

**Alert | Health Emergency Preparedness Task Force:  
Coronavirus Disease 2019**



May 20, 2020

## **FinCEN Publishes Advisory on Medical Scams Related to COVID-19 and Companion Notice with Filing Instructions for Financial Institutions**

On May 18, 2020, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) published an [advisory](#) to alert financial institutions to rising medical scams related to the Coronavirus Disease 2019 (COVID-19) pandemic, and a [notice](#) with detailed instructions for filing COVID-19 related suspicious activity reports. The advisory contains descriptions of COVID-19-related medical scams, case studies, red flags, and information on reporting suspicious activity. FinCEN has expressed that it intends to issue additional guidance concerning financial crimes related to the COVID-19 pandemic to help financial institutions detect, prevent, and report suspected illicit activity.

FinCEN reminds financial institutions that the reporting of suspicious activity, together with effective implementation of due diligence requirements, is critical to identifying possible financial crimes. Financial institutions should provide all pertinent available information in the Suspicious Activity Report (SAR) form and narrative, and adhere to the following filing instructions to assist FinCEN and law enforcement in effectively identifying and pulling actionable SARs and information to support COVID-19-related cases:

- Include a reference to the advisory in SAR field 2 (Filing Institution Note to FinCEN) by adding “COVID19 FIN-2020-A002” and indicate in the SAR narrative a connection between the suspicious activity being reported and the activities highlighted in the advisory.
- Select SAR field 34(z) (Fraud - other) as the associated suspicious activity type to indicate a connection between the suspicious activity being reported and COVID-19. Financial institutions should include the type of fraud and/or name of the scam or product in SAR field 34(z).
- Include a reference to COVID-19 in the SAR narrative *only if* the suspicious activity reported is specifically related to COVID-19 (the SAR narrative should not discuss the financial institution’s SAR filing challenges during the pandemic).

FinCEN also reminds financial institutions that there are a variety of U.S. government agencies positioned to assist in investigating and combating COVID-19-related criminal activity and that, in addition to a SAR filing, financial institutions should consider reporting: (i) COVID-19-related fraud schemes to the U.S. Department of Justice, (ii) cyber-and Internet-related crime to the Federal Bureau of Investigation, (iii) identity theft and fraud to the Federal Trade Commission and Social Security Administration, and (iv) fraud involving payment of federal taxes to the U.S. Treasury Inspector General for Tax Administration. FinCEN also encourages financial institutions to share information under the safe harbor authorized by section 314(b) of the USA PATRIOT Act, and stresses that information sharing is critical to identifying, reporting, and preventing evolving fraud schemes, including those related to COVID-19.

Financial institutions should consider enhancing their anti-money laundering monitoring systems to incorporate the red flags identified in the advisory as well as other published guidance discussing COVID-19-related schemes (see, for example, [FBI guidance issued on April 6, 2020](#), regarding money mule schemes exploiting the COVID-19 pandemic). Financial institutions should be prepared to continuously update their monitoring systems as new COVID-19-related schemes and red flags are identified by regulators and law enforcement.

For more information and updates on the developing COVID-19 situation, visit [GT’s Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#).

## Authors

This GT Alert was prepared by:

- [Carl A. Fornaris](#) | +1 305.579.0626 | [fornarisc@gtlaw.com](mailto:fornarisc@gtlaw.com)
- [Kyle R. Freeny](#) ‡ | +1 202.331.3118 | [freenyk@gtlaw.com](mailto:freenyk@gtlaw.com)
- [Marina Olman-Pal](#) | +1 305.579.0779 | [olmanm@gtlaw.com](mailto:olmanm@gtlaw.com)
- [Emily M. Wassermann](#) | +1 305.579.0799 | [wassermanne@gtlaw.com](mailto:wassermanne@gtlaw.com)

‡ *Admitted in California. Practice in the District of Columbia limited to matters and proceedings before Federal courts and Agencies.*

Albany. Amsterdam. Atlanta. Austin. Boca Raton. Boston. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Germany. † Houston. Las Vegas. London.\* Los Angeles. Mexico City.+ Miami. Milan.\* Minneapolis. Nashville. New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Sacramento. San Francisco. Seoul.∞ Shanghai. Silicon Valley. Tallahassee. Tampa. Tel Aviv.^ Tokyo.\* Warsaw.^ Washington, D.C.. West Palm Beach. Westchester County.

*This Greenberg Traurig Alert is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ↯Greenberg Traurig's Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. \*Operates as a separate UK registered legal entity. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig's Milan office is operated by Greenberg Traurig Santa Maria, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. †Greenberg Traurig Tokyo Law Offices are operated by GT Tokyo Horitsu Jimusho, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ~Greenberg Traurig's Warsaw office is operated by Greenberg Traurig Grzesiak sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in Greenberg Traurig Grzesiak sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2020 Greenberg Traurig, LLP. All rights reserved.*