

## **Retail Store Owner Sentenced for Unlicensed Hawala Operation**

A retail store owner, who operated an unlicensed hawala (a form of an informal value transfer system), was sentenced to multiple months in prison and several years' probation. The defendant pled guilty to failure to register as a money services business as required by FinCEN and to filing a false tax return in connection with his failure to disclose his ownership of a foreign bank account. The defendant also agreed to forfeit several hundred thousand dollars in commissions and fees charged for the transfers.

The defendant operated a multi-million dollar money transfer business, which, at its peak, was transferring more than half a million dollars to a Middle Eastern country, out of the defendant's store. By the defendant's own admission, the individual transferred over \$10 million to a Middle Eastern country through his hawala for over a year. The defendant did not have a state license and did not register with FinCEN. This investigation was initiated based on the filing of a Suspicious Activity Report.

(Source: Internal Revenue Service-Criminal Investigation)

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