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Fairfax Man Sentenced for Structuring Cash Deposits to Avoid Reporting Requirements

(Alexandria, VA) - Mahmoud Moshrefi, a.k.a. Andy Moshrefi, of Fairfax, Virginia, was sentenced yesterday to four months in prison, four months of home detention, a fine of \$2,000, and three years of supervised release, for structuring cash deposits for the purpose of avoiding bank reporting requirements. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, and Charles Pine, Special Agent-in-Charge for the Internal Revenue Service (IRS), Criminal Investigation Division, made the announcement after Moshrefi's sentencing before United States District Judge James C. Cacheris. Moshrefi pled guilty to the charges on September 29, 2006.

At the time of sentencing, the Court found that Moshrefi had structured his cash transactions for the purpose of evading an outstanding tax liability which was assessed in 1996 - nearly ten years prior to the structuring. According to court documents, beginning in 1998, Moshrefi maintained a sum of cash in a red briefcase at his residence, and later in a safe deposit box at BB&T Bank. At one point, this cash totaled \$100,000. Moshrefi structured the cash into an account at BB&T (the existence of which he had never disclosed to IRS while it was attempting to collect) in anticipation of a \$1.2 million property purchase in Leesburg, Virginia. While accumulating cash at his residence and later at BB&T, Moshrefi submitted a false Offer in Compromise to the IRS stating that the maximum the defendant could borrow from friends to settle his tax deficiency was \$3,000, and that Moshrefi had a mere \$200 cash on hand.

According to court documents, between January 11, 2005 and January 20, 2005 in Fairfax County, Moshrefi structured cash deposits totaling \$37,100. Moshrefi consented to forfeiting \$24,115 of the structured funds. "Structuring" involves the illegal splitting up of cash deposits or withdrawals into smaller amounts in order to avoid a bank's discovery of large cash transactions. The Bank Secrecy Act requires that banks report cash deposits or withdrawals of over \$10,000 to the IRS.

This investigation was initiated by a specialized unit of the Baltimore/Washington High Intensity Drug Trafficking Area Task Force that is comprised of Federal law enforcement agents and local police detectives from the Internal Revenue Service, Virginia State Police, U.S. Secret Service, U.S. Postal Inspection Service, Federal Reserve, FDC, Metropolitan Washington Airport Authority, and the Alexandria and Arlington Police Departments.

This case was investigated by the IRS Criminal Investigation Division, IRS Small Business/Self-Employed Division, and the Virginia State Police. Special Assistant United States Attorney Jessica Wszalek prosecuted the case on behalf of the United States.

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