

## **Numerous BSA Records Aid in Liberty Reserve Investigation**

HSI-NY, El Dorado Task Force (EDTF) joined an ongoing investigation into Liberty Reserve, a Costa Rican company that offered digital currency. Dozens of BSA records filed by more than 20 financial institutions described staggering amounts of funds transfers, helping complete the puzzle for investigators. Liberty Reserve facilitated international crime by providing anonymity to individuals involved in illicit financial transactions. It allowed criminals to use its currency to make and receive payments for illicit material or activity including child pornography, Ponzi schemes, stolen identity, credit information, narcotics, and other contraband. Liberty Reserve was specifically designed and frequently used to facilitate money laundering in cyber space. It is estimated that \$6 billion Liberty Reserve dollars were processed within this platform from 2009 thru 2013. In May 2013, FinCEN identified Liberty Reserve as a financial institution of primary money laundering concern. This was the first use of such authorities by FinCEN against a virtual currency provider. Liberty Reserve and its operators held millions of dollars in bank accounts worldwide. Pursuant to seizure warrants and restraining orders, U.S. authorities have frozen a total of approximately \$40 million.

[Posted May 2015]