

UNITED STATES DEPARTMENT OF THE TREASURY



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FOR IMMEDIATE RELEASE

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FinCEN Fines Los Angeles Money Services Business and Its Owner/Compliance Officer for Anti-Money Laundering Failures

Owner/Compliance Officer Mised Examiners and Attempted to Obstruct Examination

WASHINGTON, D.C. — The Financial Crimes Enforcement Network (FinCEN) today imposed a [civil money penalty](#) against Lee's Snack Shop, Inc. and its owner and compliance officer, Hong Ki Yi, for willful and repeated violations of the Bank Secrecy Act (BSA). Lee's Snack Shop and Mr. Yi have admitted to conduct that violated the BSA and have consented to a civil money penalty in the amount of \$60,000.

An examination and subsequent investigation revealed, among other deficiencies, that Lee's Snack Shop failed to file at least 216 currency transaction reports in a timely manner during the six-month exam scope period, and hundreds more after the examination had concluded and the business was advised of its failings. The investigation also revealed that Lee's Snack Shop and Mr. Yi failed to develop, maintain, and implement an effective anti-money laundering (AML) program.

During the exam, Mr. Yi failed to disclose that Lee's Snack Shop frequently exchanged checks for cash with another money services business, an arrangement known as "wholesaling" or "bulk check cashing." Unless mitigated by proper AML controls, these practices present significant risks to the transparency of transactions and can seriously inhibit investigative efforts to follow money trails. He attempted to conceal these transactions by withholding business records such as checks and adding machine tapes. These transactions accounted for over \$2.1 million worth of wholesale-exchanged checks during the six-month examination scope. Mr. Yi stated that the company had been wholesaling checks for the past two years. However, further investigation revealed that the wholesaling arrangement had been in place for more than a decade.

FinCEN Director Jennifer Shasky Calvery expressed her appreciation to the Internal Revenue Service, Small Business/Self-Employed Division, which performed the examination, for its contributions to the investigation and for its strong partnership with FinCEN.

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FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.