

The United States Attorney's Office

Southern District of Florida

Press Release

GUILTY VERDICT ANNOUNCED AGAINST LA BAMBA CHECK CASHING IN CONNECTION WITH \$132,000,000 IN FINANCIAL TRANSACTIONS

February 9, 2009

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Betty N. Stewart, Acting Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, announced today that a jury in the Southern District of Florida has convicted **Juan Rene Caro**, 41, and the company he owned and operated, **La Bamba Check Cashing**, on one count of conspiracy and 15 substantive counts of failing to file currency transaction reports (CTRs). The verdicts came after two weeks of deliberations following a three and one half month trial before U.S. District Court Judge Joan A. Lenard.

Sentencing is scheduled for April 20, 2009. At sentencing, Caro faces a maximum of 5 years' imprisonment on the conspiracy charge, and 10 years' imprisonment on each substantive charge. The company, La Bamba, faces a \$500,000 fine on each count of conviction. The jury was unable to reach a verdict on charges against two other defendants, **Alfredo Gonzalez** and **Jose Jorge Chaoui**. The United States intends to retry those defendants. Defendants **Oscar Alberto Valle**, 25, and **Meylin Maria Morales**, 23, remain at-large.

Financial institutions, including check cashing stores like La Bamba, are required under the Bank Secrecy Act and federal regulations to file CTRs with the Treasury Department for any cash transaction, such as cashing a check, in an amount over \$10,000. Before concluding any transaction for which a CTR is required, the financial institution must verify and accurately record the identity, social security and/or tax identification number of any person or entity on whose behalf the transaction is being conducted.

According to the evidence presented at trial, from on or about August 2005 to January 2008, the defendants executed a scheme to assist individuals and entities in South Florida to cash checks in anonymity, in exchange for a commission based on the face value of the check. According to the evidence, defendants Oscar Alberto Valle and Meylin Maria Morales, working with La Bamba and its owner Juan Rene Caro, identified and recruited customers, mostly local construction companies and subcontractors, who were interested in cashing checks at La Bamba through shell companies that the defendants owned or controlled. In this way, the construction companies participating in the scheme would cash checks payable to the shell companies, and get cash back from La Bamba. Thereafter, the defendants would file CTRs with the Treasury Department falsely stating that the shell company and/or nominee owner had conducted the transaction, concealing the true parties involved in the transaction and the source of the funds. For this service, La Bamba, Juan Rene Caro, and others earned substantial fees.

Throughout the course of the conspiracy, the defendants in this case filed CTRs with the Treasury Department reflecting transactions in the name of shell companies; these transactions totaled more than \$132,000,000.

U.S. Attorney Alex Acosta stated, "Again and again, we see how those with resources try to make use of shell companies and other fraudulent schemes to avoid their financial obligations. In these hard times, we must take particular steps to ensure that employers and others don't shirk their financial responsibilities."

Betty N. Stewart, Acting Special Agent in Charge of IRS-CID, stated, "Today's verdicts mark the successful conclusion of the first phase of this investigation. Our job here is not done yet. Those who deliberately file or assist others in filing false currency transaction reports will face serious criminal consequences."

Mr. Acosta commended the investigative efforts of the Internal Revenue Service and its SAR Review Task

Force. This case was prosecuted by Assistant United States Attorney Wilfredo Fernandez and DOJ Tax Attorney Steven D. Grimberg.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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