



**FIRST AMERICAN TITLE INSURANCE COMPANY**

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Date: September 3, 2002 **Underwriting Bulletin No. GA-87**

To: All Agents of First American Title Insurance Company and Attorney's Title  
Guaranty Fund

Subject: **USA Patriot Act and FinCEN**

Attached is a copy of the First American Home Office National Bulletin 130 regarding the above subject matter. Please distribute to all appropriate personnel in your office.

Please contact the Underwriting Department at the Georgia State Office at 800-328-2642 or 404-250-1604 if you have any questions.

Home Office Underwriting Department

<b>Case No:</b>	HONA 130	<b>Filed:</b>	09-03-2002
<b>Name:</b>	USA Patriot Act and FinCEN		
<b>Written By:</b>	Anne Nelson Lanphar, Esq.		

After the September 11th terrorist attacks, Congress enacted the USA Patriot Act (“Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001”) which became effective January 1, 2002. The USA Patriot Act imposes many requirements on our business including the obligation to report certain cash transactions to the Department of Treasury’s Financial Crimes Enforcement Network (FinCEN).<sup>1</sup> Also Executive Order 13224 blocks property and **prohibits** transactions with persons or entities on the list of “Specially Designated Nationals and Blocked Persons” (SDN List) published by the Office of Foreign Assets Control (OFAC) which is a division of the US Treasury Department.

**FinCEN CASH REPORTING REQUIREMENTS**

Fortunately, the new FinCEN cash reporting requirements are virtually identical to the existing IRS cash reporting requirements. To simplify this dual reporting requirement for businesses, IRS Form 8300 has been revised and is now a *joint* IRS/FinCEN Form 8300. The joint IRS/FinCEN Form 8300 must be filed within 15 days of a reportable event but *only* with the IRS at:

Internal Revenue Service  
Detroit Computing Center  
P.O. Box 32621  
Detroit, MI 48232

The IRS will make the information available to FinCEN. Businesses do not need to file the Form 8300 directly with FinCEN. Attached to this Bulletin is the revised joint IRS/FinCEN Form 8300. This joint IRS/FinCEN Form 8300 has been incorporated into the FAST system. If your office is not currently using FAST, please have your system modified to incorporate this revised form. Attached to this Bulletin is a summary of the cash reporting obligations under the law. The law extends beyond the simple receipt of actual cash. Please review the attached summary as *failure to comply with the cash reporting requirements may result in civil and criminal penalties not just to the company but also the actual recipient (i.e. the employee).*

**PROHIBITED TRANSACTIONS – EXECUTIVE ORDER 13224**

The legal obligation to compare names of transaction participants against the names of known terrorist and terrorist organizations on the SDN List and to report same to via a “Suspicious Activity Report” (SAR) has existed for sometime. (SARs should be filed with the same manner as the Form 8300.) OFAC regularly updates the SDN List. Executive Order 13224 issued

September 21, 2001, is applicable to all businesses and any transactions involving any persons on the SDN List. Executive Order 13224 is not just a reporting obligation. If someone on the SDA List is involved in a transaction and that information becomes known *prior to accepting the transaction*, the transaction must be rejected. Once a transaction has commenced and the information becomes known, any assets in the transaction must be blocked – ***the transaction cannot be completed***. Once rejected or blocked, a “Report of Blocked Transaction” or a “Report of Rejected Transaction” must be filed with OFAC.

However, prior to rejecting a transaction or blocking assets because the name of a party in the transaction appears on the SDN List, ***please call*** the OFAC Hotline at (202) 622-2490 to confirm that the person or entity is the one identified on the SDN.

First American has created a searchable database to make compliance easier. The database is updated on a regular basis from OFAC information. For direct operations, the database can be found on ***First American Central*** (<https://www.firstam.net>) under “Reference” – “Frozen Assets/Terrorist Search.” First American agents have access to this searchable database on ***EagleCentral*** (<http://www.eaglecentral.com>) under “Underwriting Resources” - “Frozen Assets/Terrorist Search.” The applicable reporting forms and directions are also set forth on the website. If you do not have internet access please contact Cherie Long at the Georgia State office at 800-328-2642 or 404-250-1604 for copies of these attachments.

FinCEN Hotline is: (866) 556-3974. OFAC Hotline is: (202) 622-2490

**Attachments:**

Joint IRS/FinCEN Form 8300  
Report of Blocked Transaction  
Summary of Cash Reporting Obligations  
Report of Rejected Transaction  
Suspicious Activity Report

1. **Please note:** As of the date of this Bulletin, the Treasury Dept has temporarily exempted “persons involved in real estate closings and settlements” and “insurance companies” from regulations applicable to Section 352 of USA Patriot Act (the anti-laundering provisions). This exemption does not extend to the cash reporting requirements contained in Section 365.