



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FinCEN Assesses Civil Money Penalty Against Oregon-Based Unregistered Money Transmitter

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today announced [assessment](#) of a \$25,000 civil money penalty against Victor Kaganov of Tigard, Oregon, for violating Bank Secrecy Act (BSA) requirements for money transmitters. FinCEN determined that Kaganov violated BSA registration, anti-money laundering program, and suspicious activity reporting requirements while conducting an independent money transmitter business from his residence. Kaganov consented to pay FinCEN's assessment.

From July 2002 through March 2009, Kaganov conducted more than 4,200 funds transfers in the United States, involving total dollars amounting to more than \$172 million, to and from a number of locations in Europe and Asia. In a typical transaction, funds were wired into a U.S. bank account controlled by Kaganov, and from there Kaganov instructed his bank to transmit the funds to a third party beneficiary. Kaganov repeatedly conducted business in violation of the BSA and outside the regulatory framework for money transmitters. Money services business registration is a critical part of the government's efforts against money laundering, terrorist financing, and other financial crimes. Registration is an initial and foundational step, required as part of BSA regulations, intended to assist law enforcement and other government agencies in the enforcement of criminal, tax, and regulatory laws, and to prevent money transmitters from engaging in, or being misused to facilitate, the flow of illicit proceeds.

“FinCEN's regulatory framework mitigates the risk of criminal abuse of money services businesses and so promotes the provision of legitimate financial services to consumers,” noted FinCEN Director James H. Freis, Jr. “Registration and reporting, pursuant to the BSA, are integral parts of highly useful investigative audit trails utilized by law enforcement. FinCEN is committed to identifying, and if warranted, penalizing money transmitters operating in violation of the BSA.”

Today's action resulted from coordination among FinCEN, the Organized Crime and Racketeering Section of the Department of Justice, the Asset Forfeiture and Money Laundering

Section of the Department of Justice, the United States Attorney's Office for the District of Oregon, the Federal Bureau of Investigation, and the United States Postal Inspection Service.

Department of Justice Press Release:

<http://www.justice.gov/opa/pr/2011/March/11-crm-261.html>

FBI News Story March 7, 2011:

http://www.fbi.gov/news/stories/2011/march/money_030811/money_030811

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*F*inCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.