

### Case 31 – Suspect attempted to smuggle drug money using travellers cheques

A suspect involved in the importation of cocaine into Australia deliberately avoided legislated reporting requirements in an attempt to smuggle drug money out of the country. Over a two-month period the suspect used various methods to launder the illicit cash proceeds:

- In one instance the suspect attempted to purchase a large number of travellers cheques at a currency exchange outlet. The suspect intended to purchase several travellers cheques, each valued less than AUD10,000, to avoid AUSTRAC’s transaction threshold reporting requirements. However, the suspect was informed that he would, in fact, be required to complete a significant cash transaction report (SCTR) as the total value of the purchase was greater than AUD10,000.  
Rather than complete the SCTR, however, the suspect left AUD14,000 cash as a ‘deposit’ to persuade the currency exchange employee to conduct the purchase. The employee subsequently fulfilled the suspect’s request.
- The suspect also visited at least three currency exchange outlets and converted large sums of Australian dollars into travellers cheques. On each occasion the suspect refused to complete the SCTR forms and did not sign the travellers cheques himself, enabling other recipients to cash them. The suspect also used a false name to sign the purchase record for the cheques. In total the suspect purchased AUD96,000 worth of travellers cheques.

The suspect divided the travellers cheques into 16 batches, wrapping each batch in carbon paper inside a greeting card, and attempted to mail them to various destinations in the United States. The suspect disguised some of the envelopes to appear as if they came from a corporation.

The suspect was ultimately sentenced to thirteen-and-a-half years jail on charges of importing cocaine, money laundering and conspiracy to import cocaine.

<b>Offence</b>	Money laundering
<b>Customer</b>	Business Individual
<b>Industry</b>	Currency exchange
<b>Channel</b>	Mail Physical
<b>Jurisdiction</b>	International – United States
<b>Designated service</b>	Travellers cheque exchange services Currency exchange services
<b>Indicators</b>	Customer refuses to complete the documentation required to complete the transaction Multiple visits to currency exchange businesses to purchase travellers cheques Purchase of multiple travellers cheques below AUD10,000 Structuring transactions to avoid reporting requirements Use of false identification documentation