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

Category: State or Local Law Enforcement

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 "State or Local Law Enforcement." A brief summary of each 2018 nomination within this category is provided below.

New York State Police

Investigators with the New York State Police began this investigation after receiving a request for assistance from another local law enforcement agency in a grand larceny investigation. The grand larceny investigation stemmed from a report of elder financial abuse from a local adult protective services agency.

An elderly woman had nearly $100,000 in cash stolen from her by her son after he promised to put the money in a financial account that would earn money for her. The son had taken the money from the woman's home after the passing of her husband and deposited the funds into his account at a local bank, assuring the woman it was in her name. The bank contacted a local adult protective services agency to report the suspicious activity. The agency referred the case to local

law enforcement, who interviewed the elderly woman and found out that she had sold her home and belongings and moved in with her son, who was now controlling her finances.

The local law enforcement agency contacted the New York State Police (NYSP) for assistance with this investigation, at which point NYSP investigators analyzed financial data to identify account information, transaction amounts, and transaction dates. This information corroborated the information provided to investigators by the elderly woman. Investigators successfully subpoenaed records from several banks in the area and identified multiple accounts in the name of the woman's son only. They were also able to identify the transactions funded by the cash stolen by the victim, including an official bank check withdrawal. Investigators were also able to track a complex series of transactions through multiple financial institutions and account types and were eventually able to recover $54,000 that was returned to the victim.

The subject of the investigation was arrested on grand larceny charges, and as of May 2018, remains in jail pending further legal action.

Quad City Metropolitan Enforcement Group – Illinois State Police

Quad City Metropolitan Enforcement Group (QCMEG) analysts identified a nationwide marijuana trafficking and money laundering organization while analyzing a large volume of sensitive financial data. A year-long investigation culminated in the execution of 15 Federal search warrants in five states, along with the seizure of nearly 600 live marijuana plants and nearly 300 pounds of harvested marijuana. Also seized as a result of the warrants was nearly $300,000 in cash, multiple vehicles, multiple pieces of real estate, jewelry, and fully automatic weapons.

The financial data obtained and analyzed by QCMEG officials generated dozens of additional leads and identified over $840,000 in laundered cash during an 18-month time period. Officials from QCMEG coordinated with various Federal, state, and local agencies to follow financial leads identified in their analysis. Officials from the various agencies identified records from financial institutions, real estate companies, utility companies, and various local government offices to help uncover multiple members of the criminal organization, their travel patterns, and the properties they were utilizing as marijuana grow houses.

This joint investigation exposed large, sophisticated money laundering and drug trafficking operations, among multiple states. This investigation led to the arrest and indictment of ten individuals on Federal money laundering and drug conspiracy charges.

St. Paul Police Department

Investigators from the Saint Paul Police Department (SPPD) initiated this case based on information received from a bank regarding a large-scale fraud scheme targeting individuals with a specific culture of beliefs within the United States. The subject of the investigation convinced

victims, through fraud and misrepresentation, that he was working with the U.S. government to establish a new country for him and his followers somewhere in Southeast Asia.

SPPD investigators acquired a high volume of transaction data from a financial institution that revealed over $1.3 million in deposits to the subject's accounts from domestic and international locations. Officials learned that for the sum of $3,000 to $5,000 up front, along with smaller monthly payments, the subject would promise victims citizenship, property, and a job in the new country once it was officially established by the United Nations.

Acting on information discovered in financial institution records, SPPD officials were able to coordinate with the financial institutions to stop transactions, freeze accounts, and reconstruct the fraudulent activity to locate the subject and his victims. These coordinated efforts later included Federal law enforcement, and multiple agencies executed a search warrant on the subject's hotel room. Officials located multiple computers, cell phones, and an abundance of information detailing victims, their contributions, and the forms they completed for admittance into the new country. The subject later attempted to flee the country, but was arrested at an airport before his departing flight with the assistance of multiple Federal law enforcement agencies.

The subject was subsequently indicted for mail fraud and wire fraud and was extradited to Minnesota to stand trial. He was found guilty and received an 87-month prison sentence. Law enforcement representatives were able to recover over $1.5 million from three different U.S. banks, which will be used to repay victims of the fraud scheme.

Dallas Police Department (DPD)

Dallas Police Department detectives began this investigation after analyzing a substantial amount of sensitive financial records of the subjects, who had recently been involved in an illegal gambling operation. Detectives issued multiple subpoenas to obtain bank documentation and construct a complete profile of the subjects' financial activity.

The financial data and physical surveillance of the subjects revealed that they maintained many accounts at multiple financial institutions, funded primarily by cash deposits. In most instances, cashier's checks were purchased subsequent to the cash deposits and made payable to a company, which detectives learned was a shell company owned and controlled by the subjects. DPD officials executed a search and seizure warrant on the suspects' residences and illegal gambling locations and seized over $100,000 in cash and 93 gambling machines. Officials also were able to seize the funds in multiple accounts and safe deposit boxes, bringing the total amount seized to over $1.1 million. The financial data analysis and subsequent investigation led to various money laundering, organized crime, and illegal gambling charges against five individuals.