

SAR Leads to Former Deputy Sheriff Sentenced for Extortion and Title 31 Violations

A former California deputy sheriff pled guilty to extortion and Title 31 charges. He was sentenced to serve 60 months in prison followed by 5 years probation, and ordered to pay \$300,000 in restitution to one of the victims. His wife received three years probation for related charges. The sentencings were the culmination of a joint investigation by Internal Revenue Service Criminal Investigation (IRS-CI) and a local police department. The subject, a martial arts expert, claimed that he was a former Green Beret and that he had Mafia connections. He used threats of violence and blackmail to extort as much as \$1.3 million from various individuals. On one occasion, the subject used a Samurai sword and threatened to cut off a victim's fingers if he did not sign a promissory note payable to an individual described by the subject as a "Godfather type."

IRS-CI became aware of the illegal activity following the filing of a Suspicious Activity Report (SAR) by a local bank. The bank filed the SAR based on several factors including:

- the detection of a pattern of withdrawals inconsistent with the subject's normal business activity;
- conversations between the subject, and/or his wife with various bank tellers about large transactions that were inconsistent; and
- apparent attempts by the subject to structure deposits to avoid reporting requirements.

It was later discovered that the subject had opened the account using his mother-in-law's Social Security number, and that he used several different identities.

(Source: IRS/Criminal Investigation)

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