UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK

IN THE MATTER OF:	)	
	)	
	)	
OMAR ABUKAR SUFI d/b/a HALAL DEPOT	)	**Number 2011-03**
WYOMING, MICHIGAN	)	

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

Under the authority of the Bank Secrecy Act and regulations issued pursuant to that Act, the Financial Crimes Enforcement Network has determined that grounds exist to assess a civil money penalty against Omar Abukar Sufi d/b/a Halal Depot. ("Omar Sufi" or "Money Services Business").[1] The Financial Crimes Enforcement Network is executing this ASSESSMENT OF CIVIL MONEY PENALTY ("ASSESSMENT') without the consent of Omar Sufi.

II. JURISDICTION

Omar Sufi operated as an independent money transmitter, located in Wyoming, Michigan. Omar Sufi engaged as a business in the transfer of funds to Yemen, Somalia, Sudan, Kenya, Saudi Arabia, Uganda, Ethiopia, Europe and the United Arab Emirates. At all relevant times, Omar Sufi was a "money transmitter," "money services business" and "financial institution" within the meaning of the Bank Secrecy Act and its implementing regulations.[2] The Internal Revenue Service, Small Business/Self-Employed Division examines money services businesses for compliance with the Bank Secrecy Act, under delegated authority from the Financial Crimes Enforcement Network.[3]

III. DETERMINATIONS

[1] On March 1, 2011, a transfer and reorganization of Bank Secrecy Act regulations from 31 C.F.R. Part 103 to 31 C.F.R. Chapter X became effective. Throughout this document we refer to the Part 103 citations in effect at the time of Omar Sufi's violations, followed by the corresponding Chapter X citations. 31 U.S.C. § 5311 et seq. and 31 C.F.R. Part 103. 31 C.F.R. Chapter X.

[2] 31 U.S.C. § 5312(a)(2) and 31 C.F.R. § 103.11. 31 C.F.R. § 1010.100.

[3] 31 C.F.R. § 103.56(b)(8). 31 C.F.R. § 1010.810(b)(8).

The Financial Crimes Enforcement Network has determined that Omar Sufi violated Bank Secrecy Act registration requirements for money services businesses.[4] Since 2001, the Bank Secrecy Act has required certain money transmitters to register with the Financial Crimes Enforcement Network by filing a registration of money services business ("RMSB") form, and renewing the registration every two years. If the money services business' ownership or number of agents changes, a re-registration requirement may apply. There is no cost for registration, which is a simple procedure explained in detail on the Financial Crimes Enforcement Network's Website.[5]

Bank Secrecy Act compliance by money services businesses is a critical part of the government's efforts against money laundering, terrorist financing, and other financial crimes. Bank Secrecy Act forms, including RMSB forms, must be filed in an accurate, complete and timely manner. The registration requirement is an initial and foundational step required as part of the Financial Crimes Enforcement Network's regulations that are intended to assist law enforcement and other government agencies in the enforcement of criminal, tax and regulatory laws, and to prevent money services businesses from engaging in, or being misused to facilitate, the flow of illicit proceeds.[6] By mitigating the risk of criminal abuse of money services businesses, the Financial Crimes Enforcement Network's regulatory framework seeks to promote the provision of legitimate financial services to consumers, in particular the unbanked and underbanked. RMSB forms promote greater transparency with respect to money services businesses that serve as gateways to the U.S. financial system, and are an integral part of highly useful investigative audit trails utilized by law enforcement, the Financial Crimes Enforcement Network and other government agencies. RMSB forms are also useful for money transmitters and other types of money services businesses in establishing and maintaining banking relationships. Banking organizations, in keeping with their responsibilities under the Bank Secrecy Act, normally request registration information from money transmitters and other types of money services business customers that are required to register.[7]

At all relevant times, Omar Sufi and his brother Mohamed Abukar Sufi (the "Sufi brothers") operated as a money transmitter at Halal Depot by virtue of engaging as a business in the transfer of funds, and were therefore required to register as a money transmitter under the Bank Secrecy Act. The Sufi brothers transferred funds to African, Middle Eastern and European countries for customers through Halal Depot, a grocery store/money services business operated by the brothers. The Sufi brothers accepted cash and other vehicles of commerce and engaged in money transmission to the aforementioned geographical locations while charging a fee of 6% – 7% per transaction for this service. Specifically, the Sufi brothers transferred funds on behalf of

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[4] 31 U.S.C. § 5330 and 31 C.F.R. § 103.41. 31 C.F.R. § 1022.380.

[5] http://www.fincen.gov/financial_institutions/msb/msb.registration.html.

[6] *See* Amendment to the Bank Secrecy Act Regulations-Definitions Relating to, and Registration of, Money Services Businesses, 64 FR 45438 (August 20, 1999).

[7] A money services business should retain a copy of RMSB forms it submitted to the Financial Crimes Enforcement Network, as part of its records, for five years. Determinative evidence of a money services business' registration is an acknowledgement letter sent by the Internal Revenue Service-Enterprise Computing Center-Detroit upon receipt, and appropriate processing, of a RMSB form. The Financial Crimes Enforcement Network's website, www.fincen.gov, contains a "Money Services Business Registration List," identifying money services businesses that are currently registered. The Money Services Business Registration List is updated monthly, and provided as a general reference for the public.

customers, through one or more intermediaries for whom the Sufi brothers were not acting as agents, to beneficiaries in Yemen, Somalia, Sudan, Kenya, Saudi Arabia, Uganda, Ethiopia, Qatar, Europe and the United Arab Emirates. Sufi recently pled guilty in United States District Court for the Western District of Michigan to federal criminal charges of:

- conspiracy to commit food stamp fraud, operate an unlicensed money transfer business, and structure currency transactions to evade Bank Secrecy Act reporting requirements in violation of 18 U.S.C. § 371;
- food stamp fraud in violation of 7 U.S.C. § 2024;
- structuring currency transactions to evade the reporting requirements of the Bank Secrecy Act in violation of 31 U.S.C. § 5313(a); and
- operating an unlicensed money transfer business in violation of 18 U.S.C. § 1960.[8]

The Sufi brothers engaged in this conduct over a number of years. During 2008 – 2009, they transferred funds on over 400 occasions, involving tens of thousands of dollars. Our investigation found that neither of the Sufi brothers filed an RMSB form with the Financial Crimes Enforcement Network, either on their own behalf or on behalf of Halal Depot, in violation of Bank Secrecy Act registration requirements for money services businesses.

IV. CIVIL MONEY PENALTY

As administrator of the Bank Secrecy Act, the Financial Crimes Enforcement Network may impose civil money penalties against Omar Sufi, or any person who owns or controls a money services business, for violations of money transmitter registration requirements.[9] The Financial Crimes Enforcement Network may assess a civil money penalty for failure to register as a money services business, in an amount up to $5,000 per violation. Each day a violation continues constitutes a separate violation. The Financial Crimes Enforcement Network has determined that a civil money penalty is due for the violations of the Bank Secrecy Act and its implementing regulations described in this ASSESSMENT. After considering the seriousness of the violations and the financial resources available to Omar Sufi, the Financial Crimes Enforcement Network has determined that the appropriate penalty in this matter is $20,000. This civil money penalty shall be satisfied by one $20,000 payment to the United States Department of the Treasury.

V. ASSESSMENT

To resolve this matter, and only for that purpose, Omar Sufi, shall pay the amount of $20,000 within 90 calendar days of the date of this ASSESSMENT. By compliance with the terms of this ASSESSMENT, Omar Sufi will not admit or deny either the facts or determinations described in Sections III and IV above, except as to jurisdiction in Section II, which is admitted.

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[8] USDC W.D.Mich. Docket No. 1:10-cr-00234-JTN-2, item 41 (October 15, 2010).
[9] *See* 31 U.S.C. § 5330(e) and 31 C.F.R. § 103.41(e). 31 C.F.R. § 1022.380(e).

The Financial Crimes Enforcement Network makes no express or implied promises, representations, or agreements with the Money Services Business other than those expressly set forth or referred to in this document and that nothing in this ASSESSMENT is binding on any other agency of government, whether Federal, State, or local.

VI. RELEASE

Compliance with the terms of this ASSESSMENT will constitute a complete settlement and release of the Money Services Business' civil liability for the violations of the Bank Secrecy Act and regulations issued pursuant to that Act as described in this ASSESSMENT.

By:

/s/

James H. Freis, Jr., Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
United States Department of the Treasury

Date:

March 2, 2011