

Suspicious Activity Report Initiates Investigation of Major International Narcotics Organization Utilizing the Black Market Peso Exchange

In 2006, the United States Attorney for the Northern District of Georgia announced "Operation Rainmaker," a major, multi-national federal drug and money laundering investigation initiated by ICE-Atlanta that culminated with 24 arrests in the United States and Colombia. The investigation discovered that a money laundering and drug trafficking organization allegedly laundered drug proceeds through the Black Market Peso Exchange (BMPE). During the course of the investigation, more than \$7.5 million in alleged drug proceeds, more than 24 kilograms of cocaine, and more than 2 kilograms of heroin were seized. The multi-agency case began when a Suspicious Activity Report (SAR) review team identified a potential lead. The SAR narrative noted that a suspect company had an unexplained increase in cash activity and had deposits of sequentially numbered money orders. In addition, the company had a series of suspect wire transfers, both in and out of the account.

As seen in previous instances of the BMPE, members and affiliates of the organization picked up the proceeds from drug sales in U.S. dollars in a number of U.S. cities. An equivalent amount of Colombian pesos would then be delivered to the organization in Colombia. Following that delivery, in some instances the dollars were delivered to undercover agents, who deposited the funds in various financial institutions, primarily in the United States, where the funds were used to pay for textiles being exported legally to Colombia.

A federal grand jury indicted thirty individuals for their participation in the scheme. The defendants are charged with conspiring to launder drug proceeds, conspiracy to distribute controlled substances, and various other money laundering charges. They face potential penalties of up to life imprisonment.

Colombian authorities arrested eight of the defendants and the United States will seek their extradition. ICE and IRS agents arrested sixteen of the remaining 22 defendants. Some were already in custody. The remaining six defendants charged in the indictments are fugitives.

(Investigating Agencies: Immigration and Customs Enforcement; Internal Revenue Service – Criminal Investigation Division; U.S. Attorney.)

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