

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

**IN THE MATTER OF
MEX PESOS CURRENCY EXCHANGE**

No. MSB99-009

ASSESSMENT OF CIVIL MONEY PENALTIES

I. INTRODUCTION

The Secretary of the United States Department of the Treasury has delegated to the Director of the Financial Crimes Enforcement Network (“FinCEN”) the authority to determine whether a financial institution has violated the Bank Secrecy Act (“BSA”), 31 U.S.C. §5311 *et seq.*, and its implementing regulations at 31 CFR Part 103 *et seq.*, and what, if any, sanction is appropriate.

II. JURISDICTION

Mex Pesos is a currency exchanger examined by the Examination Division of the Internal Revenue Service (“IRS”) of the United States of America. Mex Pesos is and was during relevant times, a “financial institution” within the meaning of 31 U.S.C. §5312(a)(2) and 31 CFR §103.11 (n).

III. FACTS

A. Failure to File Currency Transaction Reports

On March 1, 1994 and May 26, 1994, Mex Pesos failed to file two Currency Transaction Report (“CTR”) forms for currency exchanges of Mexican pesos to U.S. dollars in amounts greater than \$10,000 as required by 31 CFR §103.22, promulgated under §5313 of the Bank Secrecy Act.

Specifically, the owner and manager of Mex Pesos exchanged 40,460,000 pesos for \$12,786.72 on March 1, 1994 and 40,000,000 pesos for \$12,158 on May 26, 1994 for a customer. Even though the manager was told that the funds were obtained from an unlawful sale of small arms smuggled from the United States and sold illegally abroad, Mex Pesos failed to file a CTR for these currency transactions in violation of the BSA.

B. Willful Violations

Mex Pesos’ owner and manager attended a seminar on May 31, 1990 conducted by the IRS regarding the BSA and knew that the BSA required Mex Pesos to file a CTR on the currency transactions. The IRS and other law enforcement agencies also conducted an educational visit on October 21, 1992. At that visit, the owner and manager signed an acknowledgment that indicated

she understood the BSA requirements. As a result, Mex Pesos willfully violated the BSA when its owner and manager failed to file CTRs as described above.

IV. DETERMINATIONS

By failing to file CTRs as described in Paragraphs II and III, above, Mex Pesos willfully violated the currency reporting provisions of the BSA and a civil money penalty is due pursuant to 31 U.S.C. §5321 and 31 CFR §103.47(f).

V. ASSESSMENT

THEREFORE, the Department of the Treasury assesses against Mex Pesos a civil money penalty of \$50,000, pursuant to 31 U.S.C. §5321(a)(1) of the Bank Secrecy Act and 31 CFR §103.47(f), thereunder.

THEREFORE, Mex Pesos shall:

1. Pay the amount of \$50,000 within five (5) business days of the date of this ASSESSMENT.
2. Such payment shall be:
 - a. made by certified check, bank cashier's check, or bank money order;
 - b. made payable to the United States Department of the Treasury;
 - c. hand-delivered or sent by overnight mail to Nicholas A. Procaccini, Assistant Director and Chief Financial Officer, FinCEN, P.O. Box 39, Vienna, Virginia 22183; and
 - d. submitted under a cover letter, which references the caption and file number in this matter.

By: //signed// James F. Sloan
James F. Sloan, Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
U.S. DEPARTMENT OF THE TREASURY

Date: April 19, 2000