

FinCEN Information Helps Jury Convict Cocaine Trafficker

Federal prosecutors used information directly derived from FinCEN records to help convict a repeat drug trafficker. The wealth accumulated by the defendant through illicit drug sales became evident with the filing of numerous CTRs documenting transactions at casinos, a Form 8300 filed in conjunction with the purchase of a luxury automobile, and SARs highlighting an attempt to buy an expensive watch through structured transactions.

The defendant has a long history of arrests for drug offenses. On at least three previous occasions, he was arrested and charged for various violations including marijuana possession, possession of cocaine, and possession of heroin with intent to sell. Authorities noted that the defendant's prosecution in this case stemmed from an ongoing Federal, State, and local law enforcement effort to quell violence fueled by the drug trade in certain areas of the state in which the defendant lived. The crackdown followed an instance where an individual was killed in a vehicular hit and run in retaliation for a gunpoint robbery in which the defendant took part. Following the death, the Federal law enforcement agencies intensified their relationship with the local police departments in order to investigate narcotics and firearms trafficking in the area, and target habitual offenders and individuals with violent histories for Federal prosecution.

More than two dozen individuals have been charged with Federal crimes as a result of this joint investigative effort. Several additional individuals have been prosecuted by the same Attorney's Office. The effort also removed more than two dozen illegal firearms from the streets. During searches conducted at the time of the arrests, including searches of rented units at several self-storage locations, law enforcement seized drugs, firearms, currency, vehicles, and large-scale drug packaging materials from numerous locations.

An analyst reported that FinCEN reports played a significant part in the case, and especially in winning a guilty verdict at the defendant's trial. Casino CTRs and SARs provided invaluable information on the defendant and others under investigation for dealing in drugs and trafficking in guns. The casino records obtained indicated that the defendant gambled over \$1.7 million over a period of several years, and a casino SAR described his attempts to purchase a watch valued at over \$45,000 through structured transactions. Prosecutors were able to use more than a dozen casino CTRs to show that the defendant spent tens of thousands of dollars for "buying-in" at casinos. In addition, an automobile dealer filed a Form 8300 regarding the defendant's purchase of a luxury vehicle, and a local bank filed multiple SARs referencing apparently structured cash withdrawals.

At the defendant's trial in Federal court, the prosecution team successfully used this financial information from the casinos to confront the defendant about his wealth and gambling activities when he testified that he was not a drug dealer.

A Federal jury found the defendant guilty of possession with the intent to distribute cocaine and conspiring to possess with intent to distribute cocaine. The defendant was sentenced to more than 12 years in Federal prison.

[Published in *The SAR Activity Review - Trends, Tips & Issues*, Issue 21, May 2012]