



Business Finance Virtual Learning

**11th and 12th/ Lesson: Bank
Secrecy Act**



Lesson: 5/12/2020

Students will be able to:

- **Explore How the Bank Secrecy Act Changed Banking**
- **Explore the Patriot Act**
- **Understand Money Laundering**

Question Starter:

Have you deposited cash at a bank? If so, what was the largest amount you deposited at one time?

Banks house a lot of accounts and the money for those accounts come from deposits or payments made by their customers. In order to protect against money laundering, banks keep track of customers who deposit more than \$10,000.00 or \$10,000.01 and up in cash.

What is money laundering?

Money laundering is the illegal process of making large amounts of money generated by a criminal activity, such as drug trafficking or terrorist funding, appear to have come from a legitimate source. The money from the criminal activity is considered dirty, and the process "launders" it to make it look clean.



Money Laundering is a crime and in order for banks to protect themselves from storing illegal funds they report any person depositing money over the \$10,000.00 threshold.

This reporting requirement was established after the **Bank Secrecy Act of 1970**. The BSA of 1970 was established to prevent criminals from using banks to hide or launder money.

It isn't uncommon for a bank customer to legitimately deposit more than the reporting threshold into their account. The customer is not looked at as suspicious when the bank reports their information. The information just goes into a file that can be looked at if someone was arrested or being investigated for a crime.

The Bank Secrecy Act was updated to include the Patriot Act in response to the terrorist attack on September 11, 2001. The Patriot Act was added to the BSA to make identification requirements for banks when opening accounts and dealing with current accounts.

Instructions: After reading the two articles write 3 paragraphs describing what you learned about money laundering, BSA 1970, and how businesses are handled in regards to cash reporting?

[Money Laundering Investopedia article](#)

[The Bank Secrecy Act](#)

Exit Ticket:

What are the three steps or types of money laundering?