

Suspicious Activity Report Leads to Arrest and Conviction of U.S. Government Employee for Embezzlement

In a case initiated from a SAR review team, a Federal government accountant pleaded guilty to theft of public money and money laundering. The case began when an alert bank noticed several unusual transactions, including large cash payments to credit card accounts. Activity in one account at the bank, ostensibly a business account, appeared suspicious, because the only deposits were U. S. Treasury checks, most of the debits were for currency, and there was no apparent business activity.

A bank filed a SAR on the defendant indicating structuring and unusual transactions involving the subject's business. The SAR narrative revealed cash payments made to two credit card accounts of approximately \$8,000 each, but the balances on the cards were less than \$200. The bank reported several check deposits into the business account, with almost all of the withdrawals consisting of currency. In addition, the bank found no signs of checks drawn on the business account for business expenses.

The bank also noted that some of the cash withdrawals appeared to occur at casinos. The defendant received cash advances at casinos and sent some of those payments back to credit card accounts. Casinos filed more than 80 Currency Transaction Reports on the defendant beginning around the time the defendant began his embezzlement. In addition, a casino filed a SAR on the defendant for cashing nearly \$6,000 worth of checks in a month with no subsequent buy-ins or rated play.

The defendant confessed to creating a fictitious business along with creating more than a dozen government refund payment vouchers made payable to his business entity and directing the checks to be deposited into accounts of that entity. The defendant pleaded guilty to money laundering related to the financial transactions involving funds that were derived from the embezzlement.

A Federal judge sentenced the defendant to more than 3 years in Federal prison without parole. The court also ordered him to pay approximately \$600,000 in restitution.

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