

Structuring and Tax Charges

A proactive review of BSA filings from several financial institutions led law enforcement to investigate the operator of a charitable organization who had structured over \$1 million. The defendant pleaded guilty to structuring and the filing of a false tax return, and was sentenced to a prison term.

The defendant deposited substantial sums of currency into local bank branches by making over one hundred individual cash transactions in amounts of less than \$10,000 to evade the reporting requirement, sometimes making deposits at multiple branches on the same day. Though he initially came under scrutiny for his structuring activities, authorities also found that he had filed a tax return that significantly understated his income. Additionally, the defendant claimed that he donated money to the charitable organization, but he later withdrew the money while still taking a charitable deduction on his taxes.

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