Mortgage Broker Pleads Guilty to Structuring Charges

An investigation by Federal law enforcement agencies led to the conviction of a mortgage broker who pleaded guilty to structuring more than $600,000 into multiple accounts at various financial institutions. The defendant admitted to officials that he did so to avoid CTR filing requirements.

In one month alone, the defendant made nearly 30 deposits at multiple branches of multiple banks aggregating to over $260,000. Fourteen months later, he made nearly 20 deposits into multiple branches of a bank totaling $185,000. A SAR filed by a depository institution soon after the first instance of structuring was pivotal in helping investigators determine that the defendant was structuring multiple cash deposits and withdrawals to and from several accounts to stay under the CTR reporting limit.

The SAR caught the attention of a Federal agent attending a monthly SAR review team meeting. An in-depth search for relevant BSA documents located additional SARs filed by depository institutions and money services businesses indicating both cash structuring and the apparent structured purchase of money orders by or for the defendant.

One SAR narrative revealed that during a two-week period, the defendant was structuring his money through personal and business accounts at the bank. Each of his cash deposits was split amongst his bank accounts in amounts ranging between $9,000 and $9,800. He also deposited numerous money orders that appeared to be purchased by several different individuals, though handwriting similarities noted in the signatures on the money orders suggested they were signed by the same individual. The depository institution also reportedly suspected the defendant of check kiting as evidenced by the number of personal checks from the individual that were drawn on other financial institutions and returned unpaid to the institution as the bank of first deposit.

Another SAR filed by the same institution a year later revealed the defendant’s continued pattern of structuring cash deposits. The SAR also revealed the defendant’s purchase of large cashier’s checks, some of which were payable to individuals with no known business affiliation to the defendant.

During the investigation, agents were unable to determine the source of much of the cash that the defendant deposited. However, agents suspected that the money came from drug trafficking, currency smuggling, and/or questionable real estate dealings. Two additional SARs report the defendant’s possible involvement in mortgage loan fraud. The defendant’s attorney maintained that the bulk of the cash was from money that the defendant kept at home for a “rainy day”.

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