

Bank Secrecy Act Records Help Launch Investigation on Convicted Felon Not Complying with Restitution Order

A repeat fraud offender landed back in court when investigators found that two casinos filed CTRs for transactions he conducted that totaled over half a million dollars. The investigation determined that he substantially underreported his income, violated provisions of his release by traveling out of state and to casinos without authorization, and was not fulfilling requirements of his release to make prompt and full restitution. A federal grand jury recently indicted him for participation in yet another fraud scheme, which he perpetrated during the period of his supervised release.

Several years ago, the defendant was convicted of conspiracy in connection with a large-scale medical fraud involving staged automobile accidents. The defendant conspired to bill insurance companies thousands of dollars in fraudulent claims.

Following the defendant's conviction, a federal judge sentenced him to imprisonment, supervised release, full financial disclosure, and restitution in the amount of several hundred thousand dollars. However, upon release, the federal officials found that despite a high standard of living, the defendant was delinquent towards restitution.

A judge ordered an investigation into the defendant's finances. Investigators discovered that the defendant was significantly underreporting his personal income.

The investigation began with an inquiry of BSA records. An analysis of these records indicated that the defendant had gambled extensively at casinos in another state. The casinos filed 18 CTRs on the defendant, with dollar amounts on the reports ranging up to \$185,000, and totaling over half a million dollars.

The identification of CTRs led investigators to subpoena gaming records from the casinos. These records show that the defendant traveled to those casinos on 54 separate occasions during a two-year period without authorization. During those visits to the casinos, the defendant was using large sums of money to gamble. The source of this money is currently under investigation.

Due to the unreported income, the federal officers initiated violation of supervised release proceedings charging the defendant with making false statements pertaining to his personal income. He was also charged in a multi-million dollar sub-prime mortgage fraud scheme. To date, lenders have suffered a loss of nearly five million dollars due to the scheme.

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