

CAMS Dumps

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

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NEW QUESTION 1

A client is a wholesale auto business that operates as a used car lot. The client regularly ships vehicles internationally. In a four-month period, the client received wires totaling \$ 1,250,000 from a dealer in Benin in West Africa. All wires originated from Benin and were in increments of \$50,000.

Account debits made to the account were payable to various transport companies. All incoming checks reference various vehicles purchased. Dock shipping receipts produced by the client to support account activity identify the vehicles but cannot easily be tied to the wires receives.

What is the suspicious behavior?

- A. The dock shipping receipts match the vehicles
- B. Vehicles are regularly shipped internationally
- C. Wires received are in large, even dollar amounts
- D. Account debits are payable to transport companies

Answer: C

NEW QUESTION 2

What are two risks to institutions for violating anti-money laundering laws as demonstrated by the 2012 HSBC settlement with United States authorities? (Choose two.)

- A. Forfeiture of assets
- B. Civil money penalties
- C. Loss of bank charter/license
- D. Imprisonment of bank employees

Answer: AB

NEW QUESTION 3

What is the currency threshold under the European Union Fourth Anti-Money Laundering Directive?

- A. 3,000 Euros
- B. 5,000 Euros
- C. 10,000 Euros
- D. 15,000 Euros

Answer: C

NEW QUESTION 4

What are two requirements of United States financial institutions when conducting business with an international institution as a result of the USA PATRIOT Act? (Choose two.)

- A. Performing enhanced due diligence on shell banks
- B. Performing due diligence on correspondent accounts
- C. Visiting the head office of the international financial institution
- D. Complying with Special Measures issued under the USA PATRIOT Act

Answer: AD

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 action does the Financial Action Task Force (FATF) recommend be taken against jurisdictions that have strategic deficiencies?

- A. Conduct due diligence
- B. Apply counter-measures
- C. Add the jurisdiction to the United Nations' list of sanctioned jurisdictions
- D. Create an action plan to address the deficiencies without the support of the FATF

Answer: B

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

A recent anti-money laundering audit revealed several regulatory reporting violations and lapses with the organization's anti-money laundering policy. As a result, the compliance officer has created a follow-up matrix to document progress in correcting the identified deficiencies.

To whom should the compliance officer provide regular updates of corrective action to help ensure the appropriate oversight?

- A. Audit management
- B. Human Resources
- C. Business line managers
- D. Designated board committee

Answer: D

NEW QUESTION 9

A bank compliance officer discovers cash deposit activity inconsistent with the expected and historical cash activity within the personal accounts of the chairman of the board. The cash activity appears structured to avoid the local legal filing requirements for large cash transactions, and a suspicious transaction report (STR) was filed.

How should the compliance officer report the filing of the STR to the board of directors without revealing the existence of the filing to the subject?

- A. Inform the legal counsel of the bank
- B. Follow the financial institution's established STR reporting policy
- C. Notify the financial institution's regulator to disclose the activity
- D. The compliance officer and the chief executive officer should jointly interview the chairman

Answer: A

NEW QUESTION 10

Who has the ultimate responsibility within a bank for ensuring that the bank has a comprehensive and effective Bank Secrecy Act / anti-money laundering (BSA/AML) program and oversight framework that is reasonably designed to ensure compliance with applicable regulations?

- A. Senior management
- B. Board of directors
- C. Business line managers
- D. BSA/AML compliance officer

Answer: B

NEW QUESTION 10

A bank employee reviews wire transactions looking for indications of wire stripping.

Which two actions should the employee take to complete appropriate bank procedures? (Choose two.)

- A. Compare the wire transaction as it enters and after it leaves the bank
- B. Check for suspicious phrases usually used to conceal originator or beneficiary identity
- C. Identify large incoming wire transactions received on behalf of a foreign client with no explicit reason
- D. Identify wire transaction activity to or from a financial institution located in a higher risk jurisdiction

Answer: CD

NEW QUESTION 14

A bank is preparing for its anti-money laundering independent review, which is performed every two years under the direction of the compliance officer. The bank's corporate audit department will conduct the review. The compliance officer will review the final report before it is released to the Board of Directors. What is the issue with this situation?

- A. Independent reviews must be performed annually
- B. The review must be performed by a group outside of the bank
- C. The final report must be presented directly to the board of directors
- D. There is a conflict of interest with the management of the review process

Answer: A

NEW QUESTION 15

The Wolfsberg Anti-Money Laundering Principles for Private Banking require new clients to be approved by whom?

- A. The board of directors
- B. Only the private banker
- C. The private banker's supervisor
- D. At least one person other than the private banker

Answer: D

NEW QUESTION 16

Which method do terrorist financiers use to move funds without leaving an audit trail?

- A. Extortion
- B. Cash couriers
- C. Casa de cambio
- D. Virtual currency

Answer: B

NEW QUESTION 17

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 22

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 26

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 28

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 33

A United States (U.S.) bank was recently alerted by law enforcement of an increase in sale of large denomination U.S. bank notes to casas de cambio. They suspect that a Mexican syndicate is operating a money laundering scheme in the bank's jurisdiction. Which two steps should be taken to trace funds through the bank to assist law enforcement in their investigation? (Choose two.)

- A. Identify the money laundering scheme and submit a suspicious transaction report
- B. Identify if there is a decrease in the sale of large denomination U.
- C. bank notes to casas de cambio by the bank
- D. Identify deposits by casas de cambio that include third-party items including sequentially numbered monetary instruments
- E. Identify multiple wire transfers initiated by casas de cambio to jurisdictions outside of Mexico that bear no apparent business relationship with that casa de cambio

Answer: CD

NEW QUESTION 37

A customer brings \$15,000 worth of chips into a casino and plays various games. The customer redeems all the remaining chips and requests a wire transfer of the proceeds to an unrelated third party. What are two red flags that indicate money laundering? (Choose two.)

- A. Customer redeeming all remaining chips
- B. Playing various games before cashing out
- C. Bringing \$15,000 worth of chips into the casino
- D. Requesting a wire transfer to an unrelated third party

Answer: AD

NEW QUESTION 41

The compliance officer at a crowd funding website is in charge of monitoring new crowd funding projects. Recently, the number of crowd funding projects has significantly increased. Which red flag indicates the highest anti-money laundering risk?

- A. Those with the largest number of donors
- B. Projects that get funding within days of their start
- C. Projects with the highest monetary success threshold
- D. Projects that start and close and are fully funded within a very short period

Answer: D

NEW QUESTION 46

What is an example of the integration stage of money laundering involving a bank or another deposit- taking institution?

- A. Depositing illicit funds into an account set up for a front company
- B. Directing third parties to exchange illicit cash for negotiable instruments
- C. Wiring illicit funds from an account at one bank to an account at another bank
- D. Using illicit funds that had previously been deposited to purchase a luxury vehicle

Answer: D

NEW QUESTION 50

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 54

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 55

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 59

A government has instituted a new anti-money laundering laws which require all financial institutions to obtain certain information from its customers. Which step should an institution located in this jurisdiction take to ensure compliance?

- A. Change procedures to require that the necessary information is obtained
- B. Change procedures and systems as necessary and provide employee training
- C. Send a notice to customers asking them to provide the necessary information
- D. Change systems to ensure the required information is automatically obtained from all customers

Answer: C

NEW QUESTION 64

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