

Suspicious Activity Reports Useful in Round-Tripping Investigation

The United States Secret Service, New York Field Office, seized over \$5.3 million from a correspondent account for a bank headquartered in Nigeria. Investigative leads derived from Bank Secrecy Act data determined that this account was actually owned by the Nigerian bank and operated by the bank's president and chairman of the board of directors. Information obtained from a review of Bank Secrecy Act filings determined that this bank was operating a highly sophisticated hedging scheme called "round-tripping." The elaborate scheme involved offshore bank accounts and included the use of International Business Corporations. The information obtained from Bank Secrecy Act data, including Suspicious Activity Reports, financial reports, travel records, and suspect information, among others, led to the Default Judgment in favor of the Government in 2003, issued by a United States District Court.

This case resulted in the May 2002 suspension of over 21 Nigerian banks by the Federal Republic of Nigeria's Economic and Financial Crimes Commission. This case also led to the arrest of Nigeria's Director of Immigration, the first Nigerian Government Official ever arrested for "419" Fraud. As a result, the Nigerian government established a new Office of Economic Recovery to combat the roundtripping epidemic in that country.

(Source: United States Secret Service)

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