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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

Plaintiff,

-v.-

\$12,350,565.35 IN UNITED STATES
CURRENCY FORMERLY CONTAINED IN
MORGAN STANLEY ACCOUNT 654-071515,
HELD IN THE NAME OF "HAMPUS ASSETS,
INC.,"

and

\$10,849,434.65 IN UNITED STATES
CURRENCY FORMERLY CONTAINED
IN MORGAN STANLEY ACCOUNT 654-
072401, HELD IN THE NAME OF "KAUNAS
ASSETS CORP.,"

Defendants-*in-rem*.

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VERIFIED CIVIL COMPLAINT
FOR FORFEITURE

20 Civ. _____

Plaintiff United States of America, by its attorney, Audrey Strauss, Acting United States Attorney for the Southern District of New York, for its verified civil complaint, alleges, upon information and belief, as follows:

1. This action is brought pursuant to Title 18, United States Code, Section 981(a)(1)(A) by the United States of America seeking the forfeiture of the following amounts of money:

- a. \$12,350,565.35 in United States currency formerly contained in Morgan Stanley account 654-071515, held in the name of “Hampus Assets, Inc.”; and
- b. \$10,849,434.65 in United States currency formerly contained in Morgan Stanley account 654-072401, held in the name of “Kaunas Assets Corp.”;

(1.a through 1.b collectively, the “Defendants- *in-rem*”).

2. This Court has original jurisdiction over this forfeiture action pursuant to Title 28, United States Code, Sections 1345 and 1355.

3. Venue is proper pursuant to Title 28, United States Code, Section 1355(b)(1)(A), which provides that a forfeiture action may be brought in the district court for the district in which any of the acts or omissions giving rise to the forfeiture occurred, and pursuant to Section 1395(b) and(c) of the same title, which provides that a civil forfeiture proceeding for the forfeiture of property may be brought “in any district where such property is found” or “any district into which the property is brought.”

4. Agents of the United States Drug Enforcement Administration (“DEA”) seized the Defendants- *in-rem* on or about August 8, 2019 from two brokerage accounts (the “Target Accounts”) pursuant to a seizure warrant issued by the United States District Court for the Southern District of New York, in connection with the DEA’s investigation of a money laundering operation organized to launder proceeds from the sale of narcotics.

5. Venue is also proper pursuant to Title 28, United States Code, Section 1395 because the Defendants- *in-rem* are currently held in the Seized Asset Deposit Fund Account of the United States Marshals Service (the “USMS”) located within the judicial district

for the Southern District of New York.

6. As set forth below, there is probable cause to believe that the Defendants-*in-rem* are subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(A) as property involved in violation of Title 18, United States Code, Section 1956 (money laundering), or property traceable thereto.

7. Drug trafficking organizations (“DTOs”) based in Mexico and elsewhere often transfer their narcotics proceeds from the United States to the country in which the DTO operates through a shadow financial system commonly known as the Black Market Peso Exchange (“BMPE”). DTOs, after having amassed bulk United States currency, will sell that currency to money-laundering brokers at a discount, who retrieve the bulk cash in the United States and deposit it into shell accounts in the United States while paying the DTOs for the bulk cash in pesos. At the same time, the money-laundering brokers will purchase bulk pesos from individuals in Mexico or elsewhere who wish to transfer money to the United States while circumventing the banking system. The money-laundering brokers will pay for these pesos by transferring narcotics proceeds from the U.S.-based shell accounts to accounts controlled by the individuals.

8. As part of an investigation of international money laundering, the DEA used confidential sources to facilitate certain transactions on the BMPE in order to develop evidence for criminal prosecutions (the “DEA Undercover Operation”). When the confidential sources bought narcotics proceeds on the BMPE, those funds were retrieved by either an undercover law enforcement officer or a cooperating source, and then deposited into a DEA undercover account until the confidential sources received instructions about where to send the proceeds.

9. Between on or about October 9, 2018 and on or about March 19, 2019, as part of the DEA Undercover Operation, DEA confidential sources retrieved approximately \$4 million of narcotics proceeds that were then sent to a bank account that was involved in the BMPE (“Bank Account-1”). Bank Account-1 received additional narcotics proceeds from sources other than the DEA Undercover Operation.

10. As set forth in more detail below, the Target Accounts were used to launder narcotics proceeds as part of the BMPE by receiving millions of dollars from Bank Account-1.

11. The Target Accounts were opened as follows:

a. On or about September 1, 2017, brokerage account number 654-071515 was opened at Morgan Stanley in the name of Hampus Assets, Inc. (the “Hampus Assets Account”), with four authorized signatories on the Hampus Assets Account (the “Four Signatories”). Each of the Four Signatories provided addresses in Mexico as their primary residences.

b. On or about November 15, 2017, employees of a personal wealth trust company based in Barbados (the “Trust Employees”) opened account number 654-072401 in the name of Kaunas Assets Corp. (the “Kaunas Account”).

c. On or about November 27, 2017, one of the Four Signatories was added as the beneficial owner of the Kaunas Account (“Individual-1”).

12. From the opening of the Hampus Assets Account, on or about September 1, 2017, through in or about April 2018, the Hampus Assets Account had no activity. Between in or about April 2018 and in or about July 2018, the only activity was a transfer in or about April 2018 totaling approximately \$2,650,433.68 from an account at UBS Bank that was affiliated

with Hampus Assets, which transfer included both cash and securities. Beginning in or about July 2018, the Hampus Assets Account began receiving large wire deposits in rapid succession. Many of these wire transfers came from Bank Account-1.

13. Between on or about July 16, 2018 and on or about February 5, 2019, Bank Account-1 sent approximately 62 wires to the Hampus Assets Account, totaling approximately \$7,871,888.

14. On or about October 18, 2018, the Hampus Assets Account, which had received transfers of narcotics proceeds from Bank Account-1, transferred \$574,838.92 in assets to an account held in the name of Individual-1. On or about December 5, 2018, Individual-1 requested that all assets in the Individual-1 Account be transferred to the Kaunas Account. On or about December 27, 2018, the transfer, totaling approximately \$3,232,160.38 was completed.

15. Based on the foregoing, there is probable cause to believe that the funds held in the Target Accounts are subject to forfeiture as property involved in violations of Title 18, United States Code, Section 1956 (money laundering), or property traceable thereto.

CLAIM FOR FORFEITURE

Forfeiture Under 18 U.S.C. § 981 (Property Involved in a Transaction or Attempted Transaction in Violation of 18 U.S.C. § 1956 or Property Traceable to Such Property)

16. Paragraphs 1 through 15 of this Complaint are repeated and re-alleged as if fully set forth herein.

17. Title 18, United States Code, Section 981(a)(1)(A) subjects to civil forfeiture:

Any property, real or personal, involved in a transaction or attempted transaction in violation of section 1956, 1957 or 1960 of this title, or any property traceable to such property.

18. By reason of the foregoing the Defendants-*in-rem* are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(A).

WHEREFORE, plaintiff United States of America prays that process issue to enforce the forfeiture of the Defendants-*in-rem* and that all persons having an interest in the Defendants-*in-rem* be cited to appear and show cause why the forfeiture should not be decreed, and that this Court decree forfeiture of the Defendants-*in-rem* to the United States of America for disposition according to law, and that this Court grant plaintiff such further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

Dated: New York, New York
November 02, 2020

AUDREY STRAUSS
Acting United States Attorney for the
Southern District of New York
Attorney for the Plaintiff
United States of America

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VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK :
SOUTHERN DISTRICT OF NEW YORK)

DANIEL A. SOCIAS, pursuant to Title 28, United States Code, Section 1746, hereby declares under penalty of perjury that he is a Special Agent with the Drug Enforcement Administration; that he has read the foregoing Verified Complaint and knows the contents thereof; that the same is true to the best of his knowledge, information and belief; and that the sources of his information and the grounds of his belief are his personal involvement in the investigation, and conversations with and documents prepared by law enforcement officers and others.



DANIEL A. SOCIAS
Special Agent
Drug Enforcement Administration

Executed on this
27 day of October, 2020