LexisNexis® Anti-Money Laundering Risk Attributes

Understanding Risk Attributes

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Anti-Money Laundering Risk Attributes

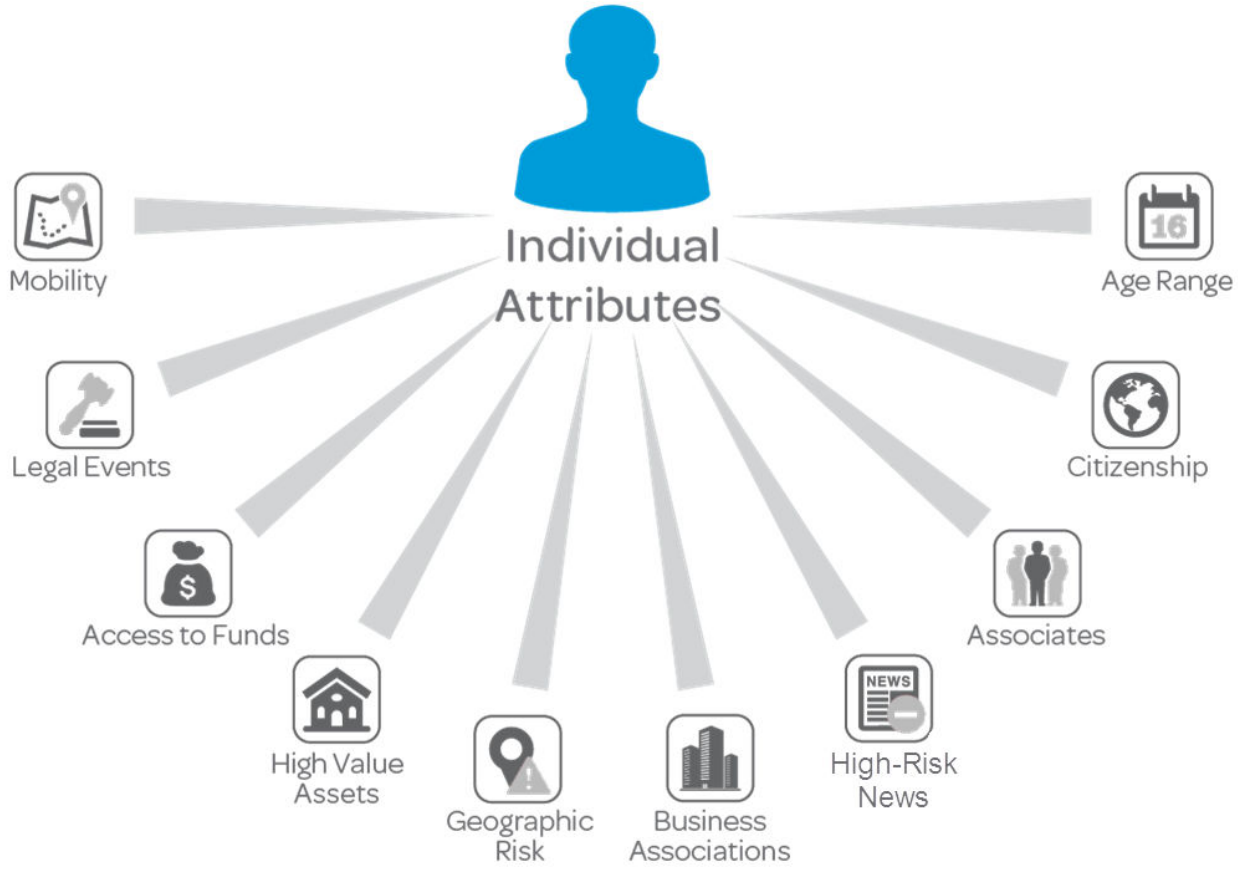
LexisNexis® Anti-Money Laundering (AML) Risk Attributes are a set of non-FCRA indexes that are designed to help financial institutions during the Bank Secrecy Act (BSA) and AML due diligence process. The indexes provide critical, typically-missed, customer information that can be used at any point in the account lifecycle. The indexes, each summarized as a numeric value, are designed to highlight areas of customer tendencies that may be associated with money laundering risk. The indexes can also pinpoint areas of a customer's behavior that may require additional scrutiny. The solution optionally provides insight into the velocity of negative news articles about the customers that are associated with money laundering. With access to recent, robust, lifestyle information, financial institutions can help ensure that risk ratings are appropriate to more effectively scrutinize customers.

Financial institutions can use AML Risk Attributes to help quickly determine the level of customer scrutiny that is needed to perform appropriate due diligence for the following activities:

- **On-boarding**—Get a more thorough picture of customers to more accurately assign an initial BSA/AML Risk Rating.
- **Monitoring**—Monitor the velocity and propensity of customer life changes that may be associated with money laundering risk. By periodically refreshing customer information and combining it with your internal information, you can maintain a better picture of your customers.
- **Logging**—Use information gathered by the attributes to maintain a log of changes to a customer's situation over the life of their account.
- **Alert management**—Using the indexes in conjunction with alerts allows you to prioritize alerts.
- **Alert investigation**—Receive a core and consistent set of key customer information at the beginning of every investigation. With this valuable information, investigations can receive a jump-start by highlighting areas of customer tendencies that may be associated with the risk of money laundering.

Individual Attributes

The following sections are provided to help you understand AML Risk Attributes for individuals.



Individual High Value Assets Index

The Individual High Value Asset Index indicates the level of association that an individual has with the ownership of high-value assets. High-value asset information is valuable, but the ownership of assets is not necessarily an indicator of a heightened risk of money laundering. Use this index in conjunction with other AML Risk attributes to determine whether this information supports or diminishes the likelihood of accuracy of other AML Risk index values. For example, if the individual owns many high-value assets but has no apparent means for purchasing those assets, further scrutiny for the individual may be appropriate. If the individual owns many high-value assets but the transaction patterns for the individual do not support a lifestyle that contains many high-value assets, further scrutiny of the individual may be appropriate. Additionally, if the index level for the ownership of the individual's high-value assets changes frequently, further scrutiny of the individual may uncover a scheme of using illegal funds during the integration phase of money laundering, followed by converting the assets to cash a short time later.

Individual Access to Funds Index

The Individual Access to Funds Index indicates an individual's level of association with access to funds. This index is a behavior-based model that is built using assets and lifestyle characteristics. This index utilizes public records data, such as property ownership records, education, and licensures. This index should be used in conjunction with other AML Risk attributes to determine whether this index supports or diminishes the likelihood of accuracy of the other index values. When individuals spend criminal proceeds on the acquisition or use of assets and do not have enough legitimate income to explain their expenditures, this is regarded as unusual use or unusual possession of assets. For example, if an individual has a very low association with the ability to access funds but has many high-value assets and also has a significant number of associates with a criminal history, further scrutiny of the individual may be appropriate. If a customer is in the youngest age range but has the highest possible access to funds, it may mean they are fortunate to have inherited wealth, or they could be disguising criminal proceeds through a fake inheritance. Further scrutiny is recommended to make that determination. Because transaction behavior should be in line with the individual's access to funds, this index has particular value as you review transaction patterns.

Individual Geographic Index

The Individual Geographic Index indicates the level of evidence that an individual's address is located in a high-risk geographic location. This index can be used to validate and gather geographic information about the individual. Because money laundering is made easier based on the geographical location of the individual's address, this index highlights geographical money laundering risk by evaluating the individual's address for areas that border foreign jurisdictions, high-crime neighborhoods, and areas that are classified as HIFCA (high-intensity financial crime area) or HIDTA (high-intensity drug trafficking area).

Use this index in conjunction with other AML Risk attributes to determine whether this information supports or diminishes the likelihood of accuracy of other AML Risk index values. For example, an individual who provides geographic information at account onboarding and the information does not appear accurate or the information changes shortly after account opening, may indicate that the individual is attempting to disguise certain geographic factors, such as an extremely high-risk location. If the individual has a change in the risk of geographic location and shows a significant change in any of the other AML Risk attributes, such as a change in access to funds, legal events, or high-value asset ownership, a higher level of scrutiny of the individual may be appropriate.

For more information about the HIFCA program, see "HIFCA Regions" on page 25.

For more information about the HIDTA program, see "HIDTA Regions" on page 18.

Individual Mobility Index

The Individual Mobility Index indicates how frequently an individual moves from one location to another location. Mobility does not necessarily indicate a heightened risk of money laundering. This index should be used in conjunction with other AML Risk attributes to determine whether the individual's mobility history supports the likelihood of accuracy of the index values. For example, if the individual is in a younger age category where mobility is likely, then high mobility is expected. If the individual has been a property owner for a significant amount of time and has always lived in a low-crime neighborhood but starts showing a pattern of frequent moves within high-risk areas, a higher level of scrutiny of the individual may be appropriate. Overall, mobility should be considered auxiliary information which can support your decision to scrutinize the individual more or to scrutinize the individual less.

Individual Legal Events Index

The Individual Legal Events Index indicates the level of legal event activity that is reported for an individual. This index is intended to provide and validate information regarding the individual's potential level of involvement in negative legal events. During account onboarding, this index can be used to determine the accuracy of the information that is provided by the customer. Throughout the life of the account, this index provides information about the changes in the level of legal events activity which are unlikely to be reported to you by the customer. The Individual Legal Events Index provides insight into risk that is related to the lifestyle and propensity of an individual to be potentially involved in legal events or offenses related to money laundering.

The legal events that are used in the calculation of this index include incarcerations, felonies, misdemeanors, and liens and judgments. It should be noted that not all legal events that are reported for this index are specifically linked to money laundering or predicate offenses related to money laundering. At a minimum, there should be a higher level of scrutiny for any individual with a suspicious legal background and for any other individuals who are associated, through account ownership, to that specific individual. For example, one individual on an account is incarcerated for a money-laundering crime and other account owners maintain the account while the incarcerated individual remains on the account. Likewise, an individual with minor, negative legal events may be an individual who has not yet been involved in money laundering but shows a lack of judgment regarding the law. This suggests that there should be a higher level of scrutiny of the individual for questionable transactions or behaviors.

Individual High Risk News Profiles and Profile Types

The Individual High Risk News Profile and Profile Types attributes are counts of profiles from WorldCompliance™ that indicate an individual’s potential connection to negative publicity, sanction lists, court filings, politically exposed persons, and enforcement actions that are directly related to primary money laundering activities. Indication of the individual's potential association with fraud, financial crime, a cartel, drug trafficking, or pornography, may indicate whether further scrutiny of the individual is appropriate.

Individual Age Range

The Individual Age Range attribute indicates the estimated age range of an individual. This attribute should not be considered an index because there is no heightened risk of money laundering that is associated with any particular age range. While this attribute provides limited value as a stand-alone attribute, the primary purpose of the age range attribute is to assist you in determining whether other behaviors are expected for the individual. For example, it may be expected for someone age 20 to be very mobile, have limited high-value assets, and low access to funds. Deviation from what is traditionally accepted as expected for a particular age group may indicate whether further scrutiny of the individual is appropriate.

Individual Identity Index

The Individual Identity Index indicates when an individual's identity was first reported. The likelihood of identity stability increases with the length of time since the individual's identity was first seen. This attribute also indicates whether the individual's identity is associated with a SSN (Social Security number) that is reported as belonging to a deceased individual, whether the SSN is invalid, or whether the SSN is reported as being associated with multiple identities. These characteristics indicate that a higher level of scrutiny may be appropriate.

Individual Residency Index

The Individual Residency Index indicates the level of evidence that an individual is an immigrant or is not a U.S. citizen. If the individual is an immigrant or is not a U.S. citizen, this may indicate that the individual has potential ties or foreign affiliations outside of the United States. The ties outside of the United States do not necessarily indicate a higher risk, but global money laundering is significantly easier if the launderer has ties outside of their primary country of residence. The overall status or level of residency provides a basis to determine if an individual's activity is expected or if further scrutiny of the individual may be appropriate.

Layering is defined as moving money to disguise the source of the funds. Layering is more effective if it involves cross-border transactions which can be explained as expected behavior. For example, sending money routinely to family members in another country can be considered expected behavior. An individual from North Dakota, who is a U.S. citizen with no foreign affiliations, may have a different pattern of expected behavior than a non-citizen with many foreign associations. If the individual from North Dakota suddenly engages in foreign finance activity, further scrutiny of the individual may be appropriate. Global money laundering is also much easier if the individual can integrate money outside of the border. For example, the individual purchases a reloadable debit or credit card for a parent in a foreign country, loads it routinely with money from a disguised source, and has the parent get cash or make purchases in another country. Initially, a higher level of scrutiny should be given to the individual to determine the legitimacy of the foreign finance activity.

Individual Personal Associates Index

The Individual Personal Associates Index indicates the level of likelihood that an individual has first-degree relatives and first-degree associates who may have a heightened risk of money laundering. If the individual's associates have evidence of heightened money laundering risk, there is a higher likelihood that the individual has the connections to increase their money laundering abilities. A higher level of scrutiny of the individual may be appropriate. By taking advantage of the proprietary LexID® linking algorithm, typical personal associations are easily detected and resolved. An individual's connection with associates who have evidence of a heightened money laundering risk is not a guarantee that the individual is participating in money laundering activities, but a higher level of scrutiny is suggested.

Individual Associates Residency Index

The Individual Associate Residency Index indicates the level of evidence that an individual's relative, personal associate, or business executive officer associate is an immigrant or is not a U.S. citizen. If the individual's relative, personal associate, or business executive officer associate is an immigrant or is not a U.S. citizen, this may indicate that the relative, personal associate, or business executive officer associate has potential ties or foreign affiliations outside of the United States. The ties outside of the United States do not necessarily indicate a heightened risk of money laundering, but global money laundering is significantly easier if the launderer has ties outside of their primary country of residence. The overall status or level of residency provides a basis for you to determine if an individual's relative, personal associate, or business executive officer associate activity is expected or if a higher level of scrutiny of the individual may be appropriate.

For more information about the residency index, see "Individual Residency Index" on page 9.

Individual Professional Index

The Individual Professional Index provides insight into the professional life of an individual that is indicated as having a heightened risk of money laundering. Because the ability of an individual to launder money is frequently made easier or more difficult by the individual's professional circumstances, this index provides insight into the individual's association with being an owner or officer in a high-risk business, being a high-risk service provider, or being associated with a high-risk field of study such as accounting, finance, law, medicine, or real estate. For example, an individual is a high-risk service provider, such as an accountant, but is associated with a low-risk business where the most accepted method of payment for purchases is a credit card or a check, such as a retail clothing store. The individual is less likely to be able to manipulate the funds of the business for purposes of money laundering. Conversely, an individual is associated with a high-risk business that accepts only cash, such as a chain of car wash sites. The individual may have a significantly easier time infiltrating legal cash payments with illegally obtained cash. Taking this one step further, an individual is a high-risk service provider where they are also in a position to have authority over the funds of the business, such as an attorney, it may be much easier to launder money. A higher level of scrutiny may be appropriate for

accountants or attorneys who can manipulate funds for large organizations and disguise money laundering. When the business involved is not only a high-risk business but is also an international business, a higher level of scrutiny of the business may be appropriate.

For more information about high-risk industries and high-risk professions, see "Industry Risk" on page 27.

Individual Business Associate and Executive Officer Index

The Individual Business Associate and Executive Officer Index indicates the level of evidence that an individual's business associates may be involved in potential higher-risk activities. For example, if the individual's business associates provide a high-risk service, are involved with a business that has shell or shelf characteristics, or have been incarcerated or are currently incarcerated, a higher level of scrutiny may be appropriate.

For more information about shell and shelf companies, see "Shell and Shelf Companies" on page 33.

Business Attributes

The following sections are provided to help you understand AML Risk Attributes for businesses.

Business High Value Assets Index

The Business High Value Asset Index indicates the level of association that a business has with the ownership of high-value assets. High-value asset information can be valuable to you, but the ownership of assets is not necessarily an indicator of a heightened risk of money laundering. Use this index in conjunction with other AML Risk attributes to determine whether this information supports or diminishes the likelihood of accuracy of other AML Risk index values. For example, if the business owns many high-value assets but has no apparent means for purchasing those assets, further scrutiny of the business may be appropriate. If the business owns many high-value assets but the transaction patterns of the business do not support a company status that contains many high-value assets, further scrutiny of the business may be appropriate. Additionally, if the index level for the ownership of high-value assets changes frequently for the business, further scrutiny may uncover a scheme of using illegal funds during the integration phase of money laundering, followed by converting the assets to cash a short time later.

Business Access to Funds Index

The Business Access to Funds Index indicates a business's level of association with access to funds by looking at the total value of all properties that are owned by the business. While the ownership of assets is not necessarily an indicator of a heightened risk of money laundering, use this index in conjunction with other AML Risk attributes to determine whether this information supports or diminishes the likelihood of accuracy of other AML Risk index values. For example, during onboarding, you can use the High Access to Funds Index in conjunction with other AML Risk indexes, such as representatives with a negative legal background. A business with a high validity index, signifying the business is likely invalid, or a business with a high stability index, signifying the business is likely unstable, may indicate evidence of high access to funds and further scrutiny of the business may be appropriate. This index provides a particularly interesting value when used during the monitoring phase of potential money laundering. You can monitor the changes and view patterns in the value of properties that are owned by the business. If the value of the property changes frequently, further scrutiny may uncover a money laundering scheme of using illegal funds during the integration phase of money laundering, followed by converting the assets to cash a short time later.

Business Geographic Index

The Business Geographic Index indicates the level of evidence that a business address is located in a high-risk geographic location. This index can be used to validate and gather geographic information about the business. Because money laundering is made easier based on the geographical location of the business, this index highlights geographical money laundering risk by evaluating the business's address for areas that border foreign jurisdictions, high-crime neighborhoods, and areas that are classified as HIFCA or HIDTA. While a business in a high-crime neighborhood does not necessarily mean the business itself is involved in money laundering, this index gives you a benchmark for the business's potential type of clientele and the business's access to other potential illegal activity.

Use this index in conjunction with other AML Risk attributes to determine whether this information supports or diminishes the likelihood of accuracy of other AML Risk index values. For example, businesses with a questionable rating in both validity and stability, along with a high risk in geography, may suggest that further scrutiny of the business is appropriate. If the business is also in a high-risk industry, the need for additional scrutiny is heightened. Geography should also be considered in conjunction with other AML Risk attributes to determine if there is an association with other attributes or if there is a suspicious lack of association with other AML Risk attributes. For example, a business that provides geographic information at account onboarding and that information does not appear accurate or the information changes shortly after account opening, may indicate that the business is attempting to disguise certain geographic factors, such as an extremely high-risk location. If a business has a change in the risk of geographic location and shows a significant change in any other AML Risk attributes, such as a change in access to funds or legal events, a higher level of scrutiny of the business may be appropriate. Because you may not always be informed of the geographic change, LexisNexis suggests that you review a business's geographic risk routinely.

For more information about the HIFCA program, see "HIFCA Regions" on page 25.

For more information about the HIDTA program, see "HIDTA Regions" on page 18.

Business Validity Index

The Business Validity Index indicates the level of evidence that a business may be an invalid business. This index is designed to provide information that substantiates the actual existence of the business. This index uses information such as address vacancy, active registrations with the Secretary of State, the number of sources that report on the business, and the length of time that the business has been reported. Through proprietary LexisNexis algorithms and indications that the business may be a fictitious business or a store front, the Business Validity Index looks for evidence of the business being a shell or shelf company. The business validity index is extremely valuable at account onboarding to substantiate the existence of the business. It also has great value throughout the life of the account relationship as it allows you to determine whether a previous valid business is still valid. If a valid business was created for the purpose of money laundering, it may not sustain its validity. For example, the business may have been created with a temporary but valid address only to have an address quickly change to a vacant lot. This index should be updated more frequently for high-risk business types, but LexisNexis suggests that you update all business index information periodically.

For more information about shell and shelf companies, see "Shell and Shelf Companies" on page 33.

Business Stability Index

The Business Stability Index indicates the level of evidence that a business may be unstable. This index is different than the Business Validity Index in that the Business Stability Index assumes that the business is valid. To help you determine whether the business is stable, this index uses information such as Secretary of State filings (including dissolutions and reinstatements), recent Secretary of State contact and address changes, the length of time the business is reported at the address, the number of business operating locations, and the number of employees. For example, if the business once had a good standing record with the Secretary of State, but now shows a Secretary of State filing that includes a dissolution without reinstatement, a higher level of scrutiny of the business may be appropriate. If you do not routinely validate the business stability once the account is active, you may be unaware of the change in business circumstances. Likewise, if a business is a high-risk business type but you focus on transaction patterns, you may miss the fact that the business stability index indicates a change in business circumstance. This change may indicate that further scrutiny of the business is appropriate.

Business Industry Risk Index

The Business Industry Risk Index indicates the level of association that a business has with a high-risk industry. As defined by the Federal Financial Institutions Examination Council (FFIEC) Exam guidelines, identifying whether a business falls into a high-risk category gives you reason to heighten your scrutiny of that business. LexisNexis suggests that you look at all AML Risk indexes to get the total picture of the business. For example, if a high-risk business has a high risk in one or more of the other AML Risk indexes, the transactions of that business may indicate that further scrutiny of the business is appropriate.

For more information about high-risk industries and high-risk professions, see "Industry Risk" on page 27.

Business Shell or Shelf Company Index

The Business Shell or Shelf Company Index indicates the level of evidence that the business has shell or shelf company characteristics.

For more information about shell and shelf companies, see "Shell and Shelf Companies" on page 33.

Business Structure Type Index

The Business Structure Type Index is intended to identify information on a business's potential organizational structure; for example, partnership, corporation, and trust. Limited liability companies and trusts have the potential to be used to conceal ownership and may merit a higher level of scrutiny. Trusts are increasingly in the spotlight of anti-money laundering directives and legislation due to difficulty in identifying beneficial owners.

Business Secretary of State Age Range Index

The Business Secretary of State Age Range Index indicates the official Secretary of State incorporation recording date. This information is useful when considering the stability of a business. A very new business or a business with no record of incorporation may indicate that further scrutiny of the business is appropriate.

Business Public Record Age Index

The Business Public Record Age Range Index indicates the level of a business's potential activity over time using various public records, such as real and personal asset ownership records, court filings, liens and judgments, and directory listings. This index, in combination with other AML Risk indexes such as

the Secretary of State Age Range Index, may help you determine the level of organizational stability of the business. A very new appearance of the business on public records or no public records for the business may indicate that further scrutiny of the business is appropriate.

Business Legal Events Index

The Business Legal Events Index indicates the level of legal event activity that is reported for both a business and business representatives. This index is intended to provide and validate information regarding the business and business representative's potential level of involvement in negative legal events. By looking at the history of incarcerations, felonies, misdemeanors, and liens and judgments, this index provides insight into potential risk that is related to the legal events that are reported on the business itself. Additionally, the Business Legal Events Index provides insight into risk that is related to the lifestyle and propensity of a business or a business representative's potential involvement in either legal events related to money laundering or predicate offenses related to money laundering. It should be noted that not all legal events that are reported for this index are specifically linked to money laundering or predicate offenses related to money laundering.

At the business's account onboarding, the representatives of that business are likely scrutinized to some degree; however, as representatives are added to the business, that scrutiny may not occur. Likewise, when the circumstances of a representative change, the business is unlikely to report that change to you. For example, the business may be a valid and stable business with one or more incarcerated representatives, or the business is involved in high-risk activities. While the activity of a business representative does not mean the business itself is problematic, it may indicate that a higher level of scrutiny of the business is appropriate.

Business High Risk News Profiles and Profile Types

The Business High Risk News Profiles and Profile Types attributes are counts of profiles from WorldCompliance that indicate a business's potential connection to negative publicity, sanction lists, court filings, politically exposed persons, and enforcement actions that are directly related to primary money laundering activities. Indication of the business's potential association with fraud, financial crime, a cartel, drug trafficking, or pornography may indicate that further scrutiny of the business is appropriate.

Business Linked Businesses Index

The Business Linked Businesses Index indicates the level of likelihood that a business has significant factors in common with other businesses that have a potential heightened risk of money laundering. With the insight from this index, you have a particularly unique view that indicates the common factors of the business and potentially associated or linked businesses that may have an increased ability to move money or layer money through a lack of transparency. By taking advantage of the proprietary LexID® linking algorithm, typical business associations are easily detected and resolved into one

business. However, the calculation of this index goes past a simple linking issue because these subsets of businesses have so much overlap that they have been flagged by LexisNexis as being potentially related. For example, something questionable in the reported information that prevents business associations from being resolved into one business may point to a potential lack of transparency, increased common factors (address location, business representatives, or property ownership), and ability to move money around. This information may indicate that further scrutiny of the business is appropriate.

Business Executive Officers Index

The Business Executive Officers Index indicates the level of evidence that a business's executives may be involved in perceived higher-risk activities, such as providing a high-risk service or involvement with a business that has shell or shelf characteristics.

For more information about shell and shelf companies, see "Shell and Shelf Companies" on page 33.

Business Executive Officers Residency Risk Index

The Business Executive Officers Residency Risk Index indicates the level of evidence that a business executive officer associate is an immigrant or is not a U.S. citizen. If the business executive officer associate is an immigrant or is not a U.S. citizen, this may indicate that they have potential ties or foreign affiliations outside of the United States. The ties outside of the United States do not necessarily indicate a heightened risk of money laundering, but global money laundering is significantly easier if the launderer has ties outside of their primary country of residence. The overall status or level of residency provides a basis for you to determine if a business executive officer associate's activity is expected or if a higher level of scrutiny of the business executive officer associate may be appropriate.

HIDTA Regions

The HIDTA Program was established by the Anti-Drug Abuse Act of 1988. This program was created to provide assistance to federal, state, and local law enforcement agencies operating in the areas that are most adversely affected by drug trafficking.

The following table contains HIDTA designated regions and their county jurisdictions.

HIDTA Regions

Region	City and County Jurisdictions		
Alabama	• Baldwin • Jefferson	• Madison • Mobile	• Montgomery • Morgan
Arizona—Southwestern border	• Cochise • La Paz • Maricopa	• Mohave • Navajo • Pima	• Pinal • Santa Cruz • Yuma
Arkansas	• Benton • Jefferson	• Pulaski • Washington	
California—Los Angeles area	• City of Los Angeles • Los Angeles County	• Orange • Riverside • San Bernardino	
California—Central valley	• Fresno • Kern • Kings • Madera	• Merced • Sacramento • San Joaquin • Shasta	• Stanislaus • Tulare
California—Northern district	• Alameda • Contra Costa • Lake • Marin	• Mendocino • Monterey • San Francisco • San Mateo	• Santa Clara • Santa Cruz • Sonoma
California—Southwestern border	• Imperial	• San Diego	

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
Colorado	• Adams • Arapahoe • Boulder • Denver • Douglas • Eagle	• El Paso • Garfield • Grand • Jefferson • La Plata • Larimer	• Mesa • Moffat • Pueblo • Routt • Weld
Connecticut	• Fairfield	• Hartford	• New Haven
Florida—Central district	• Hillsborough • Orange • Osceola	• Pinellas • Polk • Seminole	• Volusia
Florida—Northern district	• Alachua • Baker • Clay • Columbia	• Duval • Flagler • Marion • Nassau	• Putnam • St. Johns
Florida—Southern district	• Broward • Miami—Dade	• Monroe • Palm Beach	
Georgia—Atlanta area	• Barrow • Bartow • Cherokee • Clayton	• Cobb • DeKalb • Douglas • Fayette	• Forsyth • Fulton • Gwinnett • Henry
Hawaii	• City of Hawaii • Hawaii County • Honolulu	• Islands of Hawaii, Kauai, Lanai, Maui, Molokai, and Oahu	• Kauai County • Maui County
Illinois—Chicago area	• City of Chicago • Cook	• Grundy • Kendall	• Will
Indiana	• Lake	• Porter	
Iowa	• Black Hawk • Linn • Marshall	• Muscatine • Polk • Pottawattamie	• Scott • Woodbury

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
Kansas	• Barton • Cherokee • Crawford • Finney • Franklin	• Johnson • Labette • Leavenworth • Miami • Saline	• Sedgwick • Seward • Shawnee • Wyandotte
Kentucky	• Adair • Bell • Breathitt • Clay • Clinton • Cumberland • Floyd • Harlan • Jackson	• Knott • Knox • Laurel • Lee • Leslie • Letcher • Magoffin • Marion • McCreary	• Owsley • Perry • Pike • Pulaski • Rockcastle • Taylor • Warren • Wayne • Whitley
Louisiana	• Bossier • Caddo • Calcasieu	• East Baton Rouge • Jefferson • Lafayette	• Orleans • Ouachita
Maine	• Cumberland		
Maryland—Baltimore area	• Anne Arundel • Baltimore • Baltimore City	• Charles • City of Baltimore • Harford	• Howard • Montgomery • Prince George's
Massachusetts	• Essex • Hampden	• Middlesex • Plymouth	• Suffolk • Worcester
Michigan	• Allegan • Genesee • Kalamazoo • Kent	• Macomb • Oakland • Saginaw • Van Buren	• Washtenaw • Wayne
Mississippi	• Hancock • Harrison • Hinds	• Jackson • Lafayette • Madison	• Rankin

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
Missouri	• Boone • Buchanan • Cape Girardeau • Christian • City of St Louis • Clay	• Cole • Franklin • Greene • Jackson • Jasper • Jefferson	• Marion • Platte • Scott • St. Charles • St. Louis • Texas
Montana	• Cascade • Flathead	• Lewis and Clark • Missoula	• Yellowstone
Nebraska	• Dakota • Dawson • Dodge • Douglas	• Gage • Hall • Jefferson • Lancaster	• Madison • Platte • Sarpy • Scott's Bluff
Nevada	• Clark	• Washoe	
New Hampshire	• Hillsborough		
New Jersey	• Bergen • Camden • City of Camden	• Essex • Hudson • Mercer	• Middlesex • Passaic • Union
New Mexico—Southwestern border	• Bernalillo • Chaves • Dona Ana • Eddy • Grant • Hidalgo	• Lea • Lincoln • Luna • Otero • Rio Arriba • Sandova	• San Juan • San Juan • Santa Fe • Torrance • Valencia

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
New York	• Albany • Bronx • Clinton • Erie • Franklin • Jefferson	• Kings • Monroe • Nassau • Nassau • New York • Onondaga	• Orange • Queens • Richmond • St. Lawrence • Suffolk • Westchester
North Carolina	• Alamance • Buncombe • Durham • Gaston • Guilford	• Henderson • Johnston • McDowell • Mecklenburg • Randolph	• Union • Wake • Wayne • Wilson
North Dakota	• Burleigh • Cass • Grand Forks	• Morton • Ramsey • Richland	• Walsh • Ward
Ohio	• Cuyahoga • Fairfield • Franklin • Greene	• Hamilton • Lucas • Mahoning • Montgomery	• Stark • Summit • Warren
Oklahoma	• Cleveland • Comanche	• Muskogee • Oklahoma	• Sequoyah • Tulsa
Oregon	• Clackamas • Deschutes • Douglas • Jackson	• Lane • Marion • Multnomah • Umatilla	• Warm Springs Reservation • Washington
Pennsylvania	• Chester • City of Philadelphia	• Delaware • Philadelphia County	
Rhode Island	• Providence		
South Carolina	• Lexington	• Richland	

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
South Dakota	• Beadle • Brookings • Brown • Clay • Codington	• Custer • Lawrence • Lincoln • Meade • Minnehaha	• Pennington • Union • Yankton
Tennessee	• Bledsoe • Campbell • Claiborne • Clay • Cocke • Cumberland • Fentress • Franklin • Grainger • Greene • Grundy	• Hamblen • Hamilton • Hawkins • Jackson • Jefferson • Knox • Macon • Marion • Overton • Pickett • Putnam	• Rhea • Roane • Scott • Sequatchie • Sevier • Shelby • Unicoi • Washington • White
Texas—Houston area	• Aransas • Brooks • City of Houston • Fort Bend • Galveston • Hardin	• Harris • Jefferson • Jim Wells • Kennedy • Kleberg • Liberty	• Montgomery • Nueces • Orange • Refugio • San Patricio • Victoria

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
Texas—Northern district	• City of Dallas • City of Fort Worth • Collin • Dallas • Denton • Ellis	• Henderson • Hood • Hunt • Johnson • Kaufman • Lubbock	• Navarro • Parker • Rockwall • Smith • Tarrant
Texas—Southern district	• Bexar • Brewster • Cameron • Crockett • Culberson • Dimmit • Ector • El Paso • Hidalgo	• Hudspeth • Jeff Davis • Jim Hogg • Kinney • La Salle • Maverick • Midland • Pecos • Presidio	• Reeves • Starr • Terrell • Travis • Val Verde • Webb • Willacy • Zapata • Zavala
Texas—Southwestern border	• Brewster • Crockett • Culberson • El Paso	• Hudspeth • Jeff Davis • Pecos • Presidio	• Reeves • Terrell
Utah	• Davis • Salt Lake	• Summit • Utah	• Washington • Weber
Vermont	• Chittenden		

HIDTA Regions (Continued)

Region	City and County Jurisdictions		
Virginia	• Alexandria • Arlington • Chesterfield • City of Richmond • Fairfax • Fairfax City	• Falls Church • Hanover • Henrico • Hopewell • Loudon • Manassas	• Manassas Park • Petersburg • Prince George • Prince William
Washington	• Benton • Clark • Cowlitz • Franklin • King	• Kitsap • Lewis • Pierce • Skagit • Snohomish	• Spokane • Thurston • Whatcom • Yakima
West Virginia	• Boone • Cabell • Kanawha • Lincoln	• Logan • Mason • McDowell • Mercer	• Mingo • Putnam • Wayne
Wisconsin	• Brown • Dane • Kenosha	• Milwaukee • Racine • Rock	• Waukesha
Wyoming	• Albany • Campbell	• Laramie • Natrona	• Sweetwater • Uinta
Washington, D.C.	• District of Columbia		
Puerto Rico	• Territory of Puerto Rico		
United States Virgin Islands	• Territory of the United States Virgin Islands		

HIFCA Regions

The designation of a HIFCA is intended to concentrate law enforcement efforts at the federal, state, and local level. This program is designed to combat money laundering in high-intensity money laundering zones.

The following table contains HIFCA designated regions and their county jurisdictions.

HIFCA Regions

Region	City and County Jurisdictions
California—Northern district	• Alameda • Contra Costa • Del Norte • Humboldt • Lake • Marin • Mendocino • Monterey • Monterey • Napa • San Benito • San Francisco • San Mateo • Santa Cruz • Sonoma
California—Southern district	• Los Angeles • Orange • Riverside • San Bernardino • San Luis Obispo • Santa Barbara • Ventura
Arizona—Southwestern border	• All counties
Texas—Southwestern border	• Brewster • Brooks • Cameron • Crockett • Culberson • Dimmit • Duval • Edwards • El Paso • Hidalgo • Hudspeth • Jeff Davis • Jim Hogg • Kenedy • Kinney • La Salle • Maverick • McMullen • Pecos • Presidio • Reeves • Starr • Sutton • Terrell • Uvalde • Val Verde • Webb • Willacy • Zapata • Zavala
Chicago	• Cook • Dupage • Kane • Lake • McHenry • Will
New York	• All counties
New Jersey	• All counties
Puerto Rico	• All areas
United States Virgin Islands	• All areas
Florida—Southern district	• Broward • Indian River • Martin • Miami-Dade • Monroe • Okeechobee • Palm Beach • St. Lucie

Industry Risk

The following table contains industry categories, the types of industries that are included in each of the industry categories, and the level of risk that is associated with the industry.

Industry Risk

Industry Category	Risk Level	Industry Type
Accommodation and Food Services	Moderate	• Bed and Breakfast inns • Hotels and motels • Recreational and vacation camps and parks • Rooming and boarding houses *Casino hotels, restaurants, and drinking establishments are considered high risk.*
Administrative, Support, Waste Management, and Remediation Services	Moderate	• Administrative and support services (for example, employment services) • Court reporting and stenotype services • Exterminating and pest control services • Investigation and security services • Landscaping services • Locksmiths • Materials recovery facilities • Septic tank and related services • Waste collection • Waste treatment and disposal *Travel agencies, auctioneers, and telemarketers are considered high risk.*
Agriculture, Forestry, Fishing, and Hunting	Low	• Animal production • Crop production • Fishing, hunting, and trapping • Forestry and logging • Support activities for agriculture and forestry

Industry Risk (Continued)

Industry Category	Risk Level	Industry Type
Arts, Entertainment, and Recreation	Moderate	• Agents and managers for artists, athletes, entertainers, and other public figures • Amusement and recreation industries (for example, golf courses and country clubs) • Bowling centers • Fitness and recreational sports centers • Marinas • Museums, historical sites, and similar institutions (for example, zoos and botanical gardens) • Performing arts, spectator sports, related industries, and promoters of these industries *Casinos, card clubs, and gaming of any kind are considered high risk.*
Construction	Moderate	• All types of building construction • All types of specialty trade contractors • Heavy and civil engineering construction
Educational Services	Low	• All other schools and instruction • Colleges, universities, and professional schools • Elementary and secondary schools • Junior colleges • Technical and trade schools *Flight training schools are considered high risk*
Finance and Insurance	Moderate	• Commodity contracts, other financial investments, and related activities • Funds, trusts, and other financial vehicles • Insurance carriers and related activities *MBSs (money service businesses), pawnshops, deposit and investment brokers, securities brokers and dealers, investment advisory and investment banking services, and payday and unsecured loans are considered high risk.*

Industry Risk (Continued)

Industry Category	Risk Level	Industry Type	
Health Care and Social Assistance	Low	• Child day care services • Community food and housing • Emergency and other relief services	• Hospitals • Medical laboratories • Outpatient care centers • Residential care facilities
Information	Low	• All other information services • Broadcasting • Data processing services • Internet publishing and broadcasting	• Internet service providers • Motion picture and sound recording industries • Publishing industries • Telecommunications • Web search portals
Management of Companies and Enterprises	Low	• Corporate, subsidiary, and regional managing offices • Offices of bank holding companies	• Offices of other holding companies

Industry Risk (Continued)

Industry Category	Risk Level	Industry Type
Manufacturing	Moderate	• All types of food manufacturing • Apparel manufacturing • Chemical manufacturing • Computer and electronic product manufacturing • Electrical equipment, appliance, and component manufacturing • Fabricated metal product manufacturing • Furniture and related product manufacturing • Machinery manufacturing • Paper manufacturing • Petroleum and coal products manufacturing • Plastics and rubber products manufacturing • Printing and related support activities • Textile mills • Transportation equipment manufacturing • Wood products *Machine parts manufacturers, weapon and ammunition manufacturers, and chemical manufacturers are considered high risk.*
Mining, Quarrying, and Oil and Gas Extraction	Low	• Coal mining and all other metal ore mining • Oil and gas extraction • Support activities for mining
Other Services	Moderate	• All types of repair and maintenance • Personal and laundry services • Private households • Religious, civic, professional, and similar organizations *Car washes, parking garages, trade union activities, nonprofit organizations, not-for-profit organizations, and other charitable organizations are considered high risk.*

Industry Risk (Continued)

Industry Category	Risk Level	Industry Type
Professional, Scientific and Technical Services	Moderate	• Accounting, tax preparation, bookkeeping, and payroll services • Advertising and related services • Architectural, engineering, and related services • Legal services • Management, scientific, and technical consulting services • Specialized design services *Lawyers, title insurance companies, and accountants are considered high risk.*
Public Administration	Moderate	• Administrative offices of other public programs • Executive, legislative, and other general government support • Justice, public order, and safety activities
Real Estate and Rental Leasing	Moderate	• All types of rental and leasing services (for example, vehicles, consumer goods, and commercial and industrial machinery and equipment) • Lessors of real estate property, including residential and nonresidential buildings, mini-warehouses, and self-storage units • Offices of real estate agents and brokers, property managers, and appraisers *Real estate brokerages are considered high risk.*

Industry Risk (Continued)

Industry Category	Risk Level	Industry Type
Retail Trade	High	• Aircraft, boats, and mobile home dealers • Building material, garden and farm equipment, and supply dealers • Direct-selling establishments • Electronics and appliance stores • Food and beverage stores • Furniture and home furnishing stores • Gasoline stations • General merchandise stores and miscellaneous store retailers • Health and personal care stores • Jewel, gem, and precious metal dealers • Leather goods • Motor vehicle and parts dealers • Nonstore retailers (for example, electronic and mail-order houses) • Sporting goods, hobby, book, and music stores • Vending machine operators
Transportation and Warehousing	High	• Air, rail, truck, transit, and ground passenger transportation • All types of warehousing and storage • Couriers and messengers • Pipeline transportation • Postal service • Scenic and sightseeing transportation • Support activities for all types of transportation
Utilities	Low	• All types of electric power generation, transmission, and distribution • Natural gas distribution • Water sewage and other systems
Wholesale Trade	High	• Merchant wholesalers of all types of durable and nondurable goods

Shell and Shelf Companies

A shell corporation or business is formed in a low-tax, low-regulation state and serves as a vehicle for business transactions. A shell corporation does not have any significant assets or operations and is typically sold for its excellent credit rating.

A shelf corporation or business is characterized as a fictitious entity that is created for the sole purpose of committing fraud. They often provide a convenient method for money laundering because they are easy and inexpensive to form and operate. These companies do not typically have a physical presence, although some shelf companies may set up a storefront.

A higher level of scrutiny may be appropriate if the business has any of the following characteristics:

- The business is a trust or an LLC
- The business has no FEIN
- The business was incorporated in a state that has loose incorporation laws
- The business is not reported by any of the following entities:
    - BM—Better Business Bureau (BBB)
    - Y—Yellow pages
    - W—Domain registration
    - GB—Business phone directory
    - GG—Government phone directory
    - UT—Utilities
- If current or historical registered agents are reported, at least one registered agent appears to be at an address that contains an NIS (network information service) protocol or is a business incubator
- The business is a potential aged shelf company