

NEWSROOM

Press Releases

[Speeches & Statements](#)

[Meetings & Events](#)

[SEC Videos](#)

[Social Media Directory](#)

[What's New](#)

[Home](#) / [Newsroom](#) / [Press Releases](#) / SEC Charges OTC Link LLC with Failing to File Suspicious Activity Reports

PRESS RELEASE

[Copy Link](#)

SEC Charges OTC Link LLC with Failing to File Suspicious Activity Reports

FOR IMMEDIATE RELEASE | 2024-96

Washington D.C., Aug. 12, 2024 — The Securities and Exchange Commission today announced charges against OTC Link LLC, a New York-based broker-dealer, for failing to file numerous reports of suspicious financial transactions, known as Suspicious Activity Reports (SARs), for a period of more than three years. OTC Link agreed to pay \$1.19 million to settle the charges.

To help detect potential securities law and money-laundering violations, broker-dealers like OTC Link are required to file SARs describing suspicious transactions conducted through their firms. According to the SEC's order, OTC Link's sole line of business is its operation of three alternative trading system (ATS) platforms, OTC Link ATS, OTC Link ECN, and OTC Link NQB. The three OTC Link ATSs are used by broker-dealers on a daily basis to execute or facilitate tens of thousands of transactions in over-the-counter (OTC) securities, many of which are considered microcap or penny stock securities.

The SEC's order finds that, from March 2020 through May 2023, OTC Link failed to adopt or implement reasonably designed anti-money laundering (AML) policies and procedures to surveil transactions conducted through its ATSs for possible red flags of suspicious activity. As a result, OTC Link did not file a single SAR over this time period.

"Broker-dealers are critical gatekeepers to the securities markets and must diligently monitor for suspicious transactions," said Tejal D. Shah, Associate Regional Director of the SEC's New York Regional Office. "When firms like OTC Link fail to file SARs, they deprive regulators and law enforcement of important information about suspicious activity."

The SEC's order finds that OTC Link violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-8 thereunder. Without admitting or denying the SEC's findings, OTC Link agreed to a censure and a cease-and-desist order in addition to the \$1.19 million penalty. The SEC's order also directs OTC Link to continue its engagement of a compliance consultant to review and recommend changes to the firm's AML policies and procedures.

The SEC's investigation was conducted by William Conway and Sandeep Satwalekar under the supervision of Ms. Shah of the SEC's New York Regional Office, with assistance from the SEC's Bank Secrecy Act Review Group and Alexander Lefferts in the SEC's Office of Investigative and Market Analytics. The examination that led to the investigation was conducted by Edward Janowsky, Hermann Vargas, and Steve Vitulano of the SEC's Division of Examinations.

###

Last Reviewed or Updated: Aug. 12, 2024

RESOURCES

- [SEC Order](#)

[Return to top](#)

About the SEC

[Budget & Performance](#)

[Careers](#)

[Commission Votes](#)

[Contact](#)

[Contracts](#)

Transparency

[Accessibility & Disability](#)

[Diversity, Equity, Inclusion, & Accessibility](#)

[FOIA](#)

[Inspector General](#)

[No FEAR Act & EEO Data](#)

[Ombuds](#)

Websites

[Investor.gov](#)

[Related Sites](#)

[USA.gov](#)

Site Information

[Plain Writing](#)

[Privacy & Security](#)

[Site Map](#)

Stay connected. Sign up for email updates.

Your email address

SIGN UP