

Practical Applications of BSA data Through the investigative & trial process



**Presented by: Special Agent Michael Harriman
IRS Criminal Investigations Houston Field Office**

CASE STUDY

United States v. Kenneth Coleman
17-cr-156

United States District Court
for the Southern District of Texas



INDICTMENT CHARGES

9 Count Indictment

7 counts were tax related from Failure to file to tax evasion

1 Count Conspiracy to Commit Money Laundering

1 Count Conspiracy to Structure

WHICH COUNT TOOK THE MOST PAGES??

STRUCTURING - 8 OF THE 16 PAGES

ORIGIN OF CASE

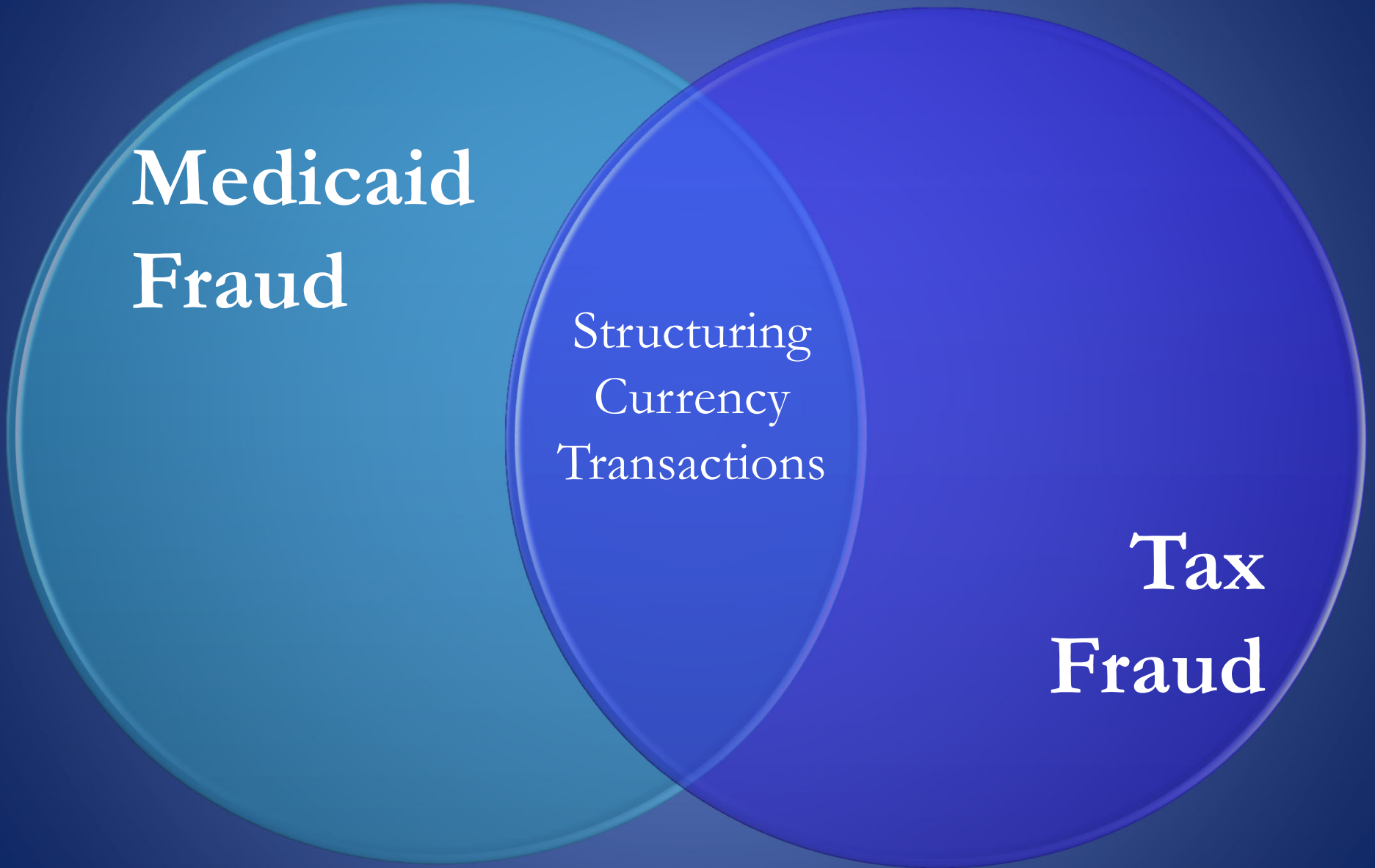
- NOT A SAR
- July 17, 2012 SEARCH WARRANT OF A RESIDENCE FOR THE NYFO OF FBI
- A wire transfer slip was seized from a pile of papers on a table at the search warrant site from an account held in the name of FOUR CORNER SUPPLIERS INC

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**Medicaid
Fraud**

Structuring
Currency
Transactions

**Tax
Fraud**



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Excerpts of Bank Customer Interview

KYC

Customer Interview: Darrell K. Colbert

...Colbert stated he was currently employed as a driver for MD Anderson Cancer Clinic located in Houston, TX. He works between the hours of 7am through 4pm. The rest of his time is devoted to his business at Four Corner Suppliers Inc....

...During this interview, Colbert exhibited deceptive behavior and was not able to provide confident responses to specific questions regarding the nature of his business....

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AGENTS HAVING FUN... BUT WITH A PURPOSE



VEHICLE DRIVEN BY MARCUS WEATHERSBY



REGISTERED TO KENNETH COLEMAN...

Securities

No- 01 Disposition-EVIDENCE Property tag no-0-0000-00
Denomination-100,50,20 Type- U.S. CURRENCY (EXCLUDING COINS)
Issuer-U. S. TREASURY Value-\$ 25760.00
Owner-BEARER
HCIC misc-HOLD FOR POSSIBLE SEIZURE
Recovery date-06/14/11 Recovery value-\$ 0.00

A SAR GOLDMINE FOR AN IRS CRIMINAL INVESTIGATOR...

...ON APRIL 17, 2006 A **WITHDRAWAL OF \$148,000.00** WAS USED TO **PURCHASE AN OFFICIAL CHECK PAYABLE TO HOUSTON TITLE COMPANY FOR THE SAME AMOUNT. KENNETH COLEMAN WAS LISTED AS THE REMITTER.**A REVIEW WAS PERFORMED ON ACCOUNT #7001254064 FOR KENNETH J COLEMAN FROM THE OPENING DATE OF AUGUST 4, 2005 THROUGH THE CLOSING DATE OF OCTOBER 16, 2006 AND THE FOLLOWING WAS NOTED:ON APRIL 6, 2006 A CHECK PAYABLE TO CASH IN THE AMOUNT OF \$5,008.70 WAS DEPOSITED TO ACCOUNT #7001254064. THE CHECK WAS FROM RUSSELL R SMITH 6211 CIBOLA PARK LN HOUSTON, TX 77041. THE CHECK WAS DRAWN ON 1ST SERVICE BANK, ACCOUNT #1000201952. **THE MEMO ON THE CHECK READ: BALANCE SUBJECT TO CLOSING 6211 CIBOLA PARK LN**

Selling price of House to COLEMAN - \$650,000

VERDICT....

A Houston, Texas, man was sentenced today to 360 months (30 years) in prison for multiple conspiracy and tax charges

In addition to the term of imprisonment imposed, U.S. District Court Judge David Hittner ordered Coleman to serve three years of supervised release, imposed a criminal forfeiture money judgment of \$20,326,464.17, and ordered Coleman to pay \$716,986 in restitution to the Internal Revenue Service.



**THANK YOU GULF COAST AML
PARTICIPANTS**

QUESTION??

Enjoy Lunch