

AMLAC Forum

September 19, 2006

“Money Laundering Case Studies”

Lester Joseph

Phil Hull

Bill Harper

DOJ

IRS

DEA



Bank Compliance/Reporting Requirements – Title 31

- **Currency Transaction Reports (CTR)**
- **Suspicious Activity Reports (SAR)**
- **Anti-Money Laundering Program**

AML Enforcement

- **Regulatory Action**
- **FinCEN Civil Penalty**
- **Criminal Enforcement**



Broadway National Bank

November 2002

- **First Criminal Prosecution for failure to file SARs.**
- **\$120 million in suspicious bulk cash and structured deposits.**
- **\$4 million penalty**
- **Guilty Plea to Three Counts:**
 - **Failure to File SARs**
 - **Failure to properly file CTRs**
 - **Failure to have an effective AML Program**

Banco Popular de Puerto Rico

January 2003

- **Deferred Prosecution**
- **Criminal Information charged bank with failing to file SAR on accounts of drug dealers and money remitters.**
- **More than \$30 million in drug money laundered through bank.**
- **\$21.6 million Forfeiture**
- **Concurrent \$20 million FinCEN civil penalty**

Delta National Bank & Trust

October 2003

- **Criminal Prosecution**
- **Guilty plea to charge of failing to file SAR.**
- **Account belonged to a Colombian national involved in foreign exchange.**
- **Transactions involved \$5-10 million.**
- **Bank agreed to \$950,000 forfeiture**

AmSouth Bank

October 2004

- **Deferred Prosecution**
- **Criminal Information charged bank with failing to file SAR.**
- **Suspicious transactions involved a \$20 million fraud scheme.**
- **Bank was uncooperative in investigation.**
- **\$40 million civil forfeiture.**
- **\$10 million civil penalty assessed by FinCEN and Federal Reserve.**

Riggs Bank

January 2005

- **Criminal Prosecution.**
- **Guilty Plea to Failure to File SARs.**
- **Suspicious transactions involved transactions with Pinochet and Equitorial Guinea.**
- **\$16 million Criminal Fine.**
- **\$25 million civil money penalty assessed by FinCEN.**

Bank of NY

November 2005

.Non-Prosecution Agreement

- **Failure to File SARS**

- **EDNY Case - Escrow Fraud Scheme**

- **SNDY Case - Russian Money Movements**

- **\$26 million Combined Forfeiture**

- **\$12 million Restitution to Victims of Fraud**

- **Independent Examiner to be appointed**

BankAtlantic

January 2006

- **Deferred Prosecution**
- **Failure to have Effective AML Program**
- **\$10 million received from UC Operations**
- **\$10 million Forfeiture**

What is DOJ's Role?

- ✓ **We are not targeting banks.**
- ✓ **We are not trying to second-guess bank examiners.**
- ✓ **We are not prosecuting banks for failing to file a single SAR.**

What is DOJ's Role?

- ✓ **DOJ is prosecuting banks that are involved in money laundering activity and that have systemic deficiencies in their AML programs.**

July 12, 2005 Bluesheet

- **All prosecutions and deferred prosecutions of financial institutions for violations of 1956, 1956 and Title 31 must receive prior approval from the Criminal Division through AFMLS.**

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