

UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
FINANCIAL CRIMES ENFORCEMENT NETWORK

IN THE MATTER OF: )  
 )  
ALTIMA, INC. ) Number 2011-8  
MARIETTA, GEORGIA )  
 )  
BABAK SAFARRIYEH, A/K/A "BOBBY SAFARI" )  
MARIETTA, GEORGIA )

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

Under the authority of the Bank Secrecy Act and regulations issued pursuant to that Act, the Financial Crimes Enforcement Network has determined that grounds exist to assess a civil money penalty against Altima, Inc. ("Altima" or the "Money Transmitter").<sup>1</sup> To resolve this matter, and only for that purpose, Altima has entered into a CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTY ("CONSENT") without admitting or denying the determinations by the Financial Crimes Enforcement Network, as described in Sections III and IV below, except as to jurisdiction in Section II below, which is admitted.

The CONSENT is incorporated in the ASSESSMENT OF CIVIL MONEY PENALTY ("ASSESSMENT") by this reference.

II. JURISDICTION

Altima was an independent money transmitter, located in Norcross, Georgia. From November 2006 through December 2010, Altima executed funds transfers for clients and received financial compensation for those money transmission services. Altima engaged in the business of transmitting funds for persons located in the United States and abroad. At all relevant times, Altima was a "money transmitter" within the meaning of the Bank Secrecy Act and its implementing regulations.<sup>2</sup> Money transmitters are a type of "money services business" and "financial institution," under the Bank Secrecy Act and regulations issued pursuant to that Act.<sup>3</sup>

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<sup>1</sup> 31 U.S.C. § 5311 et seq. and 31 C.F.R. Part 103. 31 C.F.R. Chapter X.

On March 1, 2011, a transfer and reorganization of Bank Secrecy Act regulations from 31 C.F.R. Part 103 to 31 C.F.R. Chapter X became effective. Throughout this document we refer to the Part 103 citations in effect during the relevant period of time, followed by the corresponding Chapter X citations.

<sup>2</sup> 31 C.F.R. § 103.11(n) and (uu). 31 C.F.R. § 1010.100(t) and (ff).

<sup>3</sup> 31 U.S.C. § 5312(a)(2) and 31 C.F.R. § 103.11(n). 31 C.F.R. § 1010.100(t).

Altima was incorporated on December 2, 2004, in the State of Georgia. Babak Safarriyeh a/k/a “Bobby Safari” was Altima’s President, Chief Executive Officer, sole incorporator, and sole shareholder. Safarriyeh was Altima’s only employee, and responsible for Altima’s day-to-day activities. On September 6, 2010, Altima was dissolved, and on December 31, 2010, Altima’s money transmitter license, issued by the State of Georgia’s Department of Banking and Finance (GDBF), expired.

Under delegated authority from the Financial Crimes Enforcement Network, the Internal Revenue Service, Small Business/Self-Employed Division examines money services businesses for compliance with the Bank Secrecy Act, and refers evidence of deficiencies to the Financial Crimes Enforcement Network for disposition.<sup>4</sup> State government agencies examine money services businesses for compliance with State laws comparable to the Bank Secrecy Act, and submit relevant examination results to the Financial Crimes Enforcement Network, pursuant to Memorandums of Understanding. In February 2010, Altima was examined by GDBF. The Financial Crimes Enforcement Network investigated Altima and Safarriyeh pursuant to its authority to enforce compliance with the Bank Secrecy Act.<sup>5</sup>

The Financial Crimes Enforcement Network is authorized to impose civil money penalties against money services businesses for violations of the Bank Secrecy Act, and the United States Department of Justice prosecutes criminal violations of the Bank Secrecy Act and related money-laundering statutes.

### III. DETERMINATIONS

#### A. Summary

The Financial Crimes Enforcement Network has determined that Altima violated the registration and anti-money laundering program requirements of the Bank Secrecy Act. From November 2004 through December 2010, Safarriyeh, doing business as Altima, Inc., was a money transmitter licensed in the State of Georgia. Altima provided money transfer services from the United States to Iran.

On November 15, 2006, Altima’s owner, Safarriyeh, filed an initial Registration of Money Services Business (RMSB) form with the Financial Crimes Enforcement Network. Safarriyeh did not renew Altima’s money services business registration until February 25, 2010, resulting in a lapse of registration lasting over two years. Altima was identified as a result of an examination by GDBF on February 22, 2010 for the year 2009. According to the examination, Altima had failed to comply with Bank Secrecy Act anti-money laundering program and registration renewal requirements. As a result, the State of Georgia fined Altima \$6,000.

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<sup>4</sup> 31 C.F.R. § 103.56(b)(8). 31 C.F.R. § 1010.810(b)(8).

<sup>5</sup> 31 C.F.R. § 103.56. 31 C.F.R. § 1010.810.

## B. Violations of the Requirement to Register with the Financial Crimes Enforcement Network

The Financial Crimes Enforcement Network has determined that Altima was an unregistered money transmitter in violation of Bank Secrecy Act registration requirements from December 2007 to February 2010. Since 2001, the Bank Secrecy Act has required certain money transmitters to register with the Financial Crimes Enforcement Network by filing an RMSB form, and renewing the registration every two years.<sup>6</sup> The registration requirement is an initial and foundational step as part of the Financial Crimes Enforcement Network's larger regulatory framework for money services businesses. The registration requirement is intended to assist law enforcement and supervisory agencies in criminal, tax, and regulatory investigations and proceedings, and to prevent money transmitters from engaging in illegal activities.<sup>7</sup>

Affected money transmitters comply with Bank Secrecy Act registration requirements mainly by filing an RMSB within 180 days after commencing operations, and renewing the registration every two years.<sup>8</sup> RMSB forms promote greater transparency with respect to money services businesses, which serve as gateways to the U.S. financial system. RMSB forms are also an integral part of highly useful investigative audit trails utilized by law enforcement, the Financial Crimes Enforcement Network, and other government agencies. A business that is a money transmitter solely because it serves as an agent of another money transmitter is not required to comply with Bank Secrecy Act registration requirements.<sup>9</sup> Any person(s) who owns or controls a money transmitter is responsible for registering the business.<sup>10</sup> If the money services business' ownership or number of agents changes, a re-registration requirement may apply.

Information provided by GDBF, as well as other evidence, reveals that from November 2006 through December 2010 Altima operated as a money transmitter, transmitting funds on behalf of individuals located in the United States to Iran. Safarriyeh filed Altima's initial RMSB form on November 15, 2006. Altima was required to submit a renewal of the RMSB form by December 31, 2007, but did not do so until February 25, 2010, and only after GDBF instructed Altima to re-register in February 2010. During the examination, Altima was cited for failing to comply with Bank Secrecy Act requirements for money services businesses, including a failure to renew its money services business registration. For over two years, in 2008 and 2009, Altima operated in violation of Bank Secrecy Act registration requirements for money services businesses. During the relevant period of time, Altima publicized its services as a money transmitter to the Iranian-American community throughout the southeastern United States in at least one English/Farsi-language publication.

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<sup>6</sup> 31 U.S.C. § 5330 and 31 C.F.R. § 103.41. 31 C.F.R. § 1022.380.

<sup>7</sup> See Amendment to the Bank Secrecy Act Regulations-Definitions Relating to, and Registration of, Money Services Businesses, 64 FR 45438 (August 20, 1999).

<sup>8</sup> 31 C.F.R. § 103.41(b)(2). 31 C.F.R. § 1022.380(b)(2). The Financial Crimes Enforcement Network's home page for money services businesses is located at [http://www.fincen.gov/financial\\_institutions/msb/](http://www.fincen.gov/financial_institutions/msb/), and contains a copy of the RMSB form and instructions. There is no cost for registration.

<sup>9</sup> 31 C.F.R. § 103.41(a)(2). 31 C.F.R. § 1022.380(a)(2).

<sup>10</sup> 31 C.F.R. § 103.41(c). 31 C.F.R. § 1022.380(c).

### C. Violations of the Requirement to Implement an Anti-Money Laundering Program

The Financial Crimes Enforcement Network has determined that Altima violated Bank Secrecy Act anti-money laundering program requirements. Altima did not establish and maintain an anti-money laundering program appropriate to the money laundering risks associated with its business, executing numerous funds transfers from the United States to Iran in four years. Since July 24, 2002, the Bank Secrecy Act and its implementing regulations have required money transmitters to establish and implement written anti-money laundering programs reasonably designed to prevent the money transmitter from being used to facilitate money laundering and the financing of terrorist activities.<sup>11</sup>

During the relevant period of time, Altima breached its duties as a money transmitter subject to the Bank Secrecy Act by failing to establish and implement a written anti-money laundering program, with internal controls, training, independent audit, and designated personnel to ensure day-to-day compliance. At the time of GDBF's February 2010 examination, Altima had not established and implemented a written anti-money laundering program. Altima failed to have an anti-money laundering program in place for over three years.

The absence of systems, controls, and other anti-money laundering measures disabled Altima's ability to detect and report suspicious transactions, in accordance with the Bank Secrecy Act, and prevent the potential for facilitating money laundering. Altima had not undertaken a risk assessment of its business, and/or reviewed the risks posed by its products, services, customers, and geographic reach. Without a risk assessment and adequate internal controls in place, Altima was unable to adequately determine and respond to the risks of being used to facilitate potential money laundering and the potential financing of terrorist activities. According to corporate records, Altima was engaged in single-family home construction. However, available information indicates that Altima also transmitted funds for customers to Iran, a nation sanctioned by the United States government for its support for international terrorism. Economic sanctions imposed by the United States generally prohibit the exportation of services to Iran, including financial services, and financial dealings with persons in Iran are also prohibited absent necessary authorizations.

With the exception of the initial registration and delinquently filed RMSB registration renewal forms, Altima never filed any Bank Secrecy Act reports, including suspicious activity reports or currency transaction reports.

### IV. CIVIL MONEY PENALTY

The Financial Crimes Enforcement Network may impose civil money penalties against a money transmitter, or any person who owns or controls a money transmitter, for violations of money services business registration requirements.<sup>12</sup> The Financial Crimes Enforcement Network may assess a civil money penalty for failure to register as a money transmitter, in an amount up to \$5,000 per violation. Each day a violation continues constitutes a separate violation. The Financial Crimes Enforcement Network may assess civil money penalties against

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<sup>11</sup> 31 U.S.C. § 5318(h)(1) and 31 C.F.R. § 103.125. 31 C.F.R. § 1022.210.

<sup>12</sup> 31 U.S.C. § 5330(e) and 31 C.F.R. § 103.41(e). 31 C.F.R. § 1022.380(e).

a money transmitter, or any partner, director, officer, or employee thereof, for each willful violation of anti-money laundering program requirements. A penalty of \$25,000 per day may be assessed for failure to establish and implement an adequate written anti-money laundering program.<sup>13</sup> A separate violation occurs for each day the violation continues.

As administrator of the Bank Secrecy Act, the Financial Crimes Enforcement Network has determined that a civil money penalty is due from Altima and Safarriyeh for the violations of the Bank Secrecy Act and its implementing regulations described in this ASSESSMENT. After considering the seriousness of the violations and the very limited financial resources available to Safarriyeh, the Financial Crimes Enforcement Network has determined that the appropriate penalty in this matter is \$5,000. This civil money penalty shall be satisfied by one \$5,000 payment to the United States Department of the Treasury.

#### V. CONSENT TO ASSESSMENT

To resolve this matter, and only for that purpose, Safarriyeh, without admitting or denying either the facts or determinations described in Sections III and IV above, except as to jurisdiction in Section II, which is admitted, consents to the assessment of a civil money penalty in the sum of \$5,000 to be satisfied by one \$5,000 payment to the United States Department of the Treasury.

Safarriyeh recognizes and states that he enters into the CONSENT freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been made by the Financial Crimes Enforcement Network or any employee, agent, or representative of the Financial Crimes Enforcement Network to induce Safarriyeh to enter into the CONSENT, except for those specified in the CONSENT.

Safarriyeh understands and agrees that the CONSENT embodies the entire agreement between the Money Transmitter and the Financial Crimes Enforcement Network relating to this enforcement matter only, as described in Section III above. Safarriyeh further understands and agrees that there are no express or implied promises, representations, or agreements between the Money Transmitter and the Financial Crimes Enforcement Network other than those expressly set forth or referred to in the CONSENT or in this ASSESSMENT, and that nothing in the CONSENT or in this ASSESSMENT is binding on any other agency of government, whether Federal, State, or local.

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<sup>13</sup> 31 U.S.C. § 5321(a)(1).

