

SAR Leads to Convictions of Members of Computer Chip Theft Ring

A New Hampshire bank filed a SAR on a group of individuals who were cashing numerous checks from a local salvage company for amounts under \$10,000. Based on this SAR, an investigation was initiated by IRS-CI. During the course of the investigation, it was discovered that the men cashing the checks were working with an individual who was stealing computer memory chips from his employer, a major computer manufacturer. The men would then take the chips, sell them to a salvage company, and cash the checks from the salvage company, splitting up the proceeds. The owner of the salvage company assisted the men by writing multiple checks to insure that the amounts were under \$10,000. Over the course of approximately 18-24 months, the men sold over \$800,000 in stolen memory chips, none of which was reported by any of the men on their tax returns.

As a result of the investigation, four of the men involved pled guilty to charges including conspiracy, money laundering, and tax evasion. They have received sentences of up to 65 months incarceration. They have also been ordered to make restitution to the computer company in an amount over \$900,000. The owner of the salvage company was indicted on similar charges and is currently a fugitive.

(Source: IRS/Criminal Investigation)

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