



## **FinCEN Director's Law Enforcement Awards Program Recognizes Significance of BSA Reporting by Financial Institutions**

### **Category: Transnational Organized Crime**

The Financial Crimes Enforcement Network (FinCEN) holds an annual Law Enforcement Awards ceremony, presenting awards to law enforcement agencies that use Bank Secrecy Act reporting provided by financial institutions in their criminal investigations. The goals of the program are to recognize law enforcement agencies that made effective use of financial institution reporting to obtain a successful prosecution, and to demonstrate to the financial industry the value of its reporting to law enforcement. The program emphasizes that prompt and accurate reporting by the financial industry is vital to the successful partnership with law enforcement to fight financial crime.

The program is open to all Federal, state, local, and tribal law enforcement agencies and includes seven award categories recognizing achievements in combatting significant threats to the integrity of the financial system and the safety of our communities. One of these categories is "Transnational Organized Crime." A brief summary of each 2018 nomination within this category is provided below.

#### **Drug Enforcement Administration (DEA)**

DEA investigators targeted an international Drug Trafficking and Money Laundering Organization (DTMLO) operating across the United States, Europe, Asia, South America, and Central America in this investigation. The case began in earnest based on information investigators discovered in financial records of their subjects.

Information derived from sensitive financial data, telephone intercepts, physical surveillance, and other investigative methods revealed that members of this DTMLO were part of a global organized crime syndicate. The money laundering activities were conducted through a worldwide network of shell companies, controlled by a Mexican individual, while the drug trafficking activities were carried out all over the world, but primarily in the United States and Mexico. As a result of the financial data and surveillance efforts, DEA officials were able to obtain seizure warrants in multiple jurisdictions that resulted in the seizure of thousands of kilograms of cocaine, heroin, and methamphetamine and over \$570,000 in cash. Information obtained from confidential sources, and financial records from domestic and foreign sources, revealed that this organization was utilizing many different techniques and businesses to carry

out its criminal activities across the globe. As a result of an extensive investigation, agents were able to seize a total of \$5.5 million, as well as assets, including an aircraft allegedly used for smuggling activities, valued at over \$750,000. Prosecutors were able to obtain indictments and arrest warrants for multiple individuals on various money laundering and drug trafficking charges. Several subjects have been taken into custody through coordination with many different foreign law enforcement agencies, while several other subjects remain international fugitives, as of May 2018.

### **Internal Revenue Service-Criminal Investigation (IRS-CI)**

This investigation focused on a Mexican trade based money laundering (TBML) operation utilized to conceal the illegal proceeds from the sale of cocaine, heroin, marijuana, and methamphetamine in the Chicago area. The investigation was spearheaded by IRS-CI agents, who collaborated with several other federal, state, and local law enforcement agencies.

Investigators learned of complicit individuals in the Chicago area who were directed to collect narcotics proceeds from drug traffickers and money couriers and purchase scrap gold from coin and jewelry stores. The scrap gold was then packaged and shipped to a business in Florida, which then sent payments to co-conspirators in the United States and Mexico. Law enforcement officials analyzed financial records to identify co-conspirators and bank accounts, and develop additional leads that were paramount to the success of this investigation. The newly identified bank accounts led to the seizure of several million dollars. Numerous records showed that the Florida-based business received wire transfers from gold related businesses throughout the country with immediate currency withdrawals, typically via cash, or checks written to individuals who quickly exchanged the checks for cash. Based on this data, along with other investigative techniques, investigators determined that the funds were ultimately directed to a high-ranking member of a Mexican cartel through bulk cash smuggling and wire transfers.

As a result of this investigation, 32 individuals were indicted on money laundering and drug trafficking charges for laundering more than \$100 million. The investigation also led to the seizure of \$4.5 million and a high volume of cocaine, marijuana, and firearms.