



Forging a New Legacy

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ABA/ABA Money Laundering Enforcement Conference
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HSI MISSION STATEMENT:

Protecting America from transnational criminal organizations at home and abroad that threaten our borders, national security and public safety.

HSI CORE VALUES:

- ★ **HONOR**: HSI Special Agents perform their duties honorably and with dignity in a manner befitting the oath of office they are sworn to uphold.
- ★ **SERVICE**: HSI Special Agents serve the nation proudly and face challenge with courage and determination.
- ★ **INTEGRITY**: HSI Special Agents exemplify integrity by adhering to the highest ethical and moral codes.



Homeland Security Investigations



265 Domestic Offices – 26 SAC Offices

70 International HSI offices in 47 Countries

Homeland Security Investigations

Homeland Security Investigations has a wide range of investigative authorities and responsibilities to include:

- **Money Laundering / Bulk Cash Smuggling / MSB's**
- **Narcotics Smuggling / Trafficking**
- **Commercial Trade and Fraud**
- **Human Smuggling / Trafficking**
- **Transnational and Anti-Gang Enforcement**
- **Weapons Smuggling**
- **Export Enforcement**
- **Intellectual Property Rights (IPR)**
- **Cyber Crimes / Child Sexual Exploitation**
- **Immigration Document / Benefit Fraud**
- **Human Rights Violations**
- **Worksite Enforcement / Critical Infrastructure Protection**



Homeland
Security

Illicit Finance & Proceeds of Crime Unit



Identify and prosecute transnational criminal organizations that exploit or seek to exploit vulnerabilities within the U.S. financial and trade systems.



**Homeland
Security**

Illicit Finance & Proceeds of Crime Unit

Investigative Strategy

Focus HSI's investigative resources to:

- Apply HSI's broad jurisdictional authorities and utilize available investigative tools such as Bank Secrecy Act (CMIR's, SAR's, etc.) and the Trade Transparency Unit (Trade Based Money Laundering);
- Identify methods and systemic vulnerabilities exploited by terrorist and other criminal organizations to earn, move and store their illicit proceeds;
- Eliminate these vulnerabilities in partnership with the private sector through the CORNERSTONE initiative.



Homeland
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Illicit Finance & Proceeds of Crime Unit

We focus on the Methods & Means utilized by transnational criminal organizations to earn, move, store, & launder their profits:



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Methods

- **Kleptocracy**
- **Informal Value Transfer Systems**
 - Hawala
 - Black Market Peso Exchange
- **Telemarketing Fraud**
- **Organized Retail Crime**
- **Human Smuggling/Trafficking**
- **Frauds**
 - Bank
 - Insurance
 - Stock
 - Investment (Ponzi Schemes)
 - Securities

Illicit Finance & Proceeds of Crime Unit

Means

- **Bulk Currency**
 - **Domestic Transportation**
 - **International Movement**
 - **Cross Border Smuggling**
- **New Payment Methods**
- **Casinos**
- **Financial Institutions**
- **Shell/Shelf Corporations**
- **Non-Bank Financial Institutions**
 - **MSB's**
- **Designated Non-Financial Businesses & Professionals**
 - **Lawyers**
 - **Accountants**
 - **Real Estate Agents**
 - **Notaries**
- **Stash Houses**





The Million Dollar Question



HSI Partnerships

- HSI conducts comprehensive reviews of all criminal investigations to identify trends that can be used to build typologies and/or red flag indicators of suspicious financial transactions.
- The IFPCU shares case studies and typologies with organizations throughout the world including the FATF, UNODC, OSCE, and professional associations such as ABA/ABA.





CORNERSTONE

ICE's 21st Century Investigative Approach

Cornerstone leverages ICE's traditional investigative authorities in partnership with the private sector, to help close down identified vulnerabilities.



A Study in Money Laundering

The Oropeza Family and Drug Smuggling at the Southwest Border

A joint investigation by U.S. Immigration and Customs Enforcement (ICE) and the Drug Enforcement Administration (DEA) into drug trafficking at the Southwest border revealed a multi-million dollar money laundering organization, utilizing multiple companies, and numerous bank accounts, to launder narcotic proceeds. This case study demonstrates methodologies used for laundering criminal proceeds.



U.S. currency discovered in safe deposit box and seized by ICE.

In 2004, ICE agents in Brownsville, Texas, received information that Oscar Oropeza, along with his wife Tina, daughter Paulina and son Juan, were using various businesses they owned to launder proceeds derived from narcotic sales. The Oropeza family owned substantial assets in both Brownsville and Harlingen, Texas, including a car wash, landscaping business, trucking company, a large house, and numerous vehicles valued between \$60,000-\$120,000 each.

One of the first developments linking the Oropeza family to narcotics occurred in April 2004. Juan Hernandez and other defendants were arrested by local police in Harlingen, Texas, after they were linked to a narcotic smuggling operation utilizing truck lines to ship marijuana out of the Rio Grande Valley, to Florida. As a result of this arrest, Hernandez received more than three years in a state penitentiary. DEA agents in West Palm Beach, Florida, learned of Hernandez's arrest and asked ICE for additional information about his drug operation. This information linked Milton

Oquendo to the narcotic smuggling in Florida. DEA subsequently arrested and charged him in Florida for his role in the organization. Hernandez and Oquendo were each sentenced to ten years as a result of this indictment. The money laundering activities being conducted by the Oropeza family were directly linked to Hernandez and Oquendo.

In July 2006, investigators caught a break in the case when Tina Oropeza was stopped and questioned by Harlingen police officers while riding on a north-bound bus headed out of the city. Officer's discovered she was carrying approximately \$90,000 in cash, which they seized.

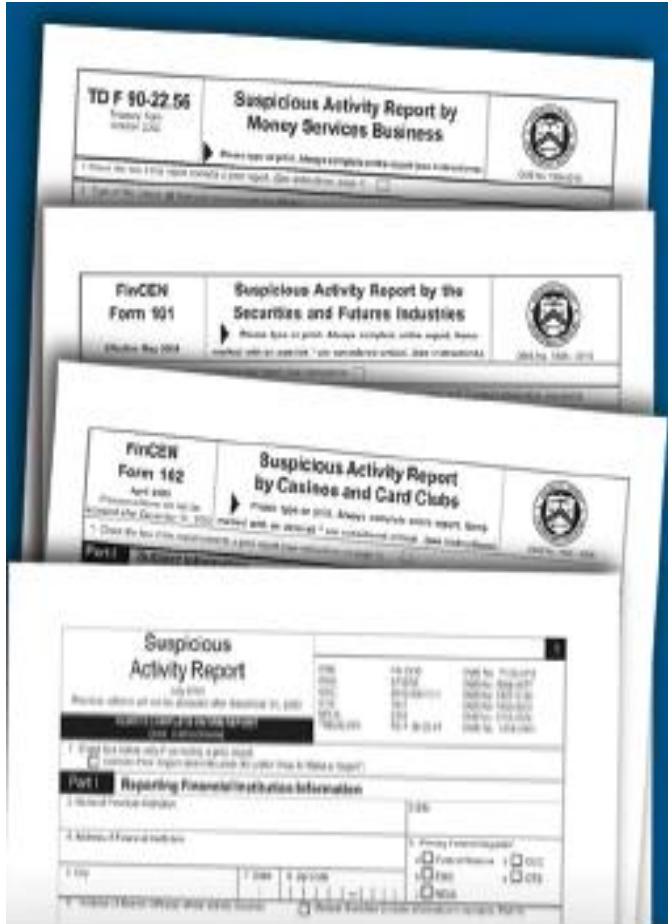
Subsequent financial records checks showed that the Oropeza family had more than 20 accounts with several banks. Personal bank accounts connected to the money laundering activity were held by all four Oropeza's. Account statements from these personal accounts reflected cash deposits continued

The Cornerstone Report

- Cornerstone HQ staff publishes a quarterly newsletter titled **The Cornerstone Report**, providing useful information on financial crimes and current trends identified by both law enforcement and the private sector.

www.ice.gov/cornerstone

Bank Secrecy Act Reports



- **Suspicious Activity/Transaction Report (SAR):** Filed by financial institutions on suspicious financial activity
- **Currency Transaction Report (CTR):** Currency transactions over \$10,000
- **Report of International Transportation of Currency and Monetary Instruments (CMIR):** Filed by persons departing or entering U.S. or shipping/receiving currency or monetary instruments over \$10,000
- **FinCEN Form 8300:** Cash over \$10,000 received in a trade or business
- **Foreign Bank Account Report (FBAR):** U.S. person with financial interest/signatory interest in foreign bank accounts



U.S. Immigration
and Customs
Enforcement

Homeland Security Investigations

Bank Secrecy Act Reports



Initiate

Enhance

Aid

Support

The SEARCH Initiative

Seizing Earnings and Assets from Retail Crime Heists

- The international nexus aspects of these types of investigations have included one or all of the following:
 - The money is smuggled or wire transferred out of the United States in support of the illegal activity;
 - The stolen property is unlawfully exported from the U.S.;
 - The people involved in this organized, illicit activity are from a foreign country and are residing in the United States illegally.
- In February 2011, due to the success of this pilot program, HSI converted it to an ongoing, national initiative known as the ***SEARCH Initiative***.

Case Studies



Homeland Security Investigations

Report unlawful activity to:

**1-866-DHS-2-ICE
(1-866-347-2423)**

www.ice.gov

ICEOIFPCU@dhs.gov



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