

## CAMS Dumps

### Certified Anti-Money Laundering Specialist (the 6th edition)

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**NEW QUESTION 1**

Which factor should a bank consider before sharing information about a customer with its broker-dealer affiliate in the case of an investigation?

- A. Whether the broker-dealer affiliate can rely on the due diligence done by the bank
- B. Whether there is a mutual legal assistance treaty in place between the two institutions
- C. Whether privacy and data protection rules permit the bank to share the information with the affiliate
- D. Whether both institutions have an account or are in the process of opening an account for the customer

**Answer: B**

**NEW QUESTION 2**

A law enforcement agent calls a bank anti-money laundering investigator for supporting information about a suspicious transaction report that was filed the previous month. How should the investigator respond?

- A. Refer the agent to the bank's compliance officer
- B. Send the information to an address provided by the agent
- C. Share the requested information during the telephone call
- D. Require a search warrant before releasing the information

**Answer: B**

**NEW QUESTION 3**

When must a United States (U.S.) bank block or reject an international funds transfer when there is an Office of Foreign Assets Control designated party to the transaction?

- A. Only if the U. bank is involved in the funds transfer
- B. bank is involved in the funds transfer
- C. Only if a U. person or entity is the ultimate beneficiary
- D. person or entity is the ultimate beneficiary
- E. Only if a non-U. person or entity is the ultimate beneficiary
- F. person or entity is the ultimate beneficiary
- G. Only if the U. bank's correspondent informs it of the involvement of the designated party
- H. bank's correspondent informs it of the involvement of the designated party

**Answer: D**

**NEW QUESTION 4**

One key aspect of the Office of Foreign Assets Control's extraterritorial reach includes the blocking of certain non-United States initiated transactions for or through the United States (U.S.) for benefit of a restricted person or entity. Under which three circumstances are U.S. banks required to block transactions? (Choose three.)

- A. The transactions are to, or go through, a blocked entity
- B. Those that are by, or on behalf of, a blocked individual or entity
- C. Those that are by or on behalf of a blocked individual and a licensed entity
- D. Those that are in connection with a transaction in which a blocked individual or entity has an interest
- E. Those that are in connection with a transaction in which a blocked individual or entity has no interest

**Answer: ABD**

**NEW QUESTION 5**

Which method is used to launder money via wire remittances sent through a bureau de change or money services business? A. A customer in country A makes a weekly small wire transfer to the bank account of an individual in country B.

- A. A customer in country A makes frequent wire transfers to a single customer in country B that are slightly under the legal reporting threshold.
- B. A large number of wire transfers are sent from a large number of senders in country A to a large number of recipients in country B during the period of December 1 to December 15.
- C. A customer in country A receives four small wire transfers from four different individuals located in country B on December 21. The aggregate of the wire transfers falls below the legal reporting threshold.

**Answer: B**

**NEW QUESTION 6**

Which two methods have terrorist groups used to diversify their revenue stream and to fund their operations? (Choose two.)

- A. Human trafficking
- B. Engaging in civil conflict
- C. Smuggling cultural artifacts
- D. Engaging in wire transfer activity

**Answer: AB**

**NEW QUESTION 7**

During a law enforcement investigative interview regarding potential money laundering, the suspect starts making assertions and statements that the investigator believes are false. How should the investigator respond?

- A. Inform the suspect that deception is obvious and continue the interview
- B. Advise the suspect that the interview will be terminated if there is suspicion of deception
- C. Direct the interview in another direction until there is better rapport before returning back to the troubling questions
- D. Ask questions of a material nature about the suspected false statements without revealing the suspected deception

**Answer: D**

**NEW QUESTION 8**

The anti-money laundering compliance officer for a small money transmitter has several agent locations in the same geographic area in the United States. The customers are immigrants from Country A and the majority of the funds are remitted to Country A.

In a meeting with one of the agents, it is recently discovered that two new customers have been coming in three times a week and sending funds to the same recipient in Country B. Each cash transaction always totals exactly \$8,000. What should alert the agent to possible money laundering activity by the two customers?

- A. They remit funds to the same person
- B. They have been coming in three times a week
- C. It is unusual for customers to remit to Country B
- D. Each of their transactions is just below the cash reporting threshold

**Answer: A**

**NEW QUESTION 9**

A corporate services provider in a European Union (EU) country has a prospect from an African country who deals in oil and gas. The prospect intends to develop an oil terminal in his home country with a \$75 million dollar loan secured by a third party, which is a trust formed in a Caribbean island with a holding company based in a European secrecy haven. A young lady is presented as an ultimate beneficial owner who has gained her wealth through a fitness studio in her home country.

What are two red flags that could indicate money laundering or financing terrorism? (Choose two.)

- A. A loan worth \$75 million with a third-party guarantor
- B. The guarantor company's ownership structure is overly complex
- C. The prospect wishes to have a corporate structure with a holding company in EU country
- D. The ultimate beneficial owner is young lady who has gained her wealth through a small business

**Answer: BD**

**NEW QUESTION 10**

Findings from a regulatory examination report states that the job descriptions of personnel outside of the compliance department do not include references to anti-money laundering responsibilities. Which action should the firm take?

- A. Update all job descriptions to include anti-money laundering responsibilities
- B. Respond that only compliance personnel have anti-money laundering responsibilities
- C. Send an email to all staff stating that personnel must observe the anti-money laundering policy
- D. Reply that a description of anti-money laundering responsibilities is included in the annual training

**Answer: D**

**NEW QUESTION 10**

How does the Financial Action Task Force (FATF) communicate its findings regarding jurisdictions with strategic anti-money laundering / Counter Financing of Terrorism deficiencies?

- A. By issuing documentation to the private sector
- B. By issuing two formal documents three times per year
- C. By issuing informal communication to FATF members
- D. By issuing four formal documents to the deficient jurisdictions

**Answer: D**

**NEW QUESTION 11**

The compliance officer for a bank is reviewing on-boarding documents for a new business account for a domestic corporation. The officer is unable to verify the identity of the beneficial owners of the company. Only information on the nominee owners was provided, and none of the listed addresses are local. The purpose of the business and future expected activity were disclosed to include cash letters, money orders and international remittance transfers.

Which red flag identifies a heightened money laundering risk?

- A. Expected activity was advised to include cash letter and money orders
- B. The nature and purpose of the business include international remittance transfers
- C. The names provided at account opening are identified as the corporation's representative nominees
- D. Account signer's government issued identification lists addresses outside of where the branch account was opened

**Answer: B**

**NEW QUESTION 12**

What is a major economic consequence of money laundering through the use of front companies?

- A. Placing more emphasis on manufacturing
- B. Weakening of the legitimate private sector
- C. Creating a more competitive pricing environment
- D. Aligning management principles between criminal enterprises and legitimate businesses

**Answer: B**

**NEW QUESTION 16**

An institution is about to release a new peer to peer (P2P) funds transfer product to provide much needed remittance services to an under-banked population segment in the country.

The service allows customers to transfer funds through a mobile banking application to individuals worldwide entering only a name and mobile number. The new service charges less than comparable market solutions and offers real time transfer of funds. The customer onboarding process is conducted at branch locations with identity verification.

Which three present the highest anti-money laundering or sanctions risk and will require controls prior to launch? (Choose three.)

- A. Customer onboarding
- B. Cross-border functionality
- C. Real time transfer of funds
- D. Servicing the under-banked population
- E. Limited access to counterparty information

**Answer: ACE**

**NEW QUESTION 21**

What are two reasons physical certificates present a money laundering risk to broker-dealers? (Choose two.)

- A. The trade information on a physical certificate can be easily altered
- B. Physical certificates do not expire and may be held by the owner for perpetuity
- C. There is little information readily available to the broker confirming the source of the funds
- D. Physical certificates may be provided to nominees for deposit or settled in off-market transactions

**Answer: CD**

**NEW QUESTION 24**

What are two requirements with respect to supporting documentation that is used to identify potentially suspicious activity, according to Financial Action Task Force? (Choose two.)

- A. It must be retained for at least five years
- B. It must be retained for at least seven years
- C. It must be kept in a manner so that it can be provided promptly
- D. It must only be released to the government through a subpoena process

**Answer: AC**

**NEW QUESTION 25**

Which two factors should increase the risk of a correspondent bank customer and require additional due diligence according to the Wolfsberg Anti-Money Laundering Principles for Correspondent Banking? (Choose two.)

- A. The customer is located in a Financial Action Task Force member country and provides services primarily to a local individual customer.
- B. The customer is located in a Financial Action Task Force member country and the bank's head of information security is a politically exposed person.
- C. The customer is located in a Financial Action Task Force member country and provides services to other correspondent banks in neighboring countries.
- D. The customer is located in a non-Financial Action Task Force member country and services mostly commercial customers who engage in international trade.

**Answer: CD**

**NEW QUESTION 27**

What is a key risk associated with Correspondent Accounts according to the Basel Customer Due Diligence paper?

- A. It is not used on a daily basis
- B. The service fees are insufficient to cover the cost of managing the account
- C. The respondent bank's customer acceptance and know your customer policies are ineffective
- D. The volume and value of transactions passing through the account may not be in line with the original correspondent agreement

**Answer: C**

**NEW QUESTION 29**

Which three methods are commonly used by an accountant to launder money? (Choose three.)

- A. Representing a client court
- B. Understanding income to take a tax loss
- C. Overstating income to hide excess cash
- D. Acting as a conduit for transferring cash between accounts
- E. Acting as a designee for someone who wishes to hide their identity

**Answer: CDE**

**NEW QUESTION 30**

In reviewing recent activity, a compliance officer for a money transmitter that several customers are each remitting the same amount of money but much more frequently. How should the institution respond?

- A. File a suspicious transaction report
- B. Instruct the tellers not to process remittances for these customers in the future
- C. Conduct further investigation to determine whether this is truly suspicious activity
- D. Immediately contact the customers and ask them why they are remitting money more often

**Answer: C**

**NEW QUESTION 33**

A retail bank has just acquired a credit card business. The bank's anti-money laundering policy requires that new employees are trained within 30 days of their hire date and refresher training is delivered to all employees on an annual basis. Is the bank's existing anti-money laundering training adequate to be delivered to employee of the newly acquired credit card business?

- A. Yes, the existing training covers the bank's policies, procedures, and processes.
- B. No, anti-money laundering training needs to be delivered face-to-face for credit card businesses.
- C. No, anti-money laundering training needs to be tailored and focused on the risks specific to the business.
- D. Yes, the existing training covers the anti-money laundering regulations that the bank is required to follow.

**Answer: D**

**NEW QUESTION 38**

An immigrant residing in the United States opens a bank account that includes a debit card. Several months later, the transactional monitoring system identifies small deposits into the account followed by corresponding ATM withdrawals from a country bordering a conflict zone. How should the bank respond?

- A. Block any further activity
- B. File a suspicious transaction report
- C. Initiate an investigation into the activity
- D. Contact the customer if the transaction activity continues

**Answer: C**

**NEW QUESTION 41**

An institution has made the decision to exit a client relationship due to anti-money laundering concerns. Prior to starting the close out process, the institution receives a written request from a law enforcement agency to keep the account open. The client is the subject of an ongoing investigation and law enforcement wants the institution to continue to monitor the account and report any suspicious activity. What is primary consideration the institution should keep in mind when deciding whether to agree to this request?

- A. The anticipated cost of complying with the law enforcement request
- B. The number of suspicious transaction reports previously filed on the client
- C. The fact that the institution has a solid record in complying with law enforcement requests
- D. Whether the institution can continue to meet its regulatory obligations with the accounts open

**Answer: D**

**NEW QUESTION 43**

A non-U.S. bank wants to open an account at Bank A, which is a U.S.-based bank. Which information must Bank A obtain under the USA PATRIOT Act?

- A. A complete client list from the non-U.
- B. bank
- C. The identity of owners and percentage of ownership of the non-U.
- D. bank
- E. The structure and identity of the management team at the non-U.
- F. bank
- G. The details of the non-U.
- H. bank's anti-money laundering compliance training program

**Answer: C**

**NEW QUESTION 47**

The branch manager notices that a number of customers come in weekly and always use the same teller to process their deposits. The manager notices that the customers and the teller, who are from the same ethnic group, are speaking in a foreign language and every once in a while the customers from local ethnic restaurants will bring the teller lunch. The commercial customers that visit the teller generally deposit the same amount of cash each time they come in. How should the branch manager respond to this activity?

- A. Transfer the teller to another branch
- B. Conduct further investigation before taking any other action
- C. Encourage the teller to bring in more business from the ethnic community
- D. Suggest to the teller to send the customers to other tellers to avoid the opportunity for collusion

**Answer: B**

**NEW QUESTION 52**

What is the goal of the Egmont Group in providing a forum for Financial Intelligence Units (FIUs) around the world?

- A. To improve international laws to combat money laundering and the financing of terrorism and foster the implementation of domestic programs.
- B. To provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism and to foster the implementation of

domestic programs in this field.

C. To improve communication with law enforcement in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.

D. To improve cooperation with state and federal governments in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.

**Answer: B**

**NEW QUESTION 53**

A popular restaurant in town has begun depositing less cash than it has in prior years. In a review of the customer's accounts, you notice that credit card receipts have increased with no explanation. The account officer discovers that the restaurant has installed a privately-owned automated teller machine (ATM) onsite and has begun construction on a patio dining area.

Which red flag should trigger additional investigation?

- A. Privately-owned ATM
- B. Lower cash deposits
- C. Increased credit card receipts
- D. Construction of the new patio dining area

**Answer: C**

**NEW QUESTION 58**

Which two individuals are ordinarily beneficial owners of a private banking account according to the Wolfsberg Anti-Money Laundering Principles for Private Banking? (Choose two.)

- A. Those two are authorized signers on the account
- B. Those who have legal title to a controlling share interest in the customer
- C. Those who generally have ultimate control through ownership or other means over the funds in the account
- D. Those who are the ultimate source of funds for the account and whose source of wealth should be subject to due diligence

**Answer: CD**

**NEW QUESTION 61**

What are two sources for maintaining up-to-date sanctions information? (Choose two.)

- A. U.
- B. Federal Bureau of Investigation's National Security Letters
- C. U.
- D. Department of the Treasury Office of Foreign Assets Control
- E. U.
- F. Department of the Treasury – Section 311 – Special Measures
- G. Financial Action Task Force's list of High Risk and Non-Cooperative Jurisdictions

**Answer: BD**

**NEW QUESTION 65**

Which two statements in the Wolfsberg Group's "Suppression of the Financing of Terrorism" define the role financial institutions should play in the fight against terrorism? (Choose two.)

- A. Financial institutions need to assist competent authorities in fighting terrorist financing through prevention, detection and information sharing.
- B. Financial institutions need to continuously analyze the types of activity related to terrorist financing and develop models that in the long term will drive down terrorism.
- C. Financial institutions should have financial intelligence units dedicated to the investigation of activity that would lead to the detection of terrorist financing as a means to decrease global terrorism.
- D. Financial institutions should apply extra due diligence whenever they see suspicious or irregular activities, especially when customers are engaged in sectors or activities that have been identified by competent authorities as being used for the financing of terrorism.

**Answer: AD**

**NEW QUESTION 69**

Which aspect of the USA PATRIOT Act impacts foreign financial institutions?

- A. Requiring enhanced due diligence for foreign shell banks
- B. Expanding sanctions requirements to a U.
- C. financial institution's foreign branches
- D. Expanding the anti-money laundering program requirements to all foreign financial institutions
- E. Providing authority to impose special measures on institutions that are of primary money-laundering concern

**Answer: D**

**NEW QUESTION 73**

The vice president of the foreign correspondent banking department at a large United States bank has been notified that a foreign bank with an offshore license wants to open a correspondent account.

Which two things must the vice president acquire under the USA PATRIOT Act? (Choose two.)

- A. A list of all the customers of the correspondent bank
- B. A list of the types of businesses served by the correspondent bank

- C. Information relating to the foreign bank's anti-money laundering program
- D. The identity of 10% owners of the correspondent bank, unless it is publicly traded

**Answer:** CD

**NEW QUESTION 78**

The USA PATRIOT Act requires United States (U.S.) financial institutions to collect certain information from non-U.S. banks that hold a correspondent account. Which two pieces of information must a non-U.S. bank provide to its U.S. correspondent to enable them to comply with this requirement? (Choose two.)

- A. The name and address of all shell banks the bank maintains accounts for
- B. The name and address of all beneficial owners who own 25% or more of the bank
- C. Prompt notice of any suspicious activity it detects on any customer who uses the correspondent account
- D. The name and address of a U.
- E. person who is authorized to receive service of legal process for the bank

**Answer:** BC

**NEW QUESTION 82**

Which method to launder money through deposit-taking institutions is closely associated with international trade?

- A. Forming a shell company
- B. Using Black Market Peso Exchange
- C. Structuring cash deposits withdrawals
- D. Investing in legitimate business with illicit funds

**Answer:** B

**NEW QUESTION 83**

A customer opens a corporate account with a broker-dealer on behalf of several beneficial owners, with a stated long-term investment goal. The customer deposits \$25.5 million into the account and three days later transfers \$5 million to an overseas bank. Shortly thereafter, the customer begins making numerous purchases of pesos. The compliance officer receives a query regarding the movement of funds. Within a month of account opening, the customer depletes the account. Which two red flags should prompt the firm's compliance officer to take action? (Choose two.)

- A. The new account deposit is \$25.5 million
- B. A corporate account is opened on behalf of several beneficial owners
- C. The compliance officer receives the query regarding the movement of funds
- D. The customer's stated investment goal is not reflective of account activity

**Answer:** CD

**NEW QUESTION 86**

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