



**Homeland Security Investigations  
Asset Identification & Removal Group  
Senior Special Agent Jessica Guilbeau**



# CORNERSTONE

HSI's 21<sup>st</sup> Century Investigative Approach

# Homeland Security Investigations (HSI)

## AIRG

**Almost every crime that we investigate is motivated by money**



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# Cornerstone

Safeguarding America Through Financial Investigations



In July 2003, HSI launched the Cornerstone Outreach Program to work with the private sector in order to identify and eliminate vulnerabilities in the financial systems through which criminals launder their illicit proceeds.



# Cornerstone

Safeguarding America Through Financial Investigations



The key to this is building strong partnerships and alliance by sharing law enforcement trends and methods and providing training to the businesses and industries that manage the financial systems that terrorists and criminal organizations seek to exploit.



# Cornerstone

Safeguarding America Through Financial Investigations



- ❖ Cornerstone is one of ICE's top financial investigations initiatives, responsible for detecting and eliminating weaknesses within the U.S. financial, trade and transportation sectors that can be exploited by criminal networks.
- ❖ ICE pursues financial investigations as a way to beat criminals at their own trade.
- ❖ By following the money trail, law enforcement can identify and dismantle criminal networks, seizing their proceeds and related assets.



# Cornerstone

Safeguarding America Through Financial Investigations



- ❖ The Cornerstone methodology is founded upon a partnership between law enforcement and the private sector.
- ❖ In return, ICE receives information and insight from the private sector to more thoroughly investigate these complex and sophisticated criminal schemes.



# Cornerstone

Safeguarding America Through Financial Investigations



## HSI's Private Sector Partners Include...

1. Banks
2. Credit Unions
3. Money Service Businesses
4. Casinos
5. Investment and Insurance Companies
6. Real Estate Brokers
7. Car and Boat Dealerships



# Suspicious Activity Reports (SARs)

- Financial institutions help identify potentially problematic customers or transactions.
- Does anyone really read my SARs?





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## Law Enforcement Partners Include...

- 1) HSI (Department of Homeland Security)
- 2) IRS-CID (Department of Treasury)
- 3) FBI-JTTF (Joint Terrorist Task Force)
- 4) USPIS (Postal)
- 5) DEA
- 6) Secret Service
- 7) State and Local Police
- 8) Regulators
- 9) US Attorneys / Dept. of Justice

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## Red Flag Indicators

- Any evidence of structuring, including:
  - Frequent transactions or purchase of negotiable instruments \$10,000 or under in order to avoid filing a Currency Transaction Report (CTR).
  - Customer making cash deposits \$10,000 or under at multiple locations or cash deposits made to one account at the same location by multiple individuals.
  - Customer depositing \$10,000 or under after being told of CTR reporting requirement.
  - Splitting large currency deposits among several accounts.



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## Red Flag Indicators

- Using multiple accounts to collect funds that are then transferred to the same foreign beneficiaries.
- Cash debiting schemes in which deposits in the U.S. correlate directly with ATM cash withdrawals in countries of concern, and vice-versa.
- Issuing checks, money orders, or other financial instruments, often numbered sequentially, to the same person or business, or to a person or business whose name is spelled similarly.
- Reluctance or refusal of individuals to provide identifying information to bank employee.



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## Red Flag Indicators

- Transactions inconsistent with usual and customary business or personal practices (i.e. wire transfers that do not coincide with the type of business or activity in which customer is normally engaged; negotiation of third party checks inconsistent with type of business customer is involved in).
- Sudden, unexplained change in banking habits or activity.
- Transfer of funds to a commercial account with no logical relationship or connection to the sender of the funds (i.e. jewelry store account wiring money to auto parts exporter).



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## Suspicious Activity Report FinCEN Requirements

- ❖ A Suspicious Activity Report (**SAR**) is a document that financial institutions must file with the Financial Crimes Enforcement Network (**FinCEN**) following a suspected incident of money laundering or fraud.
- ❖ A FinCEN **SAR** shall be **filed** no later than 30 calendar days after the date of the initial detection by the reporting financial institution of facts that may constitute a basis for **filing** a report.
- ❖ If no suspect is identified on the date of such initial detection, a financial institution may delay filing a FinCEN SAR for an additional 30 calendar days to identify suspect.
- ❖ But in no case shall reporting be delayed more than 60 calendar days after the date of such initial detection.



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## Suspicious Activity Report Overview

- ❖ A moderately sized metropolitan area can receive 1,000 SARs in a month.
- ❖ Large metropolitan areas may receive over 10,000 per month.
- ❖ Houston's jurisdiction Area of Responsibility receives between 4,500 to 6,000 SAR's each month.



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# SAR Review Teams - Texas



## Four Judicial Districts

- Northern District - Dallas
- Eastern District - Beaumont
- Southern District - Houston
  - 4,500~6,000+ SARs filed monthly
- Western District - Austin



# FinCEN Statistics – State of Texas

From January 1, 2018 through April 19, 2018 (only SARs)

|   |                |
|---|----------------|
| Casino/Card Club - Other Casino/Card Club   | 1              |
| Casino/Card Club - Tribal Authorized Casino | 18             |
| Depository Institution                      | 68,386         |
| Housing GSE                                 | 1              |
| Insurance Company                           | 126            |
| Loan or Finance Company                     | 404            |
| Money Services Business (MSB)               | 61,920         |
| Other                                       | 1,859          |
| Securities/Futures                          | 718            |
| <b>Grand Total</b>                          | <b>133,433</b> |

<https://www.fincen.gov/reports/sar-stats>

# Homeland Security Investigations (HSI)

## How You Can Help?

Protecting America is more than just a responsibility for government agencies; it's a shared mission for all Americans. The importance of private sector partnership in this shared mission cannot be overstated.



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## How You Can Help?

- Become a private sector partner with ICE by contacting your local ICE Homeland Security Investigations office and arranging a Cornerstone Outreach presentation for your business or organization.
- Report suspicious financial, commercial or trade activity by contacting your local ICE Homeland Security Investigations office, or by calling **1-866-DHS-2-ICE**.
- Read the Cornerstone Report, ICE's quarterly newsletter devoted to the financial and trade sectors.



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# Homeland Security Investigations (HSI)

How You Can Help?

**To report suspicious financial activity,  
please contact:**

**1-866-DHS-2-ICE**



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**Forging a New Legacy**

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