

BSA Reporting Initiates Case Involving Major Black Market Peso Exchange Scheme

The case, initiated by the Southern California Drug Task Force High Intensity Drug Trafficking Area (HIDTA), began as the result of BSA reporting filed by an alert financial institution and targeted an international money laundering operation involving a Black Market Peso Exchange (BMPE) scheme. During the course of this investigation, BSA data tied financial activities to the subjects of the investigation. Analysis of BSA filings by the case agent indicated the company's bank account received structured cash deposits in locations where the business did not have any customers. This case resulted in the first BMPE money laundering conviction in the Central District of California. It involved the convictions of multiple customers using the BMPE scheme, operating an unlicensed money transmitting business, and evading financial reporting requirements. It was transnational and touched illegal activity by the Sinaloa Cartel and money launderers in Colombia. This case was also the impetus for another BMPE investigation targeting the garment district in Los Angeles which resulted in the seizures of narcotics and over \$100 million in cash during September 2014. While there were many investigative tools used during the course of the investigation, BSA data strongly supported the successful prosecutions of the subjects in this case. In the end, nine individuals ended up pleading guilty to various money laundering related charges.

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