

United States District Court
District of New Jersey

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
v. : **Magistrate No. 11-6728**
EDWARD ENGELHART and :
GOLDIE SOMMER

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or about August 13, 2010 through on or about September 22, 2010, at Fairfield, in the District of New Jersey and elsewhere, the defendants:

SEE ATTACHMENT A

in violation of Title 18, United States Code, Section 371.

I further state that I am a Task Force Officer with the United States Internal Revenue Service-Criminal Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT B



Keith Cregan
Task Force Officer
United States Internal Revenue
Service-Criminal Investigation

Sworn to before me and subscribed in my presence,

November 4, 2011 at
Date

Newark, New Jersey
City and State

Honorable Joseph A. Dickson
United States Magistrate Judge
Name & Title of Judicial Officer



Signature of Judicial Officer

ATTACHMENT A

for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a), and the regulations issued thereunder, conspired and agreed with one another to structure, assist in structuring, and attempt to structure and assist in structuring, such transactions with domestic financial institutions, by causing United States currency to be deposited in amounts not exceeding \$10,000, contrary to Title 31, United States Code, Section 5324(a)(3) and 5324(d)(1).

ATTACHMENT B

I, Keith Cregan, am a Task Force Officer with the United States Internal Revenue Service-Criminal Investigation. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained from other sources, including: a) statements made or reported by various witnesses with knowledge of relevant facts; b) my review of publicly available information and records maintained by law enforcement agencies; and c) my review of business records, bank records and other documents. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the course of the investigation. Where the content of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated. Based upon my investigation and my discussions with other individuals involved in this investigation, I have knowledge of the following facts:

1. At all times relevant to this Criminal Complaint TD Bank was a domestic financial institution within the meaning of 31 U.S.C. §§ 5312 and 5313(a), and the regulations issued thereunder.

2. Pursuant to 31 U.S.C. § 5313(a) and its related regulations, when a domestic financial institution, including a bank, is involved in a transaction for the payment, receipt, or transfer of U.S. currency in an amount greater than \$10,000.00, the institution is required to file a currency transaction report ("CTR") for each cash transaction, such as, by way of example, a deposit, withdrawal, exchange of currency or other payment or transfer by, through or to a financial institution.

3. CTR forms, which are filed with the Internal Revenue Service, require disclosure of, among other information, the identity of the individual who conducted the transaction and the individual or organization for whom the transaction was completed.

4. Based upon my training and experience, I know that many individuals involved in illegal activities, such as narcotics trafficking, tax evasion, and money laundering, are aware of the reporting requirements and take active steps to cause financial institutions to fail to file CTRs in order to avoid detection of the movement of large amounts of U.S. currency. These active steps are often referred to as "structuring" and involve making multiple cash deposits or withdrawals in amounts of \$10,000.00 or less on the same day or consecutive days in order to avoid the filing of CTRs. Structuring transactions to avoid the filing of a CTR is prohibited by 31 U.S.C. § 5324(a)(3).

5. Pursuant to 31 U.S.C. § 5324, it is a crime for an individual to (a) "cause or attempt to cause a domestic financial institution to fail to file a report required under § 5313(a)," (b) "cause or attempt to cause a domestic financial institution to file a report required under § 5313(a) that contains a material omission or misstatement of fact," or (c) "structure or assist in structuring,

any transaction with one or more domestic financial institutions" for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a).

6. At all times relevant to this Complaint defendants Edward Engelhart ("Engelhart") and Goldie Sommer ("Sommer") were real estate attorneys practicing in the law firm Sommer and Engelhart (the "Firm") in Fairfield, New Jersey. Defendants Engelhart and Sommer are the only attorneys practicing in the Firm.

7. I reviewed bank records for a TD Bank account which was used by the Firm as its Attorney Trust account (the "Trust account"). Based upon that review it appears that U.S. currency was deposited into the Trust account in a structured fashion between approximately August 13, 2010 and September 22, 2010.

8. Specifically, a review of bank records for the relevant time period demonstrates that approximately \$118,000 in U.S. currency was deposited into the Trust account in a structured fashion. This included numerous deposits made on the same day or over a short period of time. All of these deposits were in large even dollar amounts without any individual deposit being made in an amount greater than \$10,000.00, the amount that would have triggered the filing of a CTR. However, while none of the individual deposits exceeded \$10,000.00, there were numerous instances where deposits made on the same day, or over a short period of time, aggregated to amounts in excess of \$10,000.00.

9. A review of bank records for the relevant time period also demonstrates that personal accounts held by defendants Sommer, Engelhart, and other individuals associated with defendants Sommer or Engelhart, received deposits of U.S. currency in large even dollar amounts without any individual deposit being made in an amount greater than \$10,000.00, the amount that would have triggered the filing of a CTR. Checks were then drawn on those personal accounts in similar amounts as the U.S. currency deposits. These checks were then immediately deposited into the Trust account.

10. A review of bank records for the relevant time period also demonstrates that several cashier's checks, which were purchased with U.S. currency in amounts that did not trigger the reporting requirements, were deposited into the Trust account. The purchasers of the cashier's checks were either defendant Sommer or individuals associated with defendants Sommer or Engelhart.

11. The total amount of funds structured into the Trust account, including the U.S. currency, the checks from the personal bank accounts funded with U.S. currency, and the cashier's checks purchased with U.S. currency, total approximately \$354,000.00.

12. On June 16, 2011, I was present at a meeting with defendants Sommer and Engelhart. At that meeting both defendants Sommer and Engelhart admitted, in substance and in part, that they had agreed with each other to structure U.S. currency into the Trust account for the purpose of evading the filing of any forms with the Internal Revenue Service. Defendants Sommer and

Engelhart further admitted, in substance and in part, to having received the U.S. currency from a client of the Firm for the purchase of real property and having inferred that the client wished that the funds would be deposited into a bank without the filing of any forms with the Internal Revenue Service.