

Proactive SAR Query Leads to Structuring Conviction

In early 2006, a U.S. Attorney's Office secured guilty pleas from two businesses for evading Bank Secrecy Act (BSA) reporting requirements by structuring deposits. The presiding judge sentenced the businesses to unsupervised probation, and as part of the agreement, the businesses agreed to forfeit approximately half a million dollars. The amount of restitution equals the amount of money structured in various transactions. The defendants chose to plead guilty to the structuring charge rather than face charges for failure to file Form 8300s.

The indicted firms and their owners structured transactions to avoid scrutiny following the September terrorist attacks. A financial institution noticed the structured transactions and filed a SAR.

A specialized unit of the Baltimore/Washington High Intensity Drug Trafficking Area initiated the investigation after reviewing SARs filed on businesses and individuals in the area. Investigators discovered that, in addition to structuring transactions, the firms failed to file Form 8300s for sales over \$0,000 as required by the BSA.

BSA records provided a number of leads in the case. Financial institutions filed SARs on the defendants and Currency Transaction Reports (CTRs) and Reports of International Transportation of Currency or Monetary Instruments (CMIRs or FinCEN Form 105) on related transactions.

(Investigating Agencies: Internal Revenue Service -- Criminal Investigation Division; state police; U.S. Attorney's Office.)

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