

SAR Leads to Conviction of Iraqi Money Launderer

In September 2003, an Iraqi national was sentenced in federal court after pleading guilty in June 2003 to one count of 18 USC 1956 (h): conspiracy to launder money with the underlying offense of 18 USC 1957 (engaging in monetary transactions in property derived from a Specified Unlawful Activity [SUA]) in connection with a prior arrest in December 2002.

This investigation was initiated when a Corporate Security officer at a major domestic financial institution advised an ICE office that the defendant was transferring funds to Iraq via Jordan and the United Arab Emirates (UAE) in violation of the Iraqi Sanctions Act, IEEPA, etc. SARs were filed prior to, and after receiving this information.

The investigation revealed that in 1996, the main target of this investigation initiated his money laundering operations in conjunction with his brother-in-law in Baghdad, to facilitate the worldwide purchase of various commodities. In 1998, the subject began operating as a money transfer business, which utilized over 30 domestic agents throughout the United States and collected in excess of \$28 million over a 20-month period from Iraqi nationals and other individuals of Middle Eastern descent. Analysis of records recovered from various warrants showed that \$12 million went directly into Iraq. The target utilized these funds to purchase commodities from businesses worldwide that were then illegally transshipped through various trading companies in the UAE and Jordan into Iraq in violation of international sanctions.

(Source: ICE)

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