

## Case number 3<sup>1</sup>

### Cross border cash

#### Facts

Three suspicious transaction reports were received relating to a number of transactions which were carried out at Danish banks whereby large amounts of money were deposited into accounts and then withdrawn shortly afterwards as cash. The first report was received in August 1994, and concerned an account held by Mr. X. Upon initial investigation, the subjects of the reports (X, Y and Z) were not known in police databases as being connected to drugs or any other criminal activity. However further investigation showed that X had imported more than 3 tonnes of hashish into Denmark over a 9 year period. Y had assisted him on one occasion, whilst Z had assisted in laundering the money.

Most of the money was transported by Z as cash from Denmark to Luxembourg where X and Z held 16 accounts at different banks, or to Spain and subsequently Gibraltar, where they held 25 accounts. The receipts from the Danish banks for the withdrawn money were used as documentation to prove the legal origin of the money, when the money was deposited into banks in Gibraltar and Luxembourg. It turned out that sometimes the same receipt was used at several banks so that more cash could be deposited as "legal" than had actually been through the Danish bank accounts.

#### Results

X and Y were arrested, prosecuted and convicted for drug trafficking offences and received sentences of six and two years imprisonment respectively. A confiscation order for the equivalent of US\$ 6 million was made against X. Z was convicted of drug money laundering involving US\$ 1.3 million, and was sentenced to one year nine months imprisonment.

#### Lessons

1. Financial institutions should not accept proof of deposit to a bank account as being equivalent to proof of a legitimate origin.
2. Carrying illegal proceeds as cash across national borders remains an important method of money laundering.

---

<sup>1</sup> Financial Crimes Enforcement Network / United States Department of the Treasury / FINCEN.GOV