



The United States Attorney's Office

Western District of Kentucky



Department of Justice

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LEBANON MAN SENTENCED TO TWO YEARS PROBATION FOR STRUCTURING FINANCIAL TRANSACTIONS TO EVADE REPORTING REQUIREMENTS

– Forfeits \$285,000 to the United States

LOUISVILLE, KY - Donald Hafley, age 52, of Lebanon, Kentucky, was sentenced to 2 years probation and 6 months home detention for structuring transactions to evade reporting requirements in United States District Court, U.S. Attorney David L. Huber of the Western District of Kentucky announced today.

Hafley had pled guilty and admitted that he structured U.S. currency transactions with Community Trust Bank of Lebanon in January, 2007. Hafley admitted that on January 9, 2007, he made a \$9,700 cash deposit into his Community Trust Bank account and then made a \$9,500 cash deposit into his account on January 10, 2007. Hafley, the owner of Don's Vending Service, also admitted that on January 30, 2007, he made a \$9,500 cash deposit into his Community Trust Bank account and followed that with a \$9,500 cash deposit into the account on January 31, 2007. He admitted that the reason he made the deposits in this manner was to evade the federal currency transaction reporting requirement. He agreed to forfeit approximately \$285,175.59 as money involved in structuring. Additionally, he agreed to amend any applicable tax filings for tax years 2005-07 in cooperation with the IRS.

Federal law requires that every domestic financial institution which engages in a currency transaction over \$10,000 must file a report with the Internal Revenue Service furnishing the identity and address of the person engaging in the transaction and the amount of the currency transaction. "Structuring" a transaction to evade the federal reporting requirement is illegal and includes breaking down a single sum of currency exceeding \$10,000 into smaller sums, or conducting a series of currency transactions, including transactions at or below \$10,000.

The case was prosecuted by Special Assistant United States Attorney Khalid A. Kahloon and it was investigated by the Internal Revenue Service.

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