

The United States Attorney's Office

Southern District of Florida

Press Release

PRINCIPALS OF LA BAMBA CHECK CASHING BUSINESS SENTENCED IN CONNECTION WITH \$132,000,000 IN FALSE CTRs

September 15, 2009

FOR IMMEDIATE RELEASE

Jeffrey H. Sloman, Acting United States Attorney for the Southern District of Florida, and Daniel W. Auer, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, announced today's sentencing of **Jose Jorge Chaoui**, 48, the compliance officer, and **Alfredo Filomeno Gonzalez**, 47, a supervisor, both at the former Miami-business, Maytemar Corporation, d/b/a "La Bamba Check Cashing." Both defendants were sentenced on one count of corrupt interference with the Internal Revenue Service.

U.S. District Court Judge Joan A. Lenard sentenced both Chaoui and Gonzalez to 36 months in prison, to be followed by one year of supervised release. Defendant Chaoui was also ordered to pay a \$50,000 fine. In imposing the sentence, Judge Lenard noted that defendants and La Bamba had engaged in "a massive fraud on this community," and imposed the maximum sentence permitted by statute.

From March, 2006 to his arrest on January 18, 2008, Chaoui served as the check cashing store's compliance officer. As the compliance officer, federal law required Chaoui to review and certify that the financial transactions conducted at La Bamba were accurately reported to the federal government. Chaoui was charged with signing almost 1,500 false Currency Transaction Reports that hid the true beneficiaries of more than \$132,000,000 in financial transactions. He pled guilty on June 16, 2009.

Previously, on June 23, 2009, Judge Lenard sentenced Juan Rene Caro, 41, the owner of the check cashing business, to 216 months in prison and imposed a \$250,000 fine. The Court also ordered the forfeiture of more than \$11 million in cash and properties. The Maytemar Corporation was also sentenced to a term of probation, the only possible sentence for a corporation. Caro and the corporation were convicted following a three and a half month trial that ended on February 9, 2009.

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**, both fugitives, 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.

Mr. Sloman commended the investigative efforts of the Internal Revenue Service and its SAR Review Task Force. This case was prosecuted by Assistant U.S. 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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