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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA, :

Plaintiff, :

- v. - :

**\$230,433.04 IN UNITED STATES
CURRENCY, INCLUDING BUT NOT :
LIMITED TO:** :

**\$4,370.76 PREVIOUSLY
CONTAINED IN BANK OF :
AMERICA ACCOUNT NUMBER :
488024763851 HELD IN THE :
NAME OF TCASH ADS INC.,** :

**\$157,509.13 PREVIOUSLY
CONTAINED IN BANNER BANK :
ACCOUNT NUMBER 3903372115 :
HELD IN THE NAME OF :
TRUSTCASH HOLDINGS INC.,** :

AND :

**\$68,553.15 PREVIOUSLY
CONTAINED IN BANNER :
BANK ACCOUNT :
NUMBER 3903552513 :
HELD IN THE NAME OF :
TCASH ADS INC.** :

Defendants *in rem.*

Honorable

Civil Action No. 13-

**VERIFIED COMPLAINT FOR
FORFEITURE *IN REM***

Plaintiff, United States of America, by its attorney, Paul J. Fishman, United States Attorney for the District of New Jersey (by Evan S. Weitz and Aaron Mendelsohn, Assistant United States Attorneys) brings this Verified Complaint for Forfeiture *In Rem* and alleges as follows in accordance with Rule G(2) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Federal Rules of Civil Procedure.

NATURE OF THE ACTION

1. This is a civil action *in rem* to forfeit and condemn to the use and benefit of the United States the following property: \$230,433.04 in United States currency (the “defendant property”), pursuant to 18 U.S.C. § 981(a)(1)(A), as constituting property involved in, or traceable to, transactions and attempted transactions in violation of 18 U.S.C. § 1960, which prohibits operation of an unlicensed money transmitting business.

THE DEFENDANT *IN REM*

2. The defendant property consists of \$230,433.04 in United States currency, including but not limited to \$4,370.76 previously contained in Bank of America account number 488024763851, held in the name of TCash Ads Inc. (the “Account ending in 3851”); \$157,509.13 previously contained in Banner Bank account number 3903372115, held in the name of Trustcash Holdings Inc. (the “Account ending in 2115”); and \$68,553.15 previously contained in Banner Bank account number 3903552513, held in the name of TCash Ads Inc. (the “Account ending in 2513”) (collectively the “Target

Accounts”). The defendant property is currently in the custody of the United States.

JURISDICTION AND VENUE

3. Plaintiff brings this action *in rem* in its own right to forfeit and condemn the defendant property. This Court has jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a).

4. This Court has *in rem* jurisdiction over the defendant property under 28 U.S.C. § 1355(b)(1). Upon the filing of this Verified Complaint, plaintiff requests that the Clerk of the Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b)(I), which plaintiff will execute upon the property pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c).

5. Venue is proper in this district pursuant to 28 U.S.C. § 1395.

BASIS FOR FORFEITURE

6. The defendant property is subject to forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(A), as constituting property involved in, or traceable to, transactions and attempted transactions in violation of 18 U.S.C. § 1960.

BACKGROUND

7. Title 31, United States Code, Section 5330, requires every individual or entity that operates as a money transmitting business to be registered with the Department of the Treasury through the Financial Crimes Enforcement

Network (hereinafter “FinCEN”). Title 18, United States Code, Section 1960, prohibits knowingly conducting, controlling, managing, supervising, directing, or owning all or part of an unlicensed money transmitting business that is not registered as required by Section 5330. 18 U.S.C. § 1960(b)(1)(B). Under Section 1960, “the term ‘money transmitting’ includes transferring funds on behalf of the public by any and all means including but not limited to transfers within the United States or to locations abroad by wire, check, draft, facsimile, or courier.” 18 U.S.C. § 1960(b)(2).

8. As discussed in greater detail below, Section 1960 also prohibits operating a money transmitting business without a state money transmitting license in a state where such operation is punishable as a misdemeanor or felony under state law. 18 U.S.C. § 1960(b)(1)(A).

9. Financial institutions, including money transmitting businesses, are further required to maintain an anti-money laundering program designed to effectively monitor their customers’ activity, in order to ensure that the financial institution is in no way facilitating or permitting illegal activity by their customers through the financial institution. 31 U.S.C. § 5318(h). These programs, at a minimum, must effectively detect suspicious activity by the customers of the financial institutions and must report that activity to the federal government. Id. Financial institutions are further required to report

the movement of large amounts of U.S. currency to the federal government. 31
U.S.C. § 5313.

10. Many individuals involved in narcotics, tax evasion, fraud, and other serious crimes must use financial institutions in order to launder or otherwise move their illicit funds through the financial system. These individuals frequently use financial institutions that maintain lax, or even non-existent, programs to detect and report suspicious activity, and fail to properly report the movement of large amounts of U.S. currency, in order to remain anonymous from law enforcement and other governmental entities. Money transmitting businesses that fail to maintain a program designed to detect and report suspicious activity will also frequently fail to register with the State in which they do business and/or the Federal Government, in an attempt to avoid detection.

11. Based upon the investigation described below, two individuals named Claudio Lai (hereinafter "Lai") and Kent Carasquero (hereinafter "Carasquero") are operating TCash Ads Inc. and its affiliate, Trustcash Holdings Inc., in Atlanta, Georgia, and facilitating the transmission of millions of dollars as part of an unlicensed money transmitting business. A review of bank records has shown that individuals within the District of New Jersey have both sent and received funds through TCash Ads Inc. and its affiliate, Trustcash Holdings Inc., and through the Target Accounts.

12. Lai and Carasquero use several bank accounts, including the Target Accounts, to facilitate their role as an unlicensed money transmitter. However, during the course of the investigation leading to the filing of this Complaint, many of these bank accounts were closed by the banks where the accounts were located.

REGULATORY REQUIREMENTS FOR MONEY SERVICE BUSINESS

13. Title 31, United States Code, Section 5330, requires that “[A]ny person who owns or controls a money transmitting business shall register the business (whether or not the business is licensed as a money transmitting business in any State) with the Secretary of the Treasury.” Title 31, Code of Federal Regulations, Section 1022.380, contains the implementing regulations promulgated by the Secretary of the Treasury for the registration of money services business, which require, amongst other requirements, that money service businesses register with FinCEN.

14. Section 1960 provides in part:

(a) Whoever knowingly conducts, controls, manages, supervises, directs, or owns all or part of an unlicensed money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both.

(b) As used in this section—

(1) the term “unlicensed money transmitting business” means a money transmitting business which affects interstate or foreign commerce in any manner or degree and—

(A) is operated without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor or a felony under State law, whether or not the defendant knew that the operation was required to be licensed or that the operation was so punishable;

(B) fails to comply with the money transmitting business registration requirements under section 5330 of title 31, United States Code, or regulations prescribed under such section;

15. Title 31, Code of Federal Regulations, Chapter X, requires all Money Transmitting Businesses (“MTB”)¹, whether licensed or not, to maintain and follow certain anti-money laundering regulatory requirements to ensure that the MTB is not used to facilitate illegal activity. A sampling of these requirements include:

a. All MTBs are required to maintain an anti-money laundering program to detect any illegal activity conducted by the MTB’s customers through the MTB. 31 C.F.R. § 1022.210. The program must be reasonably designed to prevent the MTB from being used to facilitate money laundering and the financing of terrorist activities. Under the same section, the MTB is further required to, amongst other things, (i) have written policies in place to comply with the anti-money laundering requirement under the law, (ii) have a

¹ The terms “Money Service Business” and “Money Transmitting Business” are used in different ways, and sometimes interchangeably, in the relevant statutes and regulations. However, any entity that provides money transmitting services is considered a Money Service Business and is required to maintain an effective anti-money laundering program. See 31 C.F.R. § 1010.100 (ff)(5).

system in place to create and retain records in accordance with the law, (iii) provide education and/or training of appropriate personnel concerning their responsibilities under the anti-money laundering program, and (iv) provide for independent review to monitor and maintain an adequate anti-money laundering program. *Id.*

b. All MTBs are required to file a Suspicious Activity Report (“SAR”) concerning any illegal activity possibly conducted through the MTB by its customers. 31 U.S.C. § 5313(g) & 31 C.F.R. § 1022.210.

c. All financial institutions, including MTBs, are required to file a Currency Transaction Report (CTR) when they receive more than \$10,000 in currency in any one or related transaction. 31 U.S.C. § 5313(a) & 31 C.F.R. § 1010.311.

16. The principal place of business of Tcash Ads Inc. and Trustcash Holdings Inc. is in Georgia. Georgia state law regulates money transmitting businesses and requires a license to be obtained through the Georgia Department of Banking and Finance (hereinafter “GDBF”). Georgia Code Ann. § 7-1-680 & § 7-1-681. Failure to obtain a license is a crime in Georgia punishable as a felony or a misdemeanor. Georgia Code Ann. § 7-1-845. According to GDBF, Tcash Ads Inc. and its affiliate, Trustcash Holdings Inc., do not have licenses to operate as an MTB in Georgia. In addition, all of the other states in which TCash Ads Inc. and Trustcash Holdings Inc. appear to

operate, including California, Texas, New York, New Jersey, and Delaware, have laws requiring MTB to obtain licenses, and punish the failure to do so as a misdemeanor or a felony. There is no record on file in any of these states of TCash Ads Inc. or its affiliate, Trustcash Holdings Inc., possessing a license to operate as an MTB. Additionally, neither TCash Ads Inc. nor Trustcash Holdings Inc. are registered with FinCEN.

17. Finally, TCash Ads Inc. and its affiliate, Trustcash Holdings Inc., have never filed any SARs or CTRs, despite the movement of millions of dollars through their accounts. It is highly unlikely that, given the amounts of funds processed, TCash Ads Inc. and its affiliate, Trustcash Holdings Inc., would not have cause to file any SARs or CTRs if all laws and regulations were properly observed.

FACTS

18. According to its website, Trustcash (hereinafter "TCash"), is an anonymous online payment processing service that enables individuals to pay for goods and services with merchants that accept and process cash payments. The transactions are performed with TCash virtual credits, a virtual currency that can be used online to purchase goods and services. Customers may enter any bank (e.g., Bank of America, Citibank, Wells Fargo and Chase, which are all advertised on TCash's official website), and deposit cash to TCash's operating business account, which is then credited to their individual virtual

account, thus allowing the customers to pay any TCash merchant. In order to process cash services with TCash customers, a merchant need only provide an email address and zip code. No other information is required, allowing the merchants to maintain anonymity.²

19. A review of the official public website www.trustcash.com reveals:

a. According to their “Internet Site Terms and Conditions” page, “Trustcash” refers to TCash Ads Inc., a Nevada company having its principal place of business at 6006 N. Mesa St., El Paso, TX 79912, and operating under the name “Trustcash.” The Corporate Headquarters listed on their “Contact Us” page is Trustcash Holdings Inc, 3399 Peachtree Rd, Suite #400, Atlanta, GA 30326.

b. According to the “Products” page of their website, “Trustcash” offers deposits, charge, and mobile payment as methods to process payments. “Trustcash” is advertised as “a leader in payment processing, and offers a powerful suite of payment services ...” on the Trustcash website. The website states that if a consumer uses a credit card for purchasing, then that purchase will be billed as “TCash Ads Inc.” The “Merchants” section of the website states that “Trustcash” has the ability to accept payments from credit cards, e-checks, online bank accounts, and cash, and to provide customer anonymity.

² Among the specific requirements of an effective anti-money laundering program is the ability to verify customer identities. 31 C.F.R. § 1022.210(d)(i)(A).

20. In correspondence between Carasquero and Banner Bank, dated June 21, 2010, Carasquero stated that TCash's business is that of an online payment broker, and their website presents their business model very clearly. All credit card processing, direct pay, and ACH services were provided by third parties. Carasquero further stated that TCash's newest service, "Trustcash Deposit," was proprietary and that TCash expected to start receiving small deposits into their accounts in the coming months.

21. Additionally, on or about October 4, 2012, Carasquero entered a Banner Bank branch and provided information about TCash. Carasquero stated that his company sold software programs to businesses. This program initiated online invoices for customers, and the customers could then enter a bank and pay the invoice. The program checked the bank account every fifteen minutes, and any deposits made were matched-up with the invoiced amounts and reconciled for the business. At the same time, the program notified the business that payment had been received, and the product could then be shipped.

22. Information from financial records from multiple financial institutions indicated a significant quantity of suspicious financial transactions being generated from TCash bank accounts. Specifically, bank records revealed that TCash had authorized millions of dollars in wire transfers through its bank accounts. The funds generally originated from multiple cash

deposits or incoming wires over a period of several days from various states within the United State. The funds were then transferred by TCash to various merchant businesses, individuals, or other MTBs in the United States and to other entities located in Canada, Cyprus, Philippines, China, Nepal, and Australia.

23. As further detailed herein, TCash operates within the United States via its affiliate company, Trustcash Holdings Inc., and its official website, www.trustcash.com, which offers to accept cash deposits and to distribute wires, electronic funds transfers, and electronic checks. TCash has maintained numerous bank accounts at various financial institutions from at least as early as 2008 through at least as late as 2012, and was subsequently closed by those banks. TCash's accounts were largely controlled by Lai and Carasquero.

24. A review of bank records reveals that the Account ending in 3851 has received approximately 24,110 cash deposits from multiple states between on or about June 6, 2011 through on or about March 6, 2013. The deposits ranged from \$0.01 to \$2,000.00 and totaled approximately \$6,693,136. A sample of the outgoing wire activity from the Target Account ending in 3851 revealed the following:

<u>BUSINESS</u>	<u>NUMBER OF TRANSACTIONS</u>	<u>US DOLLAR AMOUNT</u>
Bitinstant (NY)	2	\$10,204.00
Kent Carasquero (Canada)	9	\$26,505.20

Technocash (Australia)	10	\$650,000.00
Sanger(HK)Intl Corp (China)	1	\$5,100.00
Tel-Vedel Inc (Canada)	5	\$22,235.50
THP Internet Resources (Cyprus)	6	\$104,144.77
GTS LLC (GA)	1	\$12,003.24
Hridaya Ghimire (Nepal)	2	\$2,200.00
Trustcash Holdings	3	\$250,000.00

25. A review of bank records for the period from on or about June 19, 2012 through on or about March 3, 2013 revealed that, in addition to numerous deposits of U.S. currency, the Target Account ending in 2115 received at least four wire transfers totaling approximately \$325,000 from the Target Account ending in 3851. The Target Account ending in 2115 also received several wires transfers totaling at least \$130,000 from other accounts held in the name of TCash. In addition, the Target Account ending in 2115 received check deposits totaling approximately \$450,000 from a TCash Wells Fargo Account, which has since been closed, but which was largely funded with cash deposits made at similar geographical locations to deposits made into the Target Account ending in 3851. A sample of the outgoing wire activity from the Target Account ending in 2115 revealed the following:

<u>BUSINESS</u>	<u>NUMBER OF TRANSACTIONS</u>	<u>US DOLLAR AMOUNT</u>
BitInstant	14	\$ 932,395.00
Solid Trust Pay(Canada)	4	\$ 400,000.00
Jim Pattison Group(Barbados)	1	\$18,000.00
CIBC Bank & Trust (Cayman isles)	1	\$100,000.00
GTS LLC	5	\$430,000.00

26. A review of bank records from on or about September 20, 2012 through on or about February 20, 2013 revealed that, in addition to numerous deposits of U.S. currency, the Target Account ending in 2513 received three wire transfers from a TCash Citibank account which has since been closed, but which was largely funded with numerous cash deposits made at similar geographical locations to deposits made into the Target Account ending in 3851. The outgoing wire activity from the Target Account ending in 2513 revealed the following:

<u>BUSINESS</u>	<u>NUMBER OF TRANSACTIONS</u>	<u>US DOLLAR AMOUNT</u>
Bitinstant LLC (NY)	1	\$100,000.00
TCASH ADS(Montreal Canada)	7	\$ 91,200.00
Technocash(Australia)	1	\$50,000.00

CLAIM FOR FORFEITURE

27. The allegations contained in paragraphs 1 through 26 of this Verified Complaint are incorporated herein and made part hereof.

28. The defendant property, and all proceeds traceable thereto, were involved in, or traceable to, transactions and attempted transactions in violation of 18 U.S.C. § 1960.

29. As a result of the foregoing, the defendant property and all proceeds traceable thereto, are subject to condemnation and to forfeiture to the United States for its use, in accordance with 18 U.S.C. § 981(a)(1)(A).

WHEREFORE, plaintiff requests that the Clerk of the Court issue a warrant for the arrest *in rem* and seizure of the defendant property; that notice of this action be given to all persons who reasonably appear to be potential claimants to the defendant property; that the defendant property be forfeited and condemned to the United States of America; that plaintiff be awarded its costs and disbursements in this action; and that the Court award such other and further relief as it deems proper and just.

PAUL J. FISHMAN
United States Attorney



By: EVAN WEITZ
AARON MENDELSON
Assistant United States Attorneys

September 4, 2013
Newark, New Jersey

VERIFICATION

STATE OF NEW JERSEY :
 ss
COUNTY OF ESSEX :

I, Brent Pfeiffer, hereby verify and declare under penalty of perjury that I am a Special Agent with the United States Secret Service, that I have read the foregoing Verified Complaint for Forfeiture *In Rem* and know the contents thereof, and that the matters contained in the Verified Complaint are true to my own knowledge, except that those matters herein stated to be alleged on information and belief and as to those matters I believe them to be true.

The sources of my information and the grounds of my belief include the official files and records of the United States, information supplied to me by other law enforcement officers, and my own investigation of this case.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.



BRENT PFEIFFER
Special Agent
United States Secret Service

Sworn to and subscribed before me this 4th
day of September 2013, at Newark, New Jersey.



EVAN S. WEITZ, ESQ.
Attorney-at-Law of the State of New Jersey