

## **BSA Records Identify Accounts and Transactions Related to an Illegal Gambling Enterprise**

In a case where Federal prosecutors stepped in to help local law enforcement, BSA records identified millions of dollars generated through an illegal gambling operation. State authorities had few tools to punish the defendants because the state charges were only misdemeanors. To shut down the large operation, federal authorities brought charges, including money laundering, which could result in longer sentences.

The defendants were found guilty of conspiracy to operate an illegal gambling business, other charges related to the operation of an illegal gambling business, and money laundering. The defendants agreed to a forfeiture money judgment in the hundreds of thousands of dollars, as well as forfeiture of tens of thousands of dollars in bank accounts and several items of property.

The prosecution centered on a gambling enterprise that operated computerized gambling machines under the guise of internet businesses apparently unrelated to gaming. All of the businesses had similar methods of operation. Customers paid for access to terminals that offered games normally found in gambling casinos. If the players won a game instantaneously, they could accumulate credits, transfer credits, and redeem credits.

One of the defendants made unexplained large cash deposits into his account at a bank. The funds were purportedly proceeds from an internet business. The defendant had moved constantly among multiple states and large purchases were made at casinos, hotels, and airline companies.

The same defendant made deposits at other banks, including multiple cash deposits during the course of one day totaling over \$10,000. A review of the account showed cash deposits made in uneven amounts and that the deposits were often conducted multiple times at multiple branch locations. The defendant transferred funds to a prepaid card company, and claimed to be self-employed with an internet business. The bank found no evidence of normal business activity.

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