Judge Rules Defendant Guilty of Structuring; No Connection to Criminal Activity Alleged

Case summary: In a key decision, a defendant went to trial after pleading not guilty to two counts of structuring. Notably, in this case, prosecutors did not bring money laundering charges against the defendant because there was no indication that the structured currency resulted from any illegal activity. However, the case underscores that structuring is a crime, that prosecutors will file charges on those who attempt to evade reporting requirements, and that a guilty conviction is possible even without a direct link to any other criminal activity.

Case details: In 2009, a Federal judge found the defendant guilty of structuring financial transactions with a domestic financial institution for the purpose of causing the financial institution to fail to file a CTR required by Title 31 U.S.C. § 5313(a). The defendant was found not guilty of an additional charge of structuring.

According to the indictment, the defendant owned and operated a limousine service business located on the East Coast. During a five-month period in 2007, the defendant deposited and caused to be deposited approximately $140,000 in cash into two accounts at a local bank. One account was in his name while the other was in the name of his business.

During the time-period cited in the indictment, the defendant made approximately 15 cash deposits at local branches. All but two of the transactions were for amounts ranging from $9,000 to $9,900, and none of the transactions were for $10,000 or more. In one transaction in the indictment (and for which he was ultimately convicted) the defendant handed a teller two stacks of currency, each for $10,000 and requested deposits into both his personal and business accounts. When the teller began to prepare a CTR, the defendant withdrew $100 from each stack, and eventually deposited only $9,900.

The defendant's administrative assistant told investigators that he frequently gave her money to deposit that came from his closed office. She thought this was unusual because the business did not generate the type of currency that was reflected in the large deposits.

In court documents, prosecutors originally charged the defendant with two counts of structuring transactions to evade reporting requirements, in violation of 31 U.S.C. § 5324(a) (3) and (d). Prosecutors were able to prove these charges by demonstrating that the defendant had knowledge of the reporting requirements and, structured transactions by breaking down a single sum of currency exceeding $10,000 into smaller sums, with the purpose of evading currency reporting requirements of § 5313(a).

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