



Addendum 5 to AUSTRAC Guideline No. 1



Financial Transaction Reports Act 1988

Suspect Transaction Reporting

– Identifying Suspect Transactions by Call Centres –

In September 1997, AUSTRAC issued its revised “Guideline No. 1 – Suspect Transaction Reporting”.

The purpose of this addendum is to provide a general guideline to cash dealers who operate call centres to assist in the identification of suspect transactions. This guideline should be read in conjunction with Guideline No. 1.

Factors That May Give Rise to Reasonable Suspicion

There are a number of general factors which may give rise to a reasonable suspicion on the part of cash dealers that warrants a suspect transaction report under section 16 of the *Financial Transaction Reports Act 1988* (FTR Act). These factors, which are provided in Guideline No. 1 in more detail, include:

- (1) amount and currency of funds per se, or when considered with other factors such as usual practice of the relevant business;
- (2) origin and / or destination of funds, e.g. narcotic source countries, tax haven countries;
- (3) alleged purpose of the transaction; and
- (4) frequency and nature of transactions by the same person, or transactions with similar characteristics (e.g. destination is a country prone to money-laundering) that are conducted by different persons in a short period of time.

The following scenarios are further examples of suspicious behaviors that are particularly relevant in identifying suspect transactions conducted over the phone:

- (1) the caller is reluctant or sounds nervous in answering questions or giving information;
- (2) the caller does call rounds – calling repeatedly until his/her call is answered by someone who maybe less familiar with the relevant law or procedure;
- (3) the voice of the caller does not match the customer details, e.g. voice of a young male alleged to be a signatory who is sixty years of age according to record; and
- (4) the caller is unsure of, or is sounding as if s/he is guessing, the personal details of the alleged signatory, e.g. when s/he is asked for the password, s/he answered by saying “would it be...”

AUSTRAC's Suggestions

AUSTRAC suggests the implementation of the following procedures:

- (1) logging of all incoming calls of the call centre in order to provide a record of major information of transactions such as date, time, name of caller and operator, type of transaction concerned, element of suspicion if any. Over time, this may assist the detection of suspect transactions, e.g. structuring, by providing an easily examinable record, even if each transaction by itself may not appear to be suspicious at the time it was carried out.
- (2) recording all incoming calls such that tapes can be played back when needed in particular circumstance to assist in deciding whether a suspect transaction report should be made. AUSTRAC recommends a message at the beginning of the conversation to the effect that "this call may be monitored for training and management purpose".
- (3) lowering the incidence of transferring calls from an operator to a supervisor (if circumstances allow) as such transfer may alert the caller and thus lead to reluctance in providing information.

Further Information or Assistance

AUSTRAC officers are able to assist cash dealers and their staff in relation to the FTR Act and the obligations it imposes upon cash dealers, solicitors and the general public. Enquiries can be directed to AUSTRAC Help Desk via either:

- Email: help_desk@austrac.gov.au , or
- Telephone: (02) 9950 0827 or 1800 021 037.

Please be aware, however, that AUSTRAC cannot provide legal advice. As you can appreciate the provision of legal advice does not fall within AUSTRAC's responsibilities and providing legal advice could in fact undermine our ability to enforce the FTR Act.

Cash dealers should also keep in mind that they may have obligations under the *Privacy Act 1988*. To determine whether you are covered by this Act and what your obligations might be, please go to <http://www.privacy.gov.au> for further information.

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