

FinCEN Data Proves to be Instrumental in Fraud Case

In a case propelled by information found in BSA records, an individual pleaded guilty to numerous charges, including the production of false identification documents. Notably, as soon as investigators became aware of the suspect's activity they queried BSA records and found details related to his criminal enterprise. Information reported on a SAR described illicit business activity and laid the groundwork for various seizures. Investigators repeatedly emphasized the importance of SARs to the case.

Federal investigators said that this case began when postal workers noticed an unusual amount of overnight mail sent to a post office box under the control of the defendant, but under a fictitious name. As the investigation progressed, agents queried BSA records and found several important SARs. One SAR revealed fictitious company names, bank account information, and a witness to the fraud. Investigators stated that through the use of records filed in compliance with the BSA, they were able to conclude that the defendant was running a cash-intensive business.

A SAR from a different bank noted that the defendant's business transactions showed nearly 40 currency deposits totaling over \$170,000 within a 3-month period. The SAR also revealed debits from accounts showing expenditures for items such as entertainment, dining, jewelry, and electronic purchases. The bank did not find expected business expenses, such as payroll, office supplies, and tax payments.

According to investigators, the defendant produced and distributed false driver's licenses to underage teenagers throughout the United States through a referral e-mail account. The profits from the illegal business were structured into bank accounts and laundered by purchasing assets. The defendant operated this false driver's license operation by creating and mailing false driver's licenses and receiving documentation and cash through the U.S. mail using a post office box obtained in a fictitious name. The false licenses distributed by the defendant were high quality counterfeit state driver's licenses.

Federal agents executed a search warrant at the defendant's residence and among the items located and seized was cash in excess of \$800,000 and illegal drugs and drug paraphernalia. After waiving his Miranda rights, the defendant admitted that all the drugs in the residence belonged to him. The defendant also stated that he had made at least \$1 million from his false driver's license scheme. In his plea agreement, the defendant agreed to forfeit the cash found in his house, a new model luxury vehicle, real property, jewelry, numerous computers and software programs, and weapons and ammunition.

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