

BSA Data Helps Dismantle Transnational Money Laundering and Health Care Fraud Organization

This BSA case underscores how shell corporations can be exploited to move ill-gotten gains. Utilizing financial analysis of BSA data and undercover operations, the NY El Dorado Task Force successfully dismantled a highly sophisticated transnational money laundering and healthcare fraud organization that utilized a complicit money services business (MSB), multiple shell corporations, U.S. bank accounts of former J-1 visa holders, and attorneys to defraud government agencies and healthcare issuers of tens of millions of dollars. BSA records provided important leads and clues for investigators. For instance, BSA reporting on the suspects identified a series of suspicious transactions involving multiple businesses writing checks to each other, noting the signers all had recently issued SSNs, and that the businesses were listed at the same address, a residence. Other BSA reporting falsely listed participants in financial transactions who, in fact, had nothing to do with the transaction. By identifying attempted deception, this reporting is also valuable. EDTF identified the MSB, approximately 30 shell companies, and a large network of healthcare clinics and durable medical equipment suppliers. The scheme included the use of fraudulent billing companies to file no-fault accident claims with insurance companies on behalf of medical clinics and equipment providers. Upon receipt of payment from the insurance companies in settlement of the claims, the conspirators drew checks payable to a complex web of shell companies. These shell companies appeared to be healthcare related, but in fact did no legitimate business and were incorporated in the names of long-departed foreign students who had received special short-term visas to study in the United States. The investigation yielded 7 criminal arrests, 13 indictments, 9 convictions, and the forfeiture of approximately \$3.4 million in U.S. currency.

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