

QUESTIONS & ANSWERS

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ACAMS

CAMS

Certified Anti-Money Laundering Specialist

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Question: 105

To ensure that an institution's anti-money laundering program is current, which step should be taken?

- A. The program should be evaluated and updated at least every six months by the Board of Directors
- B. The program should be reviewed by a federal law enforcement officer for gaps in controls
- C. The program should be sent to the institution's government regulator on a periodic basis
- D. The program should be reassessed at least annually

Answer: D

Explanation:

"Provide for periodic review as well as timely updates to implement changes in regulations this should be done at least on an annual basis" (Pag 153)

Question: 106

Which actions are involved when a prosecutor instructs a bank to freeze the assets and bank accounts held by one of its clients? (Choose three.)

- A. Inform other banks in the same geographical area to freeze the client's assets if they are a member of that bank, too.
- B. Extend the account and asset freeze to the client's family members as a precautionary measure.
- C. Ensure the client and beneficiaries are unable to access any frozen assets during the freeze order.
- D. The institution does not need to comply with the request if the client's assets make the task unusually difficult or complex to access.
- E. An affidavit must accompany the freeze order for the bank to comply with the request.
- F. The institution should obtain a copy of the court order to freeze the assets of the named individuals.

Answer: C,F

Question: 107

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

Explanation:

Reference: http://fraudaid.com/Dictionary-of-Financial-Scam-Terms/black_market_peso_exchange.htm

Question: 108

A bank located in Arizona is considering a loan application for a new client. The collateral for the loan is a property in Florida.

The loan will be in the name of a limited company (LLC) whose ownership is not disclosed to the bank. The LLC was established by a New York-based attorney.

The loan will be repaid by the LLC in monthly wire transfers of \$9,000 which is more than the required monthly payment.

Which aspect indicates potential for money laundering?

- A. The LLC's ownership is not disclosed to the bank
- B. The collateral, a property in Florida, is not located in Arizona
- C. The repayment in the amount of \$9,000 indicates potential structuring
- D. The attorney associated with the account is outside the bank's lending area

Answer: A,C

Question: 109

A new compliance officer is reviewing the bank's anti-money laundering program and notices that the risk assessment was completed six months ago. Since that time, the bank acquired another financial institution, renamed the internal records group, and streamlined cash handling procedures.

Which factor causes the compliance officer to update the bank's risk assessment?

- A. The bank acquired another institution
- B. The internal records group has been re-named
- C. The cash handling procedures were streamlined
- D. The risk assessment was completed six months ago

Answer: A

Explanation:

Assessing AML/CFT is an ongoing and evolving component of maintaining a compliant AML/CFT program. Evaluating the risk-scoring model and conducting the risk assessment itself may need to be performed annually, every 18 to 24 months, before the launch of a new product or when an acquisition of another financial institution occurs.

Question: 110

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 .

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

Question: 111

A bank has opened a new account for a well-known attorney to manage client funds. During the first six months, bank staff observe the account receives multiple deposits via wire transfer. They also observe that the attorney withdraws cash, makes payments to various people, and transfers funds to the law firm's account online.

What is considered a red flag for potential money laundering in this situation?

- A. Withdrawing cash
- B. Making payment to various people
- C. Receiving multiple deposits via wire transfer
- D. Transferring funds to his law firm's account online

Answer: C

Question: 112

Trusts established in certain offshore jurisdictions make good vehicles to lay under money for which of the following reasons?

- A. Names of the settlor and beneficiaries are into publicly available.
- B. Trusts are typically set up to minimize taxes.
- C. Offshore jurisdictions are unfamiliar with trust.
- D. Trusts may hold assets of significant size.

Answer: B

Question: 113

A benefit of using bearer shares in corporate formations is that bearer shares are:

- A. widely accepted in the financial world.
- B. entered in the register of owners.
- C. associated with lower costs in setting up a company.
- D. easily transferred so the holder claims ownership.

Answer: D

Explanation:

Reference: <https://www.investopedia.com/terms/b/bearerform.asp>

Question: 114

Which is a key role of FATF-Style Regional Bodies (FSRBs)?

- A. Support the system of mutual evaluation
- B. Setting regional standards for combatting money laundering
- C. Bring additional terrorist financing laws into action in the region

D. Enforce the specific FATF laws in the region

Answer: A

Question: 115

Upon filing a suspicious transaction report, which of the following elements should be the highest anti-money laundering priority in making the decision to keep the account open?

- A. Financial impact on the institution if the account is closed.
- B. Procedures to ascertain the potential risk to the organization.
- C. Additional Administrative costs of monitoring the account.
- D. Total number of accounts the institution closed in the last month.

Answer: B



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