

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

IN THE MATTER OF:

**EL NOA NOA CORPORATION
TAMPA, FLORIDA**

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) **Number 2008 – 2**
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ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

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

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

II. JURISDICTION

El Noa Noa is a money services business that has operated in Tampa, Florida since 1998. El Noa Noa provides check cashing, wire transfer and money order services to its customers. The Internal Revenue Service, Small Business/Self-Employed Division examines El Noa Noa for compliance with the Bank Secrecy Act and its implementing regulations.

At all relevant times, El Noa Noa was a “financial institution” and a “money services business” within the meaning of the Bank Secrecy Act and the regulations issued pursuant to that Act.²

III. DETERMINATIONS

A. Summary

El Noa Noa failed to establish and implement an anti-money laundering program with internal controls and other measures reasonably designed to prevent the money services business from being used to facilitate money laundering. El Noa Noa cashed checks without controls

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

² 31 U.S.C. § 5312(a)(2) and 31 C.F.R. § 103.11.

reasonably designed to ensure compliance with the Bank Secrecy Act. El Noa Noa's reckless disregard towards the anti-money laundering program requirements of the Bank Secrecy Act led, in turn, to multiple failures to timely file currency transaction reports, as required by the Bank Secrecy Act and its implementing regulations.³ El Noa Noa operates in central Florida, an area that has been designated as a High Intensity Drug Trafficking Area.

B. Violations of the Requirement to Establish and Implement an Anti-Money Laundering Program

The Financial Crimes Enforcement Network has determined that El Noa Noa violated the requirement to establish and implement an adequate anti-money laundering program. Since July 24, 2002, the Bank Secrecy Act and its implementing regulations have required money services businesses to establish and implement anti-money laundering programs.⁴ An effective program is one that is reasonably designed to prevent the money services business from being used to facilitate money laundering and the financing of terrorist activities. The regulation requires money services businesses to implement a written anti-money laundering program that, at a minimum: (a) incorporates policies, procedures and internal controls reasonably designed to ensure ongoing compliance; (b) designates an individual responsible for coordinating and monitoring day-to-day compliance; (c) provides training for appropriate personnel; and (d) provides for independent review to monitor and maintain an adequate program.

El Noa Noa failed to establish and implement a written anti-money laundering program, in violation of 31 U.S.C. § 5318(h)(1) and 31 C.F.R. § 103.125 of the Bank Secrecy Act. The Internal Revenue Service informed El Noa Noa of the anti-money laundering program requirements in June 2003, and reminded El Noa Noa of the requirements on two subsequent occasions. Despite actual knowledge of the requirements of the Bank Secrecy Act, El Noa Noa continued to operate for an extended period of time without an effective anti-money laundering program. As of February 2005, El Noa Noa still had not established and implemented a written anti-money laundering program. By not developing and implementing a written anti-money laundering program, El Noa Noa also failed to comply with the core program elements required under 31 U.S.C. § 5318(h)(1) and 31 C.F.R. § 103.125. El Noa Noa's failure to develop and implement an effective anti-money laundering program resulted in violations of the currency transaction reporting requirements of the Bank Secrecy Act.

C. Violations of the Requirement to File Currency Transaction Reports

The Bank Secrecy Act and its implementing regulations require money services businesses to file a report of each deposit, withdrawal, exchange of currency or other payment or transfer which involves a transaction in currency of more than \$10,000.⁵ Multiple currency transactions shall be treated as a single transaction if the money services business has knowledge that such transactions are by, or on behalf of, any person and result in either cash in or cash out totaling more than \$10,000 during any one business day.⁶ Money services businesses are

³ 31 U.S.C. § 5313 and 31 C.F.R. § 103.22.

⁴ 31 U.S.C. § 5318(h)(1) and 31 C.F.R. § 103.125.

⁵ 31 C.F.R. § 103.22(b)(1).

⁶ 31 C.F.R. § 103.22(c)(2).

required to file a currency transaction report on a form prescribed by the Secretary of the Treasury and must provide all information called for in the form.⁷

El Noa Noa failed to file a total of 66 currency transaction reports, in the aggregate amount of \$1,025,948, from January 1, 2004 through May 31, 2005. El Noa Noa failed to file 61 currency transaction reports on single check cashing transactions in excess of \$10,000, in the amount of \$963,438, and five currency transaction reports on multiple check cashing transactions in the amount of \$62,510. These failures to file currency transaction reports deprived law enforcement and other authorities of valuable information that would have otherwise appeared on reports required by the Bank Secrecy Act.

IV. CIVIL MONEY PENALTY

Under the authority of the Bank Secrecy Act and the regulations issued pursuant to that Act,⁸ the Financial Crimes Enforcement Network has determined that a civil money penalty is due for the violations of the Bank Secrecy Act and the regulations issued pursuant to that Act and described in this ASSESSMENT.

Based on the seriousness of the violations at issue in this matter, and the financial resources available to El Noa Noa, the Financial Crimes Enforcement Network has determined that the appropriate penalty in this matter is \$12,000.

V. CONSENT TO ASSESSMENT

To resolve this matter, and only for that purpose, El Noa Noa, 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 against it in the sum of \$12,000. The penalty is payable in the following manner: \$6,000 within five (5) business days of the date of this Assessment, and \$6,000 no later than June 30, 2008.

El Noa Noa recognizes and states that it enters into the CONSENT freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been made by the Financial Crimes Enforcement Network or any employee, agent, or representative of the Financial Crimes Enforcement Network to induce El Noa Noa to enter into the CONSENT, except for those specified in the CONSENT.

El Noa Noa understands and agrees that the CONSENT embodies the entire agreement between El Noa Noa and the Financial Crimes Enforcement Network relating to this enforcement matter only, as described in Section III above. El Noa Noa further understands and agrees that there are no express or implied promises, representations, or agreements between El Noa Noa and the Financial Crimes Enforcement Network other than those expressly set forth or referred to in this document and that nothing in the CONSENT or this ASSESSMENT is binding on any other agency of government, whether federal, state or local.

⁷ 31 C.F.R. § 103.27(d).

⁸ 31 U.S.C. § 5321 and 31 C.F.R. § 103.57.

VI. RELEASE

El Noa Noa understands that its execution of the CONSENT, and the compliance with the terms of this ASSESSMENT and the CONSENT, constitute a complete settlement with the Financial Crimes Enforcement Network of civil liability for the violations of the Bank Secrecy Act 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
U.S. Department of the Treasury

Date: 4/14/08