in the “Comments” section of the report.

### **Information Sharing**

Information sharing among financial institutions is critical to identifying, reporting, and preventing human smuggling and human trafficking. Financial institutions and associations of financial institutions sharing information under the safe harbor authorized by section 314(b) of the USA PATRIOT Act are reminded that they may share information with one another regarding individuals, entities, organizations, and countries suspected of possible terrorist financing or money laundering.<sup>50</sup> FinCEN strongly encourages such voluntary information sharing.

### **For Further Information**

Questions or comments regarding the contents of this alert should be sent to the FinCEN Regulatory Support Section at [frc@fincen.gov](mailto:frc@fincen.gov).

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45. A report filed by a trade or business that receives currency in excess \$10,000 in one transaction or two or more related transactions. The transactions are required to be reported on a joint FinCEN/IRS form when not otherwise required to be reported on a CTR. *See* 31 CFR § 1010.330; 31 CFR § 1010.331. A Form 8300 also may be filed voluntarily for any suspicious transaction, even if the total amount does not exceed \$10,000.
46. A report filed by a U.S. person that has a financial interest in, or signature or other authority over, foreign financial accounts with an aggregate value exceeding \$10,000 at any time during the calendar year. *See* 31 CFR § 1010.350; FinCEN Form 114.
47. A form filed to report the transportation of more than \$10,000 in currency or other monetary instruments into or out of the United States. *See* 31 CFR § 1010.340.
48. A form filed to register a money services business (MSB) with FinCEN, or to renew such a registration. *See* 31 CFR § 1022.380.
49. A report filed by banks to exempt certain customers from currency transaction reporting requirements. *See* 31 CFR § 1010.311.
50. *See* FinCEN, “[Section 314\(b\) Fact Sheet](#),” (December 20, 2020).