

## RED FLAG INDICATORS FOR PAWNBROKERS

### General

- i. Pawner admits or makes statements about involvement in criminal activities.
- ii. Pawner does not want correspondence sent to home address.
- iii. Pawner is accompanied and watched.
- iv. Pawner shows uncommon curiosity about internal systems, controls and policies.
- v. Pawner presents confusing details about the loan or knows few details about its purpose.
- vi. Pawner over justifies or explains the loan.
- vii. Pawner gives conflicting accounts as regards the purpose of the loan.
- viii. Pawner's home or business telephone number has been disconnected or there is no such number when an attempt is made to contact pawner shortly after transaction was made.
- ix. Normal attempts to verify the background of a new or prospective pawner are difficult.
- x. Pawner appears to be acting on behalf of a third party, but does not tell you.
- xi. Pawner insists that a transaction be done quickly and that the identification and verification processes be done away with.
- xii. The transaction does not appear to make sense or is out of keeping with usual or expected activity for the pawner.
- xiii. Pawner attempts to develop close rapport with staff yet appears to hide his true intentions.
- xiv. Pawner spells his or her name differently from one loan to another.
- xv. Pawner provides false information or information that you believe is untrue.
- xvi. You are aware that the pawner is the subject of a money laundering or terrorist financing investigation.
- xvii. You are aware or you become aware, from a reliable source (that can include media or other open sources), that a pawner is suspected of being involved in illegal activity.

- xviii. There is adverse information concerning the pawner where he is listed on the UNSCR lists (terrorist, pirates, genocide), sanctions list or the customer appeared in media articles indicating his investigation, arrest, prosecution or conviction;
- xix. A new or prospective pawner is known to you as having a questionable reputation or criminal background.

#### **Knowledge of reporting or record keeping requirements**

- i. Pawner attempts to convince employee not to complete any documentation or verification required for the transaction.
- ii. Pawner makes inquiries that would indicate a desire to avoid reporting.
- iii. Pawner has unusual knowledge of the law in relation to suspicious transaction reporting.
- iv. Pawner seems very conversant with money laundering or terrorist activity financing issues.
- v. Pawner is quick to volunteer that repayment funds are “clean” or “not being laundered.”
- vi. Pawner appears to be structuring amounts to avoid record keeping, client identification or reporting thresholds.

#### **Identity documents**

- i. Pawner provides doubtful or vague documents.
- ii. Pawner does not resemble the photograph in his personal document
- iii. Pawner produces seemingly false identification or identification that appears to be counterfeited, altered or inaccurate.
- iv. Pawner refuses to produce personal identification documents.
- v. Pawner only submits copies of personal identification documents and is not able to produce the originals.
- vi. Pawner expects the staff to establish identity using something other than his or her personal identification documents.
- vii. All identification presented is foreign or cannot be checked for some reason.
- viii. All identification documents presented appear new or have recent issue dates.
- ix. Pawner presents different identification documents at different times.

- x. Pawner's residential address does not correspond with domicile or employment status.

**Cash transactions**

- i. Pawner starts taking frequent loans in large amounts when this has not been a normal activity for the pawner in the past.
- ii. Pawner makes multiple pledges in close successions for an aggregated loan of a substantial value, redeeming the pledges way before the due date and unable to provide a reasonable explanation on the source of funds used for repayment (such a behaviour, if repetitive, may attract a higher suspicion).
- iii. Pawner uses notes in denominations to make repayments that are unusual for the pawner (ie repayment in notes of SGD \$1,000 or \$10000).
- iv. Pawner presents notes that are packed or wrapped in a way that is uncommon for the pawner.
- v. Pawner consistently applies for loans that are just under the reporting threshold amount in an apparent attempt to avoid the reporting threshold.
- vi. Pawner consistently applies for loans that are significantly below the reporting threshold amount in an apparent attempt to avoid triggering the relatively rigorous identification/verification reporting requirements.
- vii. Pawner presents significant excessive funds for repayment without bothering to count them, which suggests that the source is doubtful.
- viii. Pawner applies for a loan of an amount that is unusual compared with amounts of past transactions.