

Suspicious Activity Reports (SARs) Trends for Depository Institutions

2024 vs. 2025

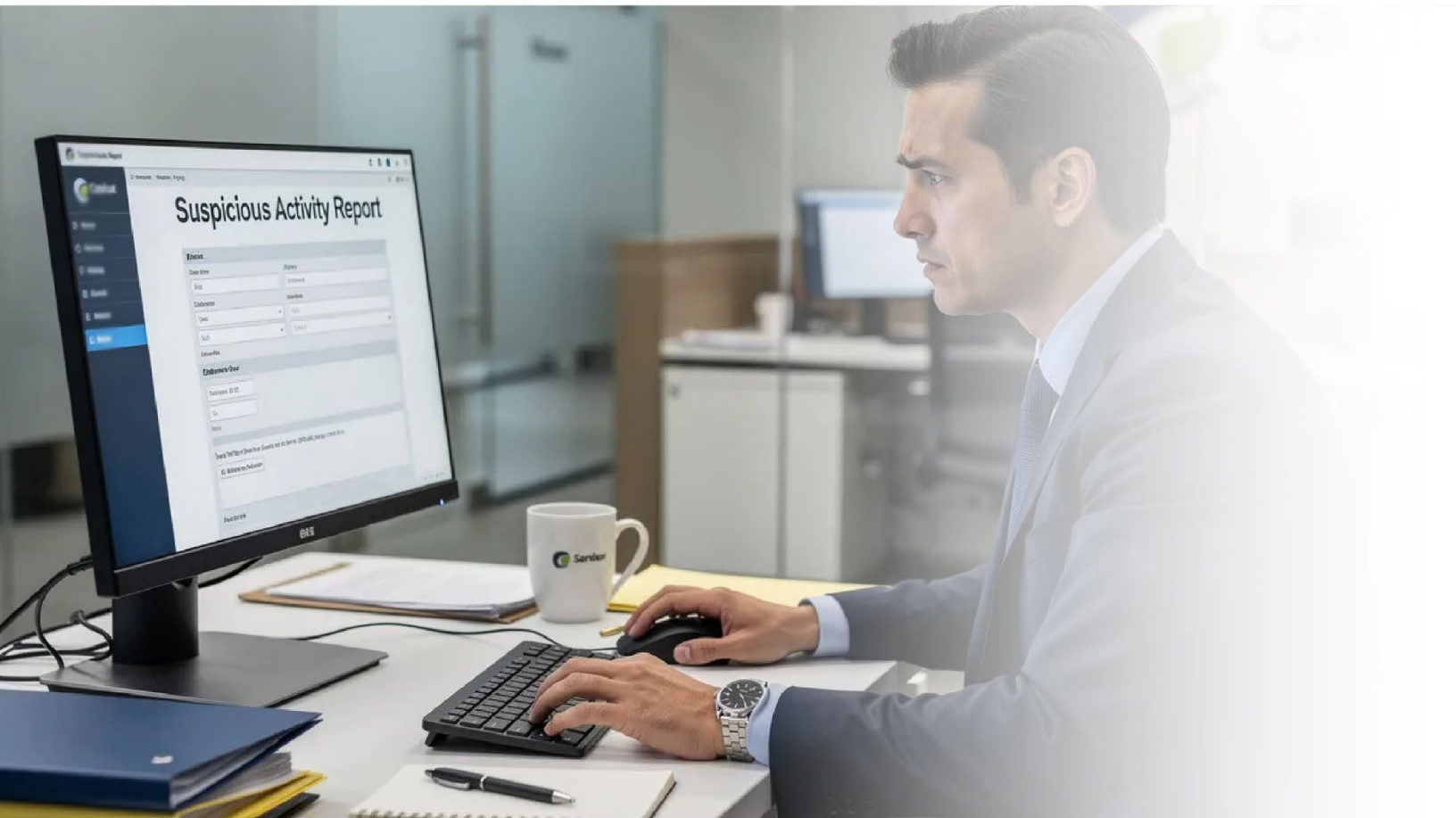


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Summary of SAR Trends: 2024 vs. 2025 for Depository Institutions

OrboGraph completed an analysis of Suspicious Activity Reports (SARs) filed by depository institutions, reported on the FINCEN website for 2024 and 2025 activity. The analysis focused on "Check" and "Other Fraud (Type)" payments related to deposit accounts.

Note: Other Fraud is a catch-all category used to report suspected illegal activities that do not fit into specific, predefined checkboxes (like Mortgage Fraud or Check Fraud). It covers various financial scams and illicit acts, including account takeovers, social engineering, or complex, non-specific fraud schemes, but can involve checks.

Check fraud and Other Fraud were broken into subcategories consisting of:

- Bank/Cashier's Checks, Money Orders, Personal/Business Checks, and Travelers Checks.
- Regulators included FDIC, FRB, IRS, NCUA, OCC, with a new addition of CFTC in 2025.

Overall, total SARs declined from 595,889 in 2024 to 559,911 in 2025, a decrease of 35,978 (about 6%).

Trends by Suspicious Activity:

- Check-Related SARs: These accounted for the bulk of reports, dropping significantly from 481,766 (81% of 2024 total) to 446,216 (80% of 2025 total), a decrease of 35,550 (7.4%).
- Other Fraud (Type) SARs: Reports decreased slightly from 114,123 (19% of 2024) to 113,695 (20% of 2025), down by 428 (0.4%). This stability indicates persistent non-check fraud issues, with minor fluctuations across regulators.

Trends by Regulator:

- OCC: Largest contributor, with checks falling from 334,794 to 305,177 (down 29,617 or 8.8%) and Other Fraud from 92,583 to 91,500 (down 1,083 or 1.2%). OCC drove most of the overall decline.
- FDIC: Checks decreased from 46,215 to 39,825 (down 6,390 or 13.8%), but Other Fraud rose slightly from 7,139 to 7,318 (up 179 or 2.5%).



- FRB: Minimal change in checks (45,346 to 45,230, down 116 or 0.3%), but Other Fraud increased from 4,989 to 5,897 (up 908 or 18.2%), signaling growing non-check concerns.
- NCUA: Checks rose from 55,088 to 55,549 (up 461 or 0.8%), while other fraud fell from 8,893 to 8,420 (down 473 or 5.3%).
- IRS: Small base, but checks increased from 323 to 431 (up 108 or 33.4%), and other fraud from 519 to 560 (up 41 or 7.9%).
- CFTC (New in 2025): Minor addition of 4 check-related reports, all personal/business checks.

Trends by Instrument breakdowns reveal targeted reductions:

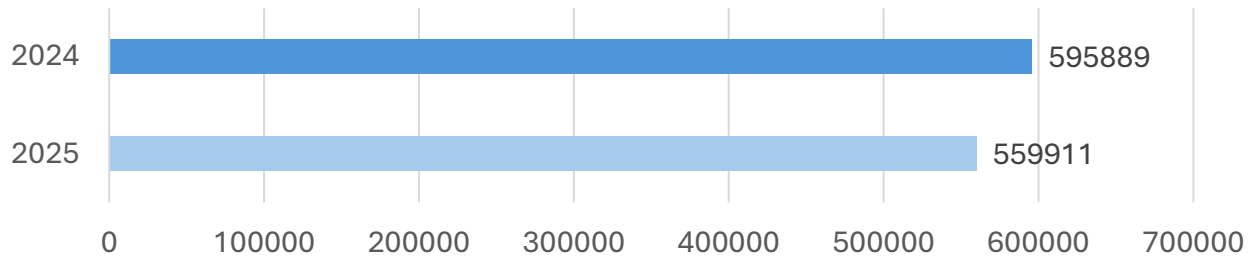
- Personal/Business Checks: Dominant category, declining from 437,919 to 401,064 (down 36,855 or 8.4%), mirroring the overall check trend and possibly tied to digital alternatives.
- Bank/Cashier's Checks: Slight drop from 39,596 to 39,422 (down 174 or 0.4%), showing resilience.
- Money Orders: Decreased from 4,195 to 3,497 (down 698 or 16.6%), possibly due to reduced demand and better controls.
- Travelers Checks: Minimal and declining from 56 to 33 (down 23 or 41.1%), reflecting obsolescence.

For Other Fraud, similar patterns held, with personal/business checks still leading but showing mixed changes (e.g., up in FDIC/FRB, down in OCC/NCUA).

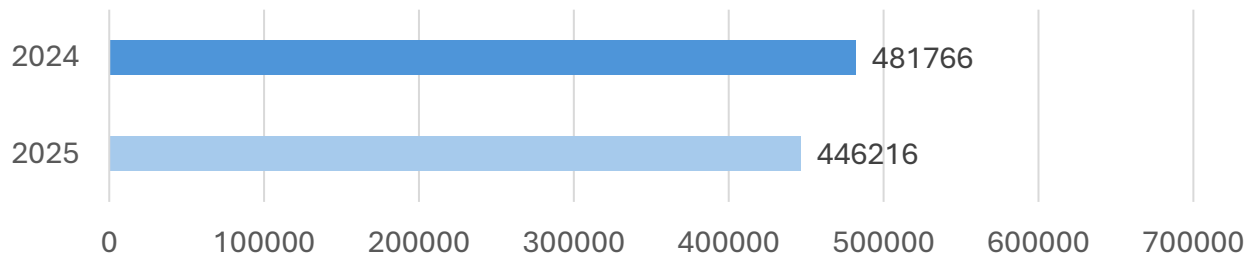
Trends Visualization Charts

Below are charts visualizing the key trends from 2024 to 2025 based on the SAR data analysis. This highlights year-over-year changes in total SARs, by activity type, regulator, and instrument.

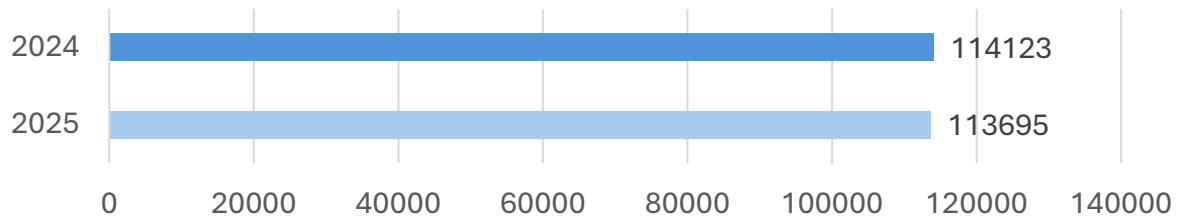
Total SARs Trends



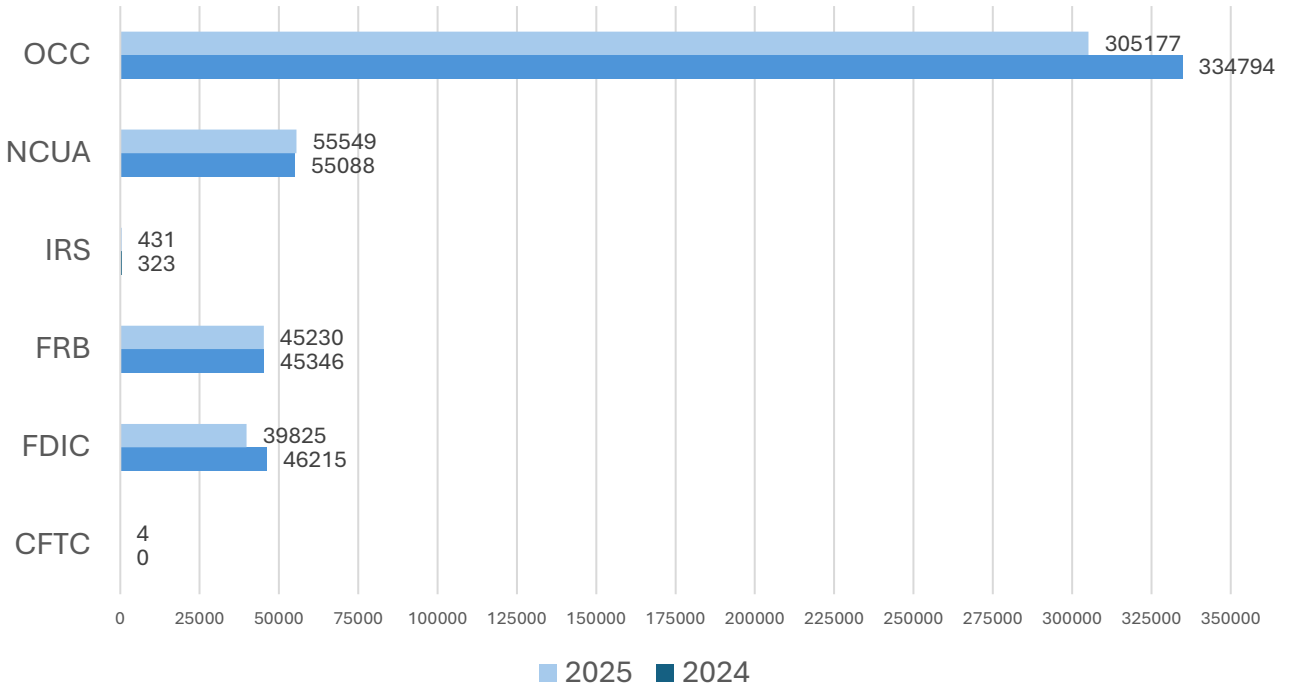
Check SARs Trends



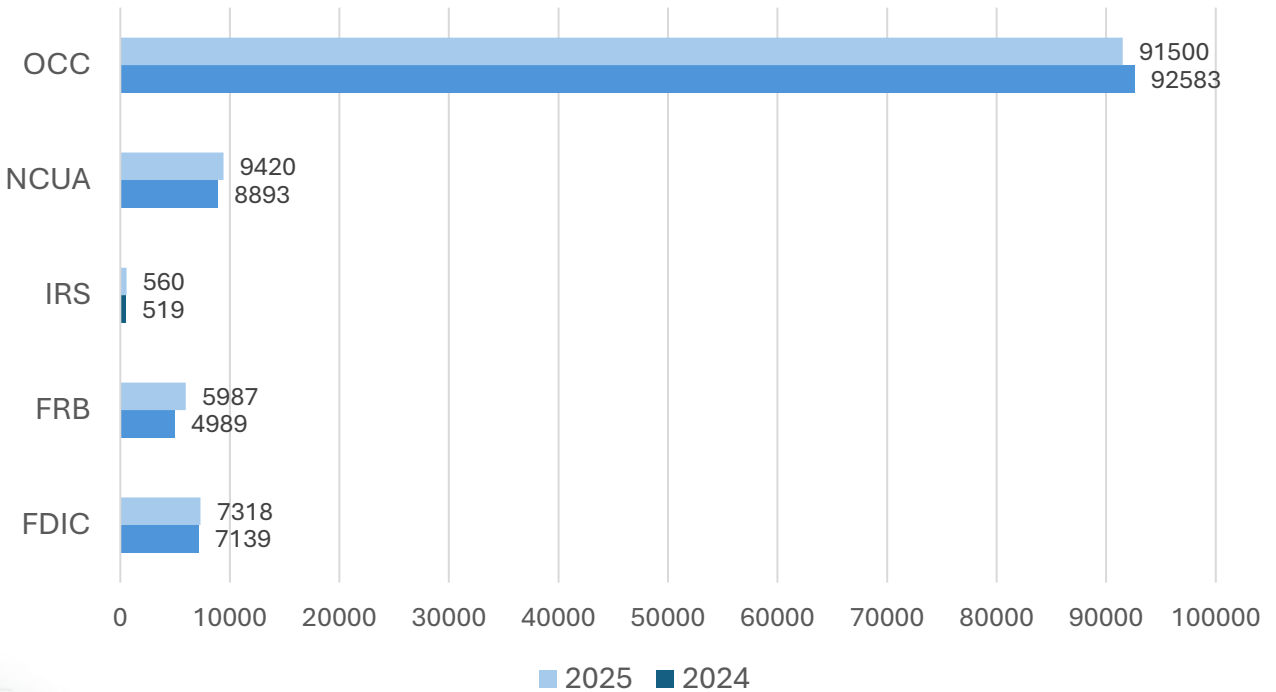
Other Fraud SARs Trends



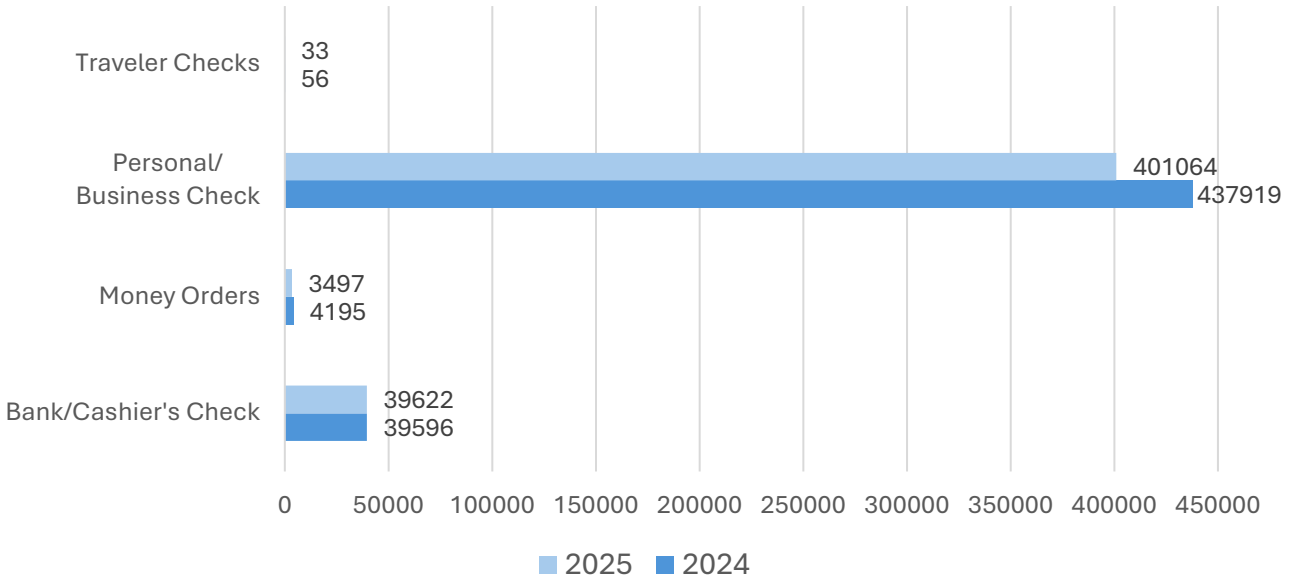
Check SARs by Regulator



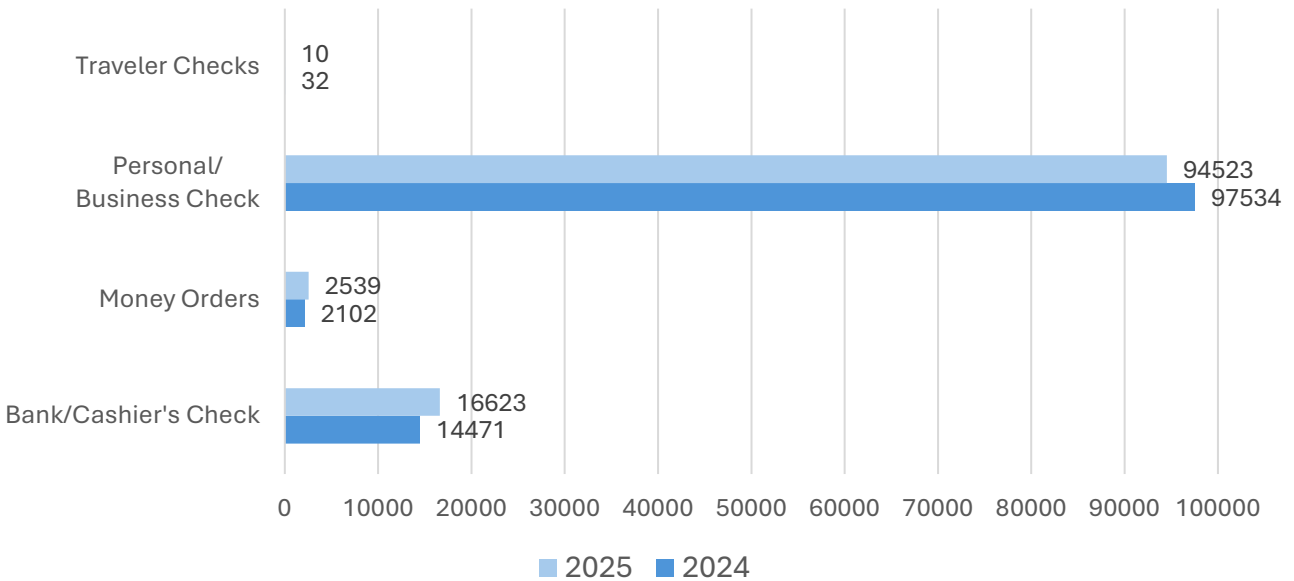
Other Fraud SARs by Regulator



Check SARs by Instrument



Other SARs by Instrument



What Is Influencing a SAR Reduction?

- The slight downward SAR trends seem to be diverging from increased check fraud attempts. Below are several questions which warrant further research: In October 2025, FinCEN and federal regulators issued FAQs clarifying SAR requirements to reduce burdens while maintaining effectiveness. (See Appendix A) Did this have any influence on the overall total of SARs filed? According to the monthly totals (not shown), the percentage decline was nominal.
- Feedback and survey data from financial institutions indicate many find the number of check fraud attempts is still increasing, although at a slower rate than previous years. Many FI's indicate that they will be investing in improvements in deposit fraud technologies for 2026. Did these modernization efforts discourage fraudsters involving checks?
- Are financial institutions more selective on SAR reporting due to banking technologies or relaxed regulatory influence?
- Are financial institutions more commonly disassociating typical check fraud attempts/events with SARs?
- Note that other upticks in Other Fraud for some regulators (e.g., FRB) suggest evolving threats like digital scams.
- Institutions under OCC and FDIC should prioritize check fraud mitigation, while monitoring non-check risks.
- And lastly, does a maturing check ecosystem with lower instrument usage impact SAR reporting, as total SARs were down 6% year-over-year.



APPENDIX A

What are Suspicious Activity Reports (SARs)?

Suspicious Activity Reports (SARs) are confidential documents filed by financial institutions in the United States to report transactions or activities that may indicate potential violations of law, such as money laundering, terrorist financing, fraud, or other financial crimes. They form a cornerstone of the Bank Secrecy Act (BSA) reporting system, helping law enforcement and regulatory agencies combat illicit activities by providing critical financial intelligence.

SARs are not accusations of wrongdoing but rather alerts based on reasonable suspicion.

Who is Required to File SARs?

Under federal regulations, a wide range of financial institutions must file SARs, including:

- Banks and bank holding companies (supervised by regulators like the Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and National Credit Union Administration (NCUA).
- Other entities such as credit unions, broker-dealers, money services businesses, casinos, and, starting in 2025, registered investment advisers (RIAs).

Directors, officers, employees, and agents of these institutions are protected by a "safe harbor" provision, which shields them from civil liability for filing SARs in good faith, even if the report includes supporting documentation or is voluntary for activities below thresholds.



When Must SARs Be Filed?

Institutions are required to file a SAR if they know, suspect, or have reason to suspect that a transaction:

- Involves funds derived from illegal activities.
- Is designed to evade BSA requirements (e.g., structuring deposits to avoid Currency Transaction Reports (CTRs) for amounts over \$10,000).
- Has no apparent lawful purpose or is inconsistent with the customer's known behavior.
- Aggregates to at least \$5,000 in funds or assets (or \$2,000 for money services businesses in some cases).

Not every large or unusual transaction triggers a SAR—only those with indicia of suspicion. For example, transactions near the \$10,000 CTR threshold do not automatically require a SAR unless there's evidence of evasion intent.

Continuing suspicious activity should be reviewed every 90-120 days, with follow-up SARs filed if the activity persists.

Filing Timeline and Process

- **Detection and Filing:** A SAR must be filed no later than 30 calendar days after the initial detection of suspicious facts. If no suspect is identified, this can extend to 60 days.

Failure to comply can result in supervisory actions, fines, or criminal penalties.

Updates and Guidance (as of 2025)

In October 2025, FinCEN and federal regulators issued FAQs clarifying SAR requirements to reduce burdens while maintaining effectiveness. Key points include:

- No need to file SARs solely based on transaction amounts near thresholds without suspicion of evasion.
- Flexibility in structuring SARs for continuing activity (e.g., no mandatory 90-day reviews if activity ceases).
- Elimination of requirements to document non-filing decisions, allowing institutions to focus on high-value reports.

