



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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Sigue Corp. and Sigue, LLC of California to Pay \$15 Million to U.S. Government for Anti-Money Laundering Program Deficiencies

The Financial Crimes Enforcement Network (FinCEN) announced the assessment of a civil money penalty in the amount of \$12 million against Sigue Corporation and Sigue, LLC, a money services business headquartered in San Fernando, California, for violations of the Bank Secrecy Act (BSA). Sigue, without admitting or denying the allegations, consented to the civil money penalty. Concurrently, the Department of Justice announced today that Sigue has also entered into a deferred prosecution agreement on charges of failing to maintain an effective anti-money laundering program and will forfeit \$15 million to the U.S. government. FinCEN's penalty will be deemed satisfied by a portion of the \$15 million payment to the Department of Justice.

Sigue has more than 7,000 agent businesses or "authorized delegates" located throughout the United States, providing money transmission services from the United States to Mexico and Latin America. The authorized delegates, which are typically small businesses, and Sigue each earn a small fee for the transactions conducted through these agents.

FinCEN determined that Sigue failed to establish and implement an anti-money laundering program reasonably designed to ensure compliance with the Bank Secrecy Act which led, in turn, to a failure by management at Sigue to implement measures to respond to continued patterns of suspicious activity, with repeated common characteristics, at certain agent locations. Specifically, on multiple occasions over an extended period of time, 47 agents assisted customers in the structuring of transactions represented to be drug trafficking proceeds to avoid the currency transaction reporting requirements of the Bank Secrecy Act. Sigue's failure to implement effective internal controls, training or independent testing to manage the risk of money laundering was serious, longstanding and systemic.

"Today's enforcement action reinforces our message on the importance of compliance by all the diverse sizes and types of financial institutions subject to the Bank Secrecy Act," said James H. Freis, Jr., Director of the Financial Crimes Enforcement Network. "Principals of money services businesses must exercise effective oversight and control over the authorization, transactional activity and operations of their agents to ensure compliance with the BSA and prevent money

laundering. Operations with sound programs minimize the risk of being misused by criminals and unscrupulous or non-compliant agents.”

In particular, FinCEN found that Sigue’s transaction monitoring system was not commensurate with the volume, dollar amounts and geographical reach of transactions processed by the money services business, resulting in the filing of incomplete and/or inaccurate suspicious activity reports. This occurred despite the repeated patterns of suspicious activity by identical or similar customers, beneficiaries and agents.

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