

## AML Quiz

1. What happens during the first stage of money laundering? (Circle one)
  - a. Placing illegal funds into money orders
  - b. The placement of illegal funds into a financial institution
  - c. The purchase of real estate using dirty money
  - d. The purchase of legitimate businesses using illegal funds
  
2. What happens during the second stage of money laundering? (Circle one)
  - a. Breaking up currency transactions into smaller portions
  - b. The money goes into the spin cycle
  - c. Once in a financial institution funds are used to purchase financial products
  - d. Laundered funds are returned to the criminal
  
3. What happens during the third stage of money laundering? (Circle one)
  - a. Money hits the final spin
  - b. This stage hides the origin of money from criminal activity
  - c. The money is used to purchase an insurance policy
  - d. The funds from legitimate transactions are returned to the criminal
  
4. Which of these statements is true? (Circle one)
  - a. Employees of financial institutions can be fined individually and be sentenced up to 20 years incarceration for being willfully blind to the fact that transactions involved illegal funds
  - b. Employees of financial institutions are not fined individually and the company is fined for being willfully blind to the fact that transactions involved illegal funds
  - c. Employees of financial institutions are fined individually but are not subject to incarceration for being willfully blind to the fact that transactions involved illegal funds
  
5. Which of the following pieces of information needed to verify identity is not primary? (Circle one)
  - a. Name
  - b. Date of Birth
  - c. Address
  - d. Phone Number
  
6. The USA Patriot Act requires that the customer be notified that the carrier must verify the identity of the owner of the account or policy. This means? (Circle one)
  - a. You should make a copy of the government issued ID
  - b. You should ask to look at the government issued ID
  - c. You should avoid asking to see ID
  - d.

7. OFAC is an agency that...? (Circle one)
  - a. Maintains a list of individuals deemed to be a threat to national security
  - b. Maintains a list of people who owe the US Government money
  - c. Maintains a list of non-cooperative countries
  - d. Maintains a list of the FBI most wanted
  
8. FATF is an agency that...? (Circle one)
  - a. Maintains a list of threatening individuals
  - b. Maintains a list of financial institutions that handle illegal funds
  - c. Maintains a list of non-cooperative countries
  - d. Maintains a list of countries Americans cannot do business with
  
9. Information relating to a customer must be maintained for...? (Circle one)
  - a. A minimum of 5 months
  - b. A minimum of 5 years
  - c. Indefinitely
  - d. The life of the individual
  
10. All of these listed below constitute suspicious activity except? (Circle one)
  - a. Payments to or from unknown third parties
  - b. A drastic change in business patterns
  - c. Incomplete information provided with no level of detail
  - d. A denial to consent to list social security number on insurance documents
  
11. In reporting illegal activities you should do all the following except? (Circle one)
  - a. Notify the Compliance Officer
  - b. Notify your Manager
  - c. Notify the Customer
  
12. The following are red flags except...? (Circle one)
  - a. Applicant reluctant to provide identity verification documentation
  - b. Any transaction using an undisclosed third party
  - c. Applicant wants to borrow the maximum cash value soon after paying for the policy
  - d. Applicant changing address more than once a year
  
13. Laundering money through an insurance product is chosen by criminals because?  
(Circle one)
  - a. They can kill the insured and get the money
  - b. They can cancel the policy and be refunded the cash value
  - c. Criminals like the growth on some insurance products
  - d. Criminals don't think the government sees insurance as a way to launder money

14. All are ways of using insurance products to launder money except? (Circle one)

- a. Overpaying premiums and asking for a refund
- b. Making regular premiums until the insured dies
- c. Canceling during the free look period
- d. Wiring transfers for high dollar amounts

15. In the three stages of money laundering which statement is true? (Circle one)

- a. The stages of money laundering happen individually
- b. The stages of money laundering are progressive and one cannot happen without the previous one happening
- c. The stages of money laundering can occur simultaneously

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Name (please print)

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Signature

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Date