

Illegal Casa De Cambio Lauanders More Than \$5 Million

In January 1999, the Financial Crimes Division (FCD) of the Texas Office of Attorney General (OAG), initiated an investigation into money laundering allegations based on information received from a Suspicious Activity Report (SAR) filed by a Texas bank. This investigation centered on the operation of an illegal casa de cambio in Dallas and Kaufman Counties, Texas. The subjects of the investigation operated an illegal currency exchange business in violation of the Texas Financial Code, a third degree felony.

Currency exchange and transmission businesses such as casas de cambio may be used by criminals to launder funds in connection with exchanging U.S. dollars for currencies of other countries prior to the funds being transmitted. Money orders in U.S. dollars that are sent to other countries can be difficult to redeem. Many currency exchange and transmission businesses are not licensed to conduct wire transmissions, as is required in many states.

Texas OAG, FCD, researched Bank Secrecy Act (BSA) reports and located a total of 115 Currency Transaction Reports (CTRs), 14 Reports of International Transportation of Currency or Monetary Instruments (CMIRs), two Currency Transaction Reports by Casino (CTRCs) and 11 SARs. The documents helped the investigator by providing specific banking transactions and account information. That information was added to search warrants to establish probable cause and presented to a state grand jury.

The investigation concluded that money orders were received from various senders across the U.S. at the home addresses or post office boxes of the subject. The subject then deposited the money orders into one or more local bank accounts. The banks were then instructed to wire transfer the funds to another out-of-state bank. Information gathered through the use of search warrants determined that from August 1998 through March 1999, banking activity by the casa de cambio included deposits of \$5,593,185 and wire transmissions of \$5,122,460.

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