

## **SAR Leads to Structuring Conviction for Mortgage Broker**

A federal law enforcement investigation led to the conviction of a mortgage broker who structured more than \$500,000 into multiple accounts at various financial institutions. As part of the defendant's guilty plea to structuring, he admitted that he structured specifically to avoid the Bank Secrecy Act's CTR filing requirements.

In 2005, the defendant made more than two dozen deposits at multiple branches of several different banks aggregating to nearly \$300,000. More than a year later, he made numerous deposits through more than a dozen branches of a single bank totaling nearly \$200,000.

One of the earliest-filed SARs was pivotal in helping investigators determine that the defendant was structuring multiple cash deposits and withdrawals to/from several accounts to stay under the CTR reporting limit. This SAR caught the attention of a federal law enforcement agent who was part of a SAR review team. An in-depth search for relevant BSA documents located numerous SARs filed by multiple financial institutions describing both cash structuring and the apparent structured purchase of money orders by or for the defendant.

Specifically, the key SARs revealed that during a brief period the defendant was structuring through several personal and business accounts at the filer's bank. Each of his cash deposits was split among his bank accounts in amounts ranging between \$9,000 and \$10,000. He also deposited numerous money orders that were apparently purchased by several different individuals, though handwriting similarities noted in the signatures on the money orders suggested they were all signed by the same individual. The filer of the key SAR also reportedly suspected the defendant of check kiting based on the number of the defendant's personal checks drawn on other financial institutions and returned unpaid to the filer bank as the bank of first deposit.

Another SAR filed by this bank in 2006 revealed the defendant's continued pattern of structuring cash deposits. Further information gleaned from the bank revealed the defendant's purchase of large cashier's checks, some of which were payable to individuals with no known business affiliation to him.

During the course of the investigation, federal law enforcement officials were unable to determine the source of the bulk of the cash the defendant deposited. However, agents suspect that the money came from drug trafficking, currency smuggling, and/or questionable real estate dealings. Two additional SARs report the defendant's possible involvement in mortgage loan fraud. The defendant's attorney maintained that the defendant saved the bulk of the structured cash over time, storing it in his home for the proverbial rainy day.

At sentencing, the federal judge suggested that the defendant's structuring activity strongly pointed to some type of related criminal activity. The defendant pleaded guilty to the structuring charges and received a sentence that included home detention, probation, and a fine.

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