

## **SAR Filings Lead to Discovery of Major Investment Scam**

SARs filed by banks on an officer of an Indiana financial services company led to the discovery and dismantling of a scam that defrauded investors out of an estimated \$35-40 million. The SARs were filed after the banks detected the officer was structuring cash withdrawals to avoid Currency Transaction Report (CTR) reporting requirements. Based on the information contained on the SARs, the IRS-CI and FBI initiated a joint investigation.

The investment company took in over \$60 million from unsuspecting investors. Most of the funds were not invested, but were diverted to officers of the financial services company for their personal use. Many of the victims were elderly and lost much of their savings.

A vice president of the financial services company, who was involved in the scheme, entered into a plea agreement in which he admitted committing mail fraud and money laundering violations. He was sentenced to 71 months in prison. Four additional individuals were also indicted on mail fraud and money laundering charges and are awaiting sentencing or trial.

(Source: IRS/Criminal Investigation)

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