Structuring is the practice of breaking up cash transactions or arranging them through people or accounts to evade a financial institution's required reporting. "Smurfing" is a common term for a version of the practice in which several people make transactions—often at different locations or institutions—to conceal the activity's scale or connection to one person. The terms often describe the same general conduct, though "smurfing" is informal and can be used more broadly.

Structuring can be a lexinter.net federal crime and a violation of the Bank Secrecy Act (BSA). But a deposit below a reporting threshold is not automatically illegal. The circumstances, purpose, pattern, and evidence matter. This guide explains what the terms mean, how BSA reporting works, what conduct may be reportable, and how to prepare a useful tip for the Financial Crimes Enforcement Network (FinCEN).

What Is Structuring?

U.S. financial institutions generally must file a Currency Transaction Report (CTR) for cash transactions involving more than $10,000 in a single business day. Institutions may aggregate qualifying cash transactions by or on behalf of the same person during that day. Structuring involves conducting or attempting to conduct transactions in a way intended to evade a reporting requirement.

For example, a person who has a large amount of cash might make several smaller cash deposits rather than one deposit that would trigger a CTR. The key issue is not simply that the deposits are below a threshold. It is whether the person deliberately arranged transactions to evade a required report. A pattern, statements about reporting, or instructions to others may be relevant, but no single fact necessarily proves a violation.

Smurfing definition

The smurfing definition commonly refers to using multiple people—sometimes called "smurfs"—to make smaller transactions on behalf of one person or group. The transactions may be spread across accounts, branches, or institutions. That arrangement can make the activity harder to connect or recognize, but the label itself is not a legal conclusion. Investigators and courts look at conduct and evidence, not just terminology.

Structuring is sometimes associated with money laundering methods, because moving funds in smaller amounts may help conceal their source, ownership, or destination. But structuring and money laundering are distinct concepts. A structuring offense can involve funds that are not proven to be proceeds of another crime. Conversely, suspicious activity may involve suspected money laundering without evidence of structuring.



Is Structuring a BSA Violation?

Potentially. Federal law prohibits structuring transactions for the purpose of evading certain BSA reporting requirements. Depending on the facts, structuring can lead to criminal penalties, including fines and imprisonment. Attempts to structure may also be prohibited. The applicable statute and outcome depend on the evidence and the specific conduct.

It is important to distinguish a legal threshold from a safe harbor. Making a cash transaction below $10,000 is not automatically unlawful, and people may have legitimate reasons to make several deposits or withdrawals. But deliberately dividing transactions to avoid reporting can be unlawful even if each individual transaction falls below the threshold. A person should not try to “stay under” a reporting amount as a way to avoid scrutiny or reporting.

Nor does every unusual transaction establish a violation. A pattern may have an innocent explanation, and an institution’s report is not proof of a crime. A lawyer can assess the facts and provide advice about a particular situation.

What Is FinCEN and What Does It Do?

FinCEN is the U.S. Department of the Treasury bureau responsible for administering key parts of the BSA. It collects and analyzes financial data, including reports from financial institutions, and provides financial intelligence to law enforcement and other authorized agencies. It also issues regulations and guidance related to financial transparency and anti-money laundering obligations.

FinCEN is not a court and does not decide whether a particular person is guilty. Its work supports the broader effort to identify and investigate financial crime. Reports submitted to FinCEN may help analysts or investigators connect activity across accounts, institutions, or jurisdictions.

BSA and SAR Reporting Basics

The BSA is a set of laws and regulations intended to help detect and prevent money laundering and other financial crimes. Among other obligations, covered financial institutions must maintain certain records,

implement compliance programs, and file required reports.

Report or record General purpose Important qualification Currency Transaction Report (CTR) Reports qualifying cash transactions over the applicable threshold, generally more than $10,000 in a business day. Institutions may have to aggregate related transactions. The threshold does not make smaller transactions automatically unlawful. Suspicious Activity Report (SAR) Alerts FinCEN to activity that a covered institution knows, suspects, or has reason to suspect may involve illegal activity or evasion of BSA requirements. Filing rules and thresholds depend on the type of institution and the circumstances. A SAR is not an accusation proven in court.

Financial institutions decide whether activity meets the rules for a SAR and file it with FinCEN when required. SARs are generally confidential; institutions ordinarily cannot disclose a SAR or the fact that one was filed to the person involved. A SAR filing does not mean law enforcement will open an investigation, and it does not establish that a crime occurred.

Members of the public do not file a bank's SAR on its behalf. Someone with relevant information can contact appropriate authorities or use FinCEN's whistleblower process where eligible. Do not assume that submitting a tip creates the same record or protections as a regulated institution's SAR.

Reportable Violations and Examples

Potentially reportable conduct depends on the facts and the reporting rules that apply. Examples of activity that may warrant review include:

- Repeated cash transactions apparently divided to evade a CTR or another reporting requirement.
- Several people making deposits that appear coordinated and linked to a common owner or recipient.
- Instructions to employees or others to keep transactions below a reporting amount or to avoid creating records.
- Transactions inconsistent with a customer's stated business or known activity, especially when paired with concealment or misleading explanations.
- Attempts to persuade a financial institution not to file a required report or to omit material information.

These are examples, not a checklist that proves wrongdoing. A person may make frequent cash deposits for a legitimate business. Multiple people may share expenses or manage funds for a lawful organization. The relevant questions include who controlled the funds, whether transactions were coordinated, what was said or written, and whether there is evidence of an intent to avoid reporting.

"Avoid reporting requirements" is a useful phrase for describing a suspected purpose, but it should not be used as a conclusion without supporting facts. In a report, describe what happened and why it raises concern rather than declaring that a named person committed a crime.

Preparing a High-Quality Tip

A useful tip is specific, organized, and careful about the difference between direct knowledge and inference. It should help a reviewer understand the conduct without exaggerating what the evidence shows.

1. **Describe the activity clearly.**

   Include approximate dates, locations, transaction types, institutions if known, people or businesses involved, and the pattern that concerned you. Explain why you believe transactions may be connected.

Avoid guessing at amounts or dates when you do not know them.

2. **Separate what you saw from what you heard.**

   State whether you personally observed a transaction, reviewed a record, heard a statement directly, or learned the information from someone else. Identify hearsay as hearsay. For example: “I reviewed the dated ledger” is different from “A coworker told me the deposits were coordinated.”

3. **Explain the suspected reporting issue.**

   Describe the facts that suggest a deliberate effort to evade reporting, such as repeated transaction splitting or explicit instructions. Do not treat a below-threshold transaction, by itself, as proof of structuring or money laundering.

4. **Organize supporting material.**

   Prepare a concise chronology and identify records that may support the account. Keep original files intact when possible, note where they came from, and do not alter records. Keep a paper trail: record when you collected each item, where it is stored, and who has access to it.

5. **Protect sensitive information.**

   Before sending bank records, customer data, internal documents, or personal information, review the submission channel’s instructions and consider whether you are authorized to share the material. Limit access to people who need it. Do not obtain records through unauthorized access or take information you are not permitted to access. Keep a paper trail of what you submitted, when, and through which channel.

6. **Use the appropriate channel and get advice when needed.**

   FinCEN provides information about its whistleblower program at fincen.gov/whistleblower-program. Review the current eligibility requirements, submission instructions, and confidentiality information before filing. A whistleblower submission is not a guarantee of an award, investigation, or particular outcome. If you are an employee, a lawyer experienced in whistleblower matters can help you consider legal protections and safe handling of records.

For professionals seeking background on anti-money laundering concepts, reporting obligations, and financial-crime compliance, ACAMS offers training resources at acams.org. Training can help with general understanding; it does not replace legal advice about a specific case.

What to Avoid When Reporting

- Do not claim that a person is guilty based solely on a transaction pattern.
- Do not confront a suspected subject or disclose confidential SAR information.
- Do not alter, remove, or circulate sensitive records more widely than necessary.
- Do not assume an agency has received or acted on a submission unless it confirms that through an appropriate channel.

Stick to verifiable details, identify uncertainty, and preserve relevant records lawfully. If you are a financial institution employee, follow your institution’s compliance procedures and applicable confidentiality rules. If you are a potential whistleblower, consider independent legal advice before sharing protected or sensitive material.



The Bottom Line

Structuring means arranging transactions with the purpose of evading a required financial report; smurfing commonly describes using multiple people to carry out that kind of activity. Both can be associated with money laundering methods, but neither label alone proves a crime. Structuring below thresholds is not automatically illegal—intent and context matter—and a SAR is a financial institution's confidential report, not a verdict.

A strong tip gives a clear chronology, distinguishes direct observations from information heard from others, explains the basis for concern, and handles sensitive records responsibly. Use FinCEN's whistleblower program page for current program guidance, and keep a paper trail of your records and submissions.