

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NO. 15-549
v. : DATE FILED: NOVEMBER 19, 2015
COTTMAN CHECK CASHING, LP : VIOLATIONS:
STEVEN KESSLER : 18 U.S.C. § 371 (conspiracy – 1 count)
: 31 U.S.C. § 5324(a)(3) (structuring – 8 counts)
: NOTICE OF FORFEITURE

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant COTTMAN CHECK CASHING, LP was a licensed check cashing business in northeast Philadelphia, Pennsylvania. It offered a variety of consumer financial services, including a check cashing service. It was owned and operated by three individuals, one of whom was defendant STEVEN KESSLER. The three owners were also the only three employees of defendant COTTMAN CHECK CASHING, LP.

2. Defendant STEVEN KESSLER was a resident of New Jersey who was a partial owner of defendant COTTMAN CHECK CASHING, LP, and one of its three employees.

3. Jerold J. Cohen, charged elsewhere, ran a sports bookmaking operation in the Philadelphia area for approximately 30 years, accepting bets from others on various sporting events, collecting debts, and distributing winnings. He and defendant STEVEN KESSLER were longtime friends, and defendant KESSLER knew that Cohen was a sports bookmaker and had

been one for a long time.

4. Defendant COTTMAN CHECK CASHING, LP was a domestic financial institution. Title 31, United States Code, Section 5313(a) and regulations implemented pursuant to that section require financial institutions that engage in a currency transaction (e.g., cashing a check) in excess of \$10,000 with a customer to report the transaction to the Internal Revenue Service (“IRS”) on a Currency Transaction Report (“CTR”). CTR reports are required to contain information regarding the identification of the individual cashing a check for more than \$10,000 in cash at a financial institution. These regulations also require that multiple transactions be treated as a single transaction if the financial institution has knowledge that they are by, or on behalf of, the same person, and they result in either currency received or disbursed by the financial institution totaling more than \$10,000 during any one business day.

5. CTRs are often used by law enforcement and tax authorities to uncover a wide variety of illegal activities such as money laundering and tax fraud. Many individuals engaged in such illegal activities are aware of such reporting requirements and take active steps to cause financial institutions to fail to file CTRs, such as, for example, making multiple cash deposits in amounts less than \$10,000 on the same day or on consecutive days. These active steps are often referred to as “structuring.” Structuring cash deposits to avoid triggering the filing of a CTR by a financial institution is prohibited by Title 31, United States Code, Section 5324(a).

6. Bettor 1 was an individual who placed wagers with Jerold J. Cohen. Bettor 1 lost large amounts of money on the bets he placed with Cohen, and after negotiating with Cohen about the mechanics of how he would pay his gambling debts to Cohen, Cohen informed Bettor 1 that he knew a check casher who would cash checks for Cohen.

7. To avoid triggering CTR reporting requirements when he converted Bettor 1's checks to cash to settle Bettor 1's gambling debts to him, and thus to conceal from the government the nature of his business and total amount of income, Jerold J. Cohen directed Bettor 1 to make out each of his checks to settle gambling debts for just less than \$10,000.

8. Jerold J. Cohen had Bettor 1 write checks payable to "cash" in amounts just under \$10,000. Cohen later changed his directions, and instructed Bettor 1 to make the checks out to Bettor 1 with Bettor 1's endorsement on the back of the checks. Cohen explained that the checks should still be made out in amounts of just less than \$10,000.

9. Bettor 1 often provided Jerold J. Cohen with multiple checks made out in amounts of just under \$10,000 to settle gambling debts to Cohen that totaled more than \$10,000.

10. Jerold J. Cohen cashed most of Bettor 1's checks at defendant COTTMAN CHECK CASHING, LP.

11. From in or about May 2009 to in or about January 2011, in the Eastern District of Pennsylvania, defendant

STEVEN KESSLER

conspired and agreed, together and with Jerold J. Cohen and others known and unknown to the grand jury, to commit an offense against the United States, that is, for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a) and the regulations promulgated thereunder, to knowingly structure and assist in structuring transactions with COTTMAN CHECK CASHING, LP, a domestic financial institution, in violation of Title 31, United States Code, Section 5324(a)(3).

MANNER AND MEANS

12. It was part of the conspiracy that defendant STEVEN KESSLER assisted Jerold J. Cohen in structuring his financial transactions with COTTMAN CHECK CASHING, LP, by cashing many of Cohen's checks himself, by failing to keep business records of most of the transactions, and by making COTTMAN CHECK CASHING, LP, available to Cohen for his structuring activities.

It was further a part of the conspiracy that:

13. Cohen cashed a total of approximately 76 of Bettor 1's checks at COTTMAN CHECK CASHING, LP, each of them made out in amounts of just under \$10,000, for a grand total of approximately \$670,175.

14. Defendant STEVEN KESSLER was aware that he would have to report to the government any cash transactions in amounts greater than \$10,000 by filing a CTR and knew what it meant to structure cash transactions to avoid the CTR filing requirement.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, on or about each of the dates set forth below, defendant STEVEN KESSLER, Jerold J. Cohen, and others known and unknown to the grand jury committed the following overt acts, among others, in the Eastern District of Pennsylvania:

Overt Act No.	Date	Check No.	Amount
1.	05/28/2009	164	9,500.00
2.	05/29/2009	165	9,500.00
3.	06/02/2009	166	9,500.00
4.	06/04/2009	168	9,500.00
5.	06/09/2009	169	5,000.00
6.	06/10/2009	183	5,875.00

Overt Act No.	Date	Check No.	Amount
7.	06/24/2009	189	9,000.00
8.	06/26/2009	190	9,000.00
9.	06/29/2009	193	9,000.00
10.	07/01/2009	194	9,000.00
11.	07/06/2009	198	9,000.00
12.	07/14/2009	196	9,000.00
13.	07/21/2009	217	9,000.00
14.	07/23/2009	216	9,000.00
15.	07/29/2009	214	9,000.00
16.	07/31/2009	215	9,000.00
17.	08/11/2009	208	9,000.00
18.	08/24/2009	211	9,000.00
19.	08/25/2009	212	9,000.00
20.	08/27/2009	210	9,000.00
21.	08/31/2009	238	9,000.00
22.	09/04/2009	249	9,000.00
23.	09/09/2009	250	9,000.00
24.	09/16/2009	255	9,000.00
25.	09/18/2009	256	9,000.00
26.	09/23/2009	314	9,000.00
27.	09/25/2009	315	9,000.00
28.	10/06/2009	327	8,000.00
29.	10/09/2009	328	8,000.00
30.	10/26/2009	332	9,000.00
31.	10/27/2009	333	4,800.00
32.	11/06/2009	287	9,000.00
33.	11/10/2009	286	9,000.00
34.	11/15/2009	285	8,000.00
35.	11/19/2009	291	9,000.00
36.	11/23/2009	292	9,000.00
37.	11/24/2009	293	9,000.00
38.	12/04/2009	342	9,000.00
39.	12/08/2009	343	9,000.00
40.	12/09/2009	310	9,000.00
41.	12/11/2009	347	9,000.00
42.	12/16/2009	348	9,000.00
43.	12/18/2009	261	9,000.00
44.	12/24/2009	373	9,900.00
45.	12/29/2009	374	9,900.00
46.	12/30/2009	370	9,900.00

Overt Act No.	Date	Check No.	Amount
47.	01/04/2010	372	9,900.00
48.	01/06/2010	371	9,900.00
49.	01/13/2010	389	9,000.00
50.	01/20/2010	391	9,000.00
51.	01/27/2010	275	8,000.00
52.	01/29/2010	276	8,000.00
53.	02/02/2010	277	8,000.00
54.	04/15/2010	433	9,000.00
55.	04/28/2010	450	8,000.00
56.	05/14/2010	466	8,000.00
57.	05/27/2010	471	9,000.00
58.	06/03/2010	474	9,000.00
59.	07/08/2010	499	8,000.00
60.	08/12/2010	515	9,500.00
61.	09/02/2010	528	9,500.00
62.	09/16/2010	534	9,500.00
63.	09/29/2010	540	9,500.00
64.	10/22/2010	686	9,000.00
65.	10/14/2010	683	9,000.00
66.	11/04/2010	564	9,000.00
67.	11/12/2010	577	9,000.00
68.	11/18/2010	579	7,000.00
69.	12/02/2010	607	9,000.00
70.	12/08/2010	611	9,000.00
71.	12/15/2010	614	9,000.00
72.	12/22/2010	618	9,000.00
73.	12/30/2010	626	9,000.00
74.	01/05/2011	629	9,000.00
75.	01/11/2011	633	9,000.00
76.	01/19/2011	636	9,000.00

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

COUNTS TWO THROUGH NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 10 and 13 through 14 of Count One are incorporated here.
2. Defendant STEVEN KESSLER assisted Jerold J. Cohen in structuring his financial transactions with defendant COTTMAN CHECK CASHING, LP, by cashing many of Cohen's checks himself, by failing to keep business records of most of the transactions, and by making defendant COTTMAN CHECK CASHING, LP, available to Cohen for his structuring activities.
3. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

**COTTMAN CHECK CASHING, LP and
STEVEN KESSLER,**

and Jerold J. Cohen, for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a) and the regulations promulgated thereunder, knowingly structured and assisted in structuring, and aided and abetted in structuring the following transactions with COTTMAN CHECK CASHING, LP, a domestic financial institution, as part of a pattern of illegal activity involving transactions of more than \$100,000 in a twelve-month period from January 20, 2010, through on or about January 19, 2011:

Count	Date	Description of transaction
2	12/02/2010	Cashing of Bettor 1 check number 607 in the amount of \$9,000
3	12/08/2010	Cashing of Bettor 1 check number 611 in the amount of \$9,000

Count	Date	Description of transaction
4	12/15/2010	Cashing of Bettor 1 check number 614 in the amount of \$9,000
5	12/22/2010	Cashing of Bettor 1 check number 618 in the amount of \$9,000
6	12/30/2010	Cashing of Bettor 1 check number 626 in the amount of \$9,000
7	01/05/2011	Cashing of Bettor 1 check number 629 in the amount of \$9,000
8	01/11/2011	Cashing of Bettor 1 check number 633 in the amount of \$9,000
9	01/19/2011	Cashing of Bettor 1 check number 636 in the amount of \$9,000

All in violation of Title 31, United States Code, Sections 5324(a)(3) and (d)(2), and Title 18, United States Code, Section 2.

NOTICE OF FORFEITURE NO. 1

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in Counts One through Nine of this indictment are hereby realleged and incorporated by reference for the purposes of alleging forfeiture pursuant to Title 31, United States Code, Section 5317.

2. Pursuant to Title 31, United States Code, Section 5317, upon conviction of an offense in violation of Title 18, United States Code, Section 371, and Title 31, United States Code, Section 5324(a)(3), the defendant,

STEVEN KESSLER,

shall forfeit to the United States of America, the currency involved in the commission of such offense, including, but not limited to: \$670,175 in United States currency.

3. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intention of the United States, pursuant to Title 31, United States Code, Section 5317(c)(1)(B), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 31, United States Code, Section 5317(c).

NOTICE OF FORFEITURE NO. 2

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in Counts Two through Nine of this indictment are hereby realleged and incorporated by reference for the purposes of alleging forfeiture pursuant to Title 31, United States Code, Section 5317.

2. Pursuant to Title 31, United States Code, Section 5317, upon conviction of an offense in violation of Title 31, United States Code, Section 5324(a)(3), the defendant,

COTTMAN CHECK CASHING, LP,

shall forfeit to the United States of America, the currency involved in the commission of such offense, including, but not limited to: \$670,175 in United States currency.

3. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intention of the United States, pursuant to Title 31, United States Code, Section 5317(c)(1)(B), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 31, United States Code, Section 5317(c).

A TRUE BILL:

GRAND JURY FOREPERSON


Peter F. Shuch for
ZANE DAVID MEMEGER
UNITED STATES ATTORNEY