

Proactive SAR Review Identifies Retired U.S. Military Officer Involved in Bribery Scheme

Suspicious Activity Reports, filed by a credit union and money transmitter, led to the investigation of a retired officer who began accepting bribes while still in military service. The defendant orchestrated a scheme to ensure specific entities were awarded contracts for services related to the construction and maintenance of facilities for U.S. armed forces overseas. An alert depository institution recognized unusual transactions by the defendant and filed the SARs.

According to court documents, the defendant and a co-defendant met one another in a country in the Middle East and soon entered into a business and personal relationship. The defendant agreed to assist his partner and others to obtain U.S. government contracts for work in that country. Thereafter, the defendant and others agreed to pay an active duty airman in exchange for his assistance in getting contracts awarded to their companies. In furtherance of this illegal agreement, the airman helped to steer multiple government contracts to businesses run by the defendant. After the United States paid hundreds of thousands of dollars for the work on these two contracts, the defendant paid the airman approximately \$50,000 in bribes.

The investigation began several years earlier when members of a SAR Review Team found the SAR that started the case during a monthly SAR review meeting. In that SAR, the financial institution noted that incoming wire transactions involving the defendant were not in keeping with prior account activity due to the number, dollar amount, and frequency in which the wires were received. The SAR also stated that the defendant's account received several wires totaling over \$75,000 from companies located in a Central American country. The financial institution also filed a subsequent SAR on the same unexpected activity.

In addition, a SAR filed by a money services business reported that the defendant visited the same branch of the MSB within a couple of days and received transfers for \$5,000 each from different senders in the Middle Eastern country. The employee performing the transactions noticed another pending transaction that the defendant did not request. The SAR stated that it was apparent that the wires were sent in a structured manner.

A Federal judge sentenced the defendant, who had pleaded guilty, to 3 years in prison for his participation in a scheme to bribe a military official in exchange for his illicit assistance in awarding government contracts. As part of the sentence, the Court also ordered the defendant to forfeit more than \$700,000 to the United States government.

[Published in *The SAR Activity Review - Trends, Tips & Issues*, Issue 21, May 2012]