

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK**

IN THE MATTER OF:

**SARITH MEAS
WESTBROOK, ME**

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Number 2011-10

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

Under the authority of the Bank Secrecy Act (“BSA”) and regulations issued pursuant to that Act, the Financial Crimes Enforcement Network (“FinCEN”) has determined that grounds exist to assess a civil money penalty against Sarith Meas (“Meas” or the “Money Transmitter”).¹ To resolve this matter, and only for that purpose, Meas has entered into a CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTY (“CONSENT”) without admitting or denying the determinations by FinCEN, as described in Sections III and IV below, except as to jurisdiction in Section II below, which is admitted.

The CONSENT is incorporated into the ASSESSMENT OF CIVIL MONEY PENALTY (“ASSESSMENT”) by this reference.

II. JURISDICTION

A money transmitter is a type of “money services business” (“MSB”) and “financial institution,” under the BSA and regulations issued pursuant to that Act.² The Internal Revenue Service, Small Business/Self-Employed Division, under delegated authority from FinCEN, examines MSBs for compliance with the BSA, and refers evidence of deficiencies to FinCEN for disposition.³ FinCEN’s enforcement authority empowers it to investigate and impose civil money penalties against MSBs for violations of the BSA and its implementing regulations.⁴

From January 2006 through October 2010, Meas acted as an independent money transmitter, located in Westbrook, Maine. Meas executed funds transfers for customers and received financial compensation for those money transmission services. Meas engaged in the business of transmitting

¹ 31 U.S.C. § 5311 et seq. and 31 C.F.R. Part 103. 31 C.F.R. Chapter X.

On March 1, 2011, a transfer and reorganization of Bank Secrecy Act regulations from 31 C.F.R. Part 103 to 31 C.F.R. Chapter X became effective. Throughout this document we refer to the Part 103 citations in effect during the relevant period of time, followed by the corresponding Chapter X citations.

² 31 U.S.C. § 5312(a)(2) and 31 C.F.R. § 103.11(n) (now 31 C.F.R. § 1010.100(t)).

³ 31 C.F.R. § 103.56(b)(8) (now 31 C.F.R. § 1010.810(b)(8)).

⁴ 31 C.F.R. § 103.56 (now 31 C.F.R. § 1010.810).

funds for persons located in the United States. At all relevant times, Meas was a “money transmitter,” within the meaning of the BSA and its implementing regulations.⁵ As administrator of the BSA, FinCEN may impose civil money penalties against a money transmitter, or any person who owns or controls a money transmitter, for violations of money services business registration requirements, and may assess civil money penalties against a money transmitter, or any partner, director, officer, or employee thereof, for each willful violation of recordkeeping, reporting and/or anti-money laundering program requirements.

III. DETERMINATIONS

A. Summary

FinCEN has determined that Meas violated the registration and anti-money laundering program requirements of the BSA. From January 2006 through October 2010, Meas conducted business as an independent money transmitter out of her residence in Westbrook, Maine. In a typical transaction, a customer provided Meas with cash, checks, or money orders, along with instructions to transmit funds to a specified beneficiary, and Meas deposited those funds into her U.S. deposit accounts. Once the funds cleared, Meas instructed U.S. financial institutions to wire transfer funds to designated financial institution(s) in Cambodia — a jurisdiction classified by the United States Department of State as suffering from money laundering deficiencies⁶— where the funds were retrieved by Meas’ affiliate(s) and made physically available to beneficiaries in the designated currency.

For an extended period of time, Meas operated as an independent money transmitter by engaging as a business in the transfer of funds. She was required under the BSA to register as an MSB with FinCEN and implement a written anti-money laundering program.

B. Violations of the Requirement to Register with FinCEN

Since 2001, the BSA has required certain money transmitters to register with FinCEN.⁷ The registration requirement is an initial and foundational step required as part of FinCEN’s larger regulatory framework for MSBs and is intended to assist law enforcement and supervisory agencies in criminal, tax and regulatory investigations and proceedings, and to prevent money transmitters from engaging in illegal activities.⁸ Money transmitters comply with BSA registration requirements by filing a Registration of Money Services Business (“RMSB”) form within 180 days after commencing operations, and renewing this registration once every two years.⁹ Any person(s) who

⁵ 31 C.F.R. § 103.11(n) and (uu) (now 31 C.F.R. § 1010.100(t) and (ff)).

⁶ United States Department of State International Narcotics Control Strategy Reports to Congress classify foreign jurisdictions based on money laundering risk, and are published annually. *See* 2006 International Narcotics Control Strategy Report, Vol. II Money Laundering and Financial Crimes (Mar. 2006) <http://www.state.gov/p/inl/rls/nrcrpt/>.

⁷ 31 U.S.C. § 5330 and 31 C.F.R. § 103.41 (now 31 C.F.R. § 1022.380).

⁸ *See* Amendment to the Bank Secrecy Act Regulations-Definitions Relating to, and Registration of, Money Services Businesses, 64 FR 45438 (Aug. 20, 1999).

⁹ 31 C.F.R. § 103.41(b)(2) (now 31 C.F.R. § 1022.380(b)(2)). The Financial Crimes Enforcement Network’s home page for money services businesses is located at http://www.fincen.gov/financial_institutions/msb/, and contains a copy of the RMSB form and instructions. There is no cost for registration.

owns or controls a money transmitter is responsible for registering the business.¹⁰ A business that is a money transmitter solely because it serves as an agent of another money transmitter is not required to comply with BSA registration requirements.¹¹ RMSB forms promote greater transparency with respect to MSBs, which serve as gateways to the U.S. financial system. RMSB forms are also an integral part of highly useful investigative audit trails utilized by law enforcement, FinCEN, and other government agencies.

FinCEN has determined that Meas was an unregistered money transmitter from January 2006 through October 2010, in violation of BSA registration requirements for money transmitters. There is no record indicating that Meas ever registered with FinCEN.

C. Violations of the Requirement to Implement an Anti-Money Laundering Program

Money transmitters are financial institutions required to implement anti-money laundering programs.¹² FinCEN has determined that Meas violated BSA anti-money laundering program requirements. Meas did not establish and maintain an anti-money laundering program appropriate to the money laundering risks associated with her business, executing over 100 funds transfers, amounting to over two million dollars. Since July 24, 2002, the BSA and its implementing regulations have required money transmitters to establish and implement written anti-money laundering programs reasonably designed to prevent the money transmitter from being used to facilitate money laundering and the financing of terrorist activities.¹³ During the relevant period of time, Meas breached her duties as a money transmitter subject to the BSA by failing to establish and implement a written anti-money laundering program, with internal controls, training, independent audit, and designated personnel to ensure day-to-day compliance.

IV. CIVIL MONEY PENALTY

FinCEN may impose civil money penalties against a money transmitter, or any person who owns or controls a money transmitter, for violations of money services business registration requirements.¹⁴ FinCEN may assess a civil money penalty for failure to register as a money transmitter, in an amount up to \$5,000 per violation. Each day a violation continues constitutes a separate violation. FinCEN may assess civil money penalties against a money transmitter, or any partner, director, officer, or employee thereof, for each willful violation of anti-money laundering program requirements. A penalty of \$25,000 per day may be assessed for failure to establish and implement an adequate written anti-money laundering program.¹⁵ A separate violation occurs for each day the violation continues.

As administrator of the BSA, FinCEN has determined that a civil money penalty is due from Meas for the violations of the BSA and its implementing regulations described in this ASSESSMENT. After considering the seriousness of the violations and the financial resources

¹⁰ 31 C.F.R. § 103.41(a)(2) (now 31 C.F.R. § 1022.380(a)(2)).

¹¹ *Id.*

¹² *Id.*; see also 31 C.F.R. § 103.11 (n) (now 31 C.F.R. § 1010.100) and 31 C.F.R. § 103.33 (a)-(d) (now 31 C.F.R. § 1010.410 (a)-(d)).

¹³ 31 U.S.C. § 5318(h)(1) and 31 C.F.R. § 103.125 (now 31 C.F.R. § 1022.210).

¹⁴ 31 U.S.C. § 5330(e) and 31 C.F.R. § 103.41(e). 31 C.F.R. § 1022.380(e).

¹⁵ 31 U.S.C. § 5321(a)(1).

available to Meas, FinCEN has determined that the appropriate penalty in this matter is \$12,500. This civil money penalty shall be satisfied by five \$2,500 installments to the United States Department of the Treasury.

V. CONSENT TO ASSESSMENT

To resolve this matter, and only for that purpose, Meas, without admitting or denying either the facts or determinations described in Sections III and IV above, except as to jurisdiction in Section II, which is admitted, consents to the assessment of a civil money penalty in the sum of \$12,500 to be satisfied by five equal installments of \$2,500 to the United States Department of the Treasury.

Meas recognizes and states that she enters into the CONSENT freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been made by FinCEN or any employee, agent, or representative of FinCEN to induce Meas to enter into the CONSENT, except for those specified in the CONSENT.

Meas understands and agrees that the CONSENT embodies the entire agreement between the Money Transmitter and FinCEN relating to this enforcement matter only, as described in Section III above. Meas further understands and agrees that there are no express or implied promises, representations, or agreements between the Money Transmitter and FinCEN other than those expressly set forth or referred to in the CONSENT or in this ASSESSMENT, and that nothing in the CONSENT or in this ASSESSMENT is binding on any other agency of government, whether Federal, State, or local.

VI. RELEASE

Meas understands that execution of the CONSENT, and compliance with the terms of this ASSESSMENT and the CONSENT, constitute a complete settlement and release of the Money Transmitter's civil liability for the violations of the BSA and regulations issued pursuant to that Act as described in the CONSENT and this ASSESSMENT.

By:

/s/

James H. Freis, Jr., Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
United States Department of the Treasury

Date:

December 8, 2011
