
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Cathy L. Waldor
: :
v. : Mag. No. 14-7064
: :
SANDY S. MILGRAUM : CRIMINAL COMPLAINT

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the United States Internal Revenue Service-Criminal Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT B


Debra A. Bassinder
Special Agent, IRS

Sworn to before me and subscribed in my presence,
May 8, 2014, at Newark, New Jersey

HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE


Signature of Judicial Officer

ATTACHMENT A

From on or about January 7, 2005, through on or about August 5, 2010, in the District of New Jersey and elsewhere, defendant

SANDY S. MILGRAUM

knowingly and intentionally conspired with others to commit an offense against the United States, that is,

for the purpose of evading the reporting requirements of Title 31, United States Code, Sections 5313(a) and 5325, and the regulations issued thereunder, conspired and agreed with others to structure and assist in structuring numerous transactions with one or more domestic financial institutions, namely the purchase of numerous monetary instruments, including money orders and postal money orders, contrary to Title 31, United States Code, Sections 5324(a)(1) and 5324(a)(3).

OVERT ACTS

In furtherance of the conspiracy, and to effect its illegal objects, defendant and others committed the following overt acts in the District of New Jersey and elsewhere:

From on or about January 7, 2005, through on or about August 5, 2010, Milgraum along with others, structured, or caused to be structured, the purchase of monetary instruments, including money order purchases and postal money orders totaling at least \$921,742.92.

In violation of Title 18, United States Code Section 371.

ATTACHMENT B

I, Debra A. Bassinder, am a Special Agent with the United States Internal Revenue Service Criminal Investigation. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained from other sources, including: a) statements made or reported by various witnesses with knowledge of relevant facts; b) my review of publicly available information and records maintained by law enforcement agencies; and c) my review of business records, bank records and other documents. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the course of the investigation. Where the content of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated. Based upon my investigation and my discussions with other individuals involved in this investigation, I have knowledge of the following facts:

1. At all times relevant to this Criminal Complaint, MoneyGram, Western Union, Bank of America, and the United States Postal Service were domestic financial institutions within the meaning of 31 U.S.C. §§ 5312, 5313(a), and 5325, and the regulations issued thereunder.

2. Pursuant to 31 U.S.C. § 5313(a) and its related regulations, when a domestic financial institution is involved in a transaction for the payment, receipt, or transfer of U.S. currency in an amount greater than \$10,000, the institution is required to file a currency transaction report ("CTR") for each cash transaction, such as, by way of example, a deposit, withdrawal, exchange of currency or other payment or transfer by, through or to a financial institution.

3. CTR forms, which are filed with the Internal Revenue Service, require disclosure of, among other information, the identity of the individual who conducted the transaction and the individual or organization for whom the transaction was completed.

4. Similarly, pursuant to 31 U.S.C. § 5325 and its related regulations, no financial institution may issue or sell a money order in connection with a transaction or group of transactions which involves United States currency in amounts or denominations of \$3,000 or more without obtaining certain information, including the name and address of the purchaser.

5. Many individuals involved in illegal activities, such as tax evasion and money laundering, are aware of these reporting requirements and take active steps to cause financial institutions to fail to file CTRs or to record the identity of the purchaser of money orders in order to avoid detection of the movement of large amounts of United States currency. Among these active steps is the process of "structuring," which involves conducting multiple cash transactions in amounts of \$10,000 or less, but which in aggregate exceed \$10,000, in order to avoid the filing of a CTR. Structuring may also involve purchasing multiple money orders over a short span of time, all below \$3,000, but which in aggregate exceed \$3,000.

6. Pursuant to 31 U.S.C. § 5324, it is a crime for an individual to (a) "cause or attempt to cause a domestic financial institution to fail to file a report required under § 5313(a) or 5325," (b) "cause or attempt to cause a domestic financial institution to file a report required under § 5313(a) or 5325...that contains a material omission or misstatement of fact," or (c) "structure or assist in structuring, any transaction with one or more domestic financial institutions" for the purpose of evading the reporting requirements of 31 U.S.C. §§ 5313(a) or 5325.

7. Sandy S. Milgraum ("Milgraum") is a licensed physician specializing in dermatology. His practice, Academic Dermatology Laser Surgery Center, is located at 81 Brunswick Woods Drive East Brunswick, New Jersey 08816.

8. On or about January 7, 2005, through on or about August 5, 2010, Milgraum along with others, structured, or caused to be structured, monetary instruments, including money order purchases and cash deposits totaling at least \$921,742.92.

9. Specifically, during the period from on or about January 7, 2005, through on or about August 5, 2010, Milgraum and others acting at his direction purchased, or caused to be purchased, approximately 1,280 money orders and monetary instruments totaling at least \$846,092.92. All of the money orders and monetary instruments were for amounts under \$3,000 and were purchased from various vendors including MoneyGram, Western Union, Bank of America and the United States Postal Service, and were used to make mortgage payments, credit card payments, business payments and other personal payments, including payments for various credit card debts incurred by Milgraum's paramour.

10. These money orders and monetary instruments were purchased on a daily basis, or otherwise over a short span of time, in amounts under the \$3,000 and \$10,000 limits that require identification from the purchaser but which in the aggregate exceeded

these reporting limits. In other words, the pattern of the purchases indicates that they were made in such a way to avoid the reporting requirements of Title 31 U.S.C. §§ 5313(a) and 5325.

11. For example the investigation has revealed that on or about April 5, 2006, Milgraum and others acting on his behalf, purchased postal and commercial money orders listed in the chart below in the name of "Sandy Milgraum." Milgraum and others visited approximately 5 different financial institutions in New Jersey and purchased approximately 13 postal and commercial money orders for a total amount of \$10,500. The postal and commercial money orders were purchased individually for amounts of either \$500 or \$1,000. All of the money orders purchased on this day were sent to the same payee, a medical supply company (hereinafter "Company 1").

Date of Purchase	Location of Purchase	Type of Money Order	Number of Money Orders	Value of Money Orders Purchased
04/05/06	U.S. Post Office-East Brunswick, NJ	Post Office	3	\$2,500
04/05/06	U.S. Post Office-Edison, NJ	Post Office	3	\$2,500
04/05/06	U.S. Post Office-Milltown, NJ	Post Office	3	\$2,500
04/05/06	U.S. Post Office-Spotswood, NJ	Post Office	3	\$2,500
04/05/06	Western Union	Western Union	1	\$500

12. As further example, the investigation has revealed that on or about April 11, 2007, Milgraum and others acting on his behalf, purchased postal and commercial money orders listed in the chart below in the name of "Sandy Milgraum." Milgraum and others visited approximately 5 different financial institutions in New Jersey and purchased approximately 19 postal and commercial money orders for a total amount of \$13,100. The postal and commercial money orders were purchased individually for amounts of either \$500 or \$1,000. All of the money orders purchased on this day were sent to the same payee, a medical supply company (hereinafter "Company 2").

Date of Purchase	Location of Purchase	Type of Money Order	Number of Money Orders	Value of Money Orders Purchased
04/11/07	U.S. Post Office-Spotswood, NJ	Post Office	6	\$4,000
04/11/07	U.S. Post Office-East Brunswick, NJ	Post Office	3	\$2,500
04/11/07	U.S. Post Office-East Brunswick, NJ	Post Office	3	\$2,500
04/11/07	U.S. Post Office-Milltown, NJ	Post Office	3	\$2,500
04/11/07	Intergrated Payment Systems	Western Union	4	\$1,600

13. As further example, the investigation has revealed that on or about June 12, 2008, Milgraum and others acting on his behalf, purchased postal money orders listed in the chart below in the name of "Sandy Milgraum." Milgraum and others visited approximately 3 different financial institutions in New Jersey and purchased approximately 9 postal money orders for a total amount of \$7,500. The postal money orders were purchased individually for amounts of either \$500 or \$1000. All of the money orders purchased on this day were sent to the same payee, a medical supply company (hereinafter "Company 3").

Date of Purchase	Location of Purchase	Type of Money Order	Number of Money Orders	Value of Money Orders Purchased
06/12/08	U.S. Post Office-East Brunswick, NJ	Post Office	3	\$2,500
06/12/08	U.S. Post Office-Milltown, NJ	Post Office	3	\$2,500
06/12/08	U.S. Post Office-Spotswood, NJ	Post Office	3	\$2,500

14. As further example, the investigation has revealed that on or about February 17, 2009, Milgraum and others acting on his behalf, purchased postal and commercial money orders listed in the chart below in the name of "Sandy Milgraum." Milgraum and others visited approximately 4 different financial institutions in New Jersey and purchased approximately 12 postal and commercial money orders for a total amount of \$8,000. The postal and commercial money orders were purchased individually for amounts of either \$500, \$800, \$900 or \$1,000. All of the money orders purchased on this day were sent to the same payee, a medical supply company (hereinafter "Company 4").

Date of Purchase	Location of Purchase	Type of Money Order	Number of Money Orders	Value of Money Orders Purchased
02/17/09	U.S. Post Office-Oldbridge, NJ	Post Office	3	\$2,500
02/17/09	U.S. Post Office-Spotswood, NJ	Post Office	3	\$2,500
02/17/09	Money Gram	Money Gram	3	\$1,500
02/17/09	Intergrated Payment Systems	Western Union	3	\$1,500

15. I have reviewed the money orders described above as well as other monetary instruments related to this investigation and each contains a signature that purports to be that of Milgraum. I have compared the signatures on some of the money orders to Milgraum's signature on other documents he has signed and the signatures appear to be substantially similar and written by the same person. Furthermore, I have interviewed witnesses, who have advised that Milgraum directed them on several occasions to purchase money orders on his behalf and to do so in amounts under \$3,000 and \$10,000 in order to avoid the requirements of Title 31, United States Code, Sections 5313(a), and 5325.