

§ 617.3

shortage, misapplication, or other defalcation of property and/or funds, regardless of amount, where an institution employee, officer, director, agent, or other person participating in the conduct of the affairs of such an institution is suspected;

(2) Any known or suspected criminal activity involving an actual or potential loss of \$5,000 or more, through false statements or other fraudulent means, where the institution has a substantial basis for identifying a possible suspect or group of suspects and the suspect(s) is not an institution employee, officer, director, agent, or other person participating in the conduct of the affairs of such an institution;

(3) Any known or suspected criminal activity involving an actual or potential loss of \$25,000 or more, through false statements or other fraudulent means, where the institution has no substantial basis for identifying a possible suspect or group of suspects; or

(4) Any known or suspected criminal activity involving a financial transaction in which the institution was used as a conduit for such criminal activity (such as money laundering/structuring schemes).

(b) In circumstances where there is a known or suspected violation of State or local criminal law, the institution shall notify the appropriate State or local law enforcement authorities.

(c) In addition to the requirements of paragraph (a) of this section, the institution shall immediately notify by telephone the appropriate Federal law enforcement authorities and FCA offices specified on the FCA Referral Form upon determining that a known or suspected criminal violation of Federal law requiring urgent attention has occurred or is ongoing. Such cases include, but are not limited to, those where:

(1) There is a likelihood that the suspect(s) will flee;

(2) The magnitude or the continuation of the known or suspected criminal violation may imperil the institution's continued operation; or

(3) Key institution personnel are involved.

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§ 617.3 Notification of board of directors and bonding company.

(a) The institution's board of directors shall be promptly notified of any criminal referral by the institution, except that if the criminal referral involves a member of the board of directors, discretion may be exercised in notifying such member of the referral.

(b) The institution involved shall promptly make all required notifications under any applicable surety bond or other contract for protection.

§ 617.4 Institution responsibilities.

Each institution shall establish effective policies and procedures designed to ensure compliance with this part, including, but not limited to, adequate internal controls.

PART 618—GENERAL PROVISIONS

Subpart A—Related Services

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- 618.8000 Definitions.
- 618.8005 Eligibility.
- 618.8010 Related services authorization process.
- 618.8015 Policy guidelines.
- 618.8020 Feasibility requirements.
- 618.8025 Feasibility reviews.
- 618.8030 Out-of-territory related services.

Subpart B—Member Insurance

- 618.8040 Authorized insurance services.

Subpart C—Leasing

- 618.8050 Leasing authority.
- 618.8060 Leasing limitations.

Subparts D-E [Reserved]

Subpart F—Miscellaneous Provisions

- 618.8210 Conducting information programs.
- 618.8220 [Reserved]
- 618.8230 [Reserved]
- 618.8250 Purchases and sales of personal property.
- 618.8260 [Reserved]
- 618.8270 Travel, subsistence, and other related expenses.

Subpart G—Releasing Information

- 618.8300 General regulation.
- 618.8310 Lists of borrowers and stockholders.
- 618.8320 Data regarding borrowers and loan applicants.