

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK**

**IN THE MATTER OF
CASA DE CAMBIO REGA**

No. 2000-01

ASSESSMENT OF CIVIL MONEY PENALTIES

I. INTRODUCTION

The Secretary of the United States Department of the Treasury has delegated to the Director of the Financial Crimes Enforcement Network (“FinCEN”) the authority to determine whether a financial institution has violated the Bank Secrecy Act, 31 U.S.C. §§5311 et seq. and 31 CFR Part 103 thereunder (“BSA”), and what, if any, sanction is appropriate.

In order to resolve this matter, and only for that purpose, Casa de Cambio Rega (“Rega”) has entered into a CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTIES without admitting or denying FinCEN’s determinations described in Paragraphs III or IV below, except as to jurisdiction in Paragraph II below, which is admitted.

Rega’s CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTIES, dated October 11, 2000, is incorporated herein by this reference.

II. JURISDICTION

Rega is and was at all relevant times, a licensed money exchanger and check casher located in Hidalgo, Texas, and is a “financial institution” within the meaning of 31 U.S.C. §5312(a)(2) and 31 CFR §103.11(i). Rega’s primary source of revenues is fees for currency exchange. Rega earned approximately \$27,500 in fees for the quarter ending March 31, 2000 and generated approximately \$11,000 in income for the same period.

III. FINCEN’S DETERMINATIONS

A. Failure to File Currency Transaction Reports

From October 1996 through December 1999, Rega failed to file 366 Currency Transaction Reports (“CTRs”), Internal Revenue Service (“IRS”) Form 4789, in accordance with the requirements of the BSA. 31 U.S.C. §5313 and 31 CFR §103.22(b) and §103.27(a)(1). Under §103.27, CTRs must be filed within “15 days following the

day on which the reportable transaction occurred.” In fact, all the CTRs that are the subject of this action were filed more than 30 days after the date of the transaction, and in many instances, more than 60 or 90 days after the date of the transaction. During the period that is the subject of this action, this represents more than 50% of total CTRs filed by Rega.

Specifically, for October through December 1996, Rega filed 20 late CTRs, 19 of which were filed 60 days after the date of the reportable transaction. For the calendar year 1997, Rega filed a total of 215 CTRs with 133 filed at least 30 days after the date of the transaction. Of the 133 late-filed CTRs, Rega filed 29 CTRs more than 60 days after the date of the transaction and 27 CTRs more than 90 days after the date of the transaction.

For the calendar year 1998, Rega filed 201 CTRs, with 51 CTRs filed at least 30 days after the date of the reportable currency transaction. Of the late-filed CTRs, Rega filed 8 CTRs more than 60 days and 14 CTRs more than 90 days after the date of the transaction.

For calendar year 1999, Rega filed 110 of a total 162 CTRs from 30 days to more than 90 days after the date of the transaction. Rega filed 57 of these CTRs more than 60 days after the date of the transaction and 7 CTRs more than 90 days after the reportable currency transaction.

B. Willfulness

Rega purposely ignored the CTR filing requirements in the BSA, and thus its late filings were willful violations. In fact, Rega frequently filed CTRs in “batches” prior to a Texas Department of Banking or IRS Title 31 compliance examination. For example, Rega filed 20 CTRs covering October through December 1996 on February 21, 1997, only after the IRS had begun its unannounced compliance examination for 1996. Of these, 19 were filed over 60 days after the date of the transaction. All 20 CTRs had been signed on February 19, 1997. In 1999, Rega file 44 CTRs just prior to an examination by the Texas Department of Banking. These CTRs were filed from 30 to over 90 days after the date of the reportable transaction.

Rega had been warned on several occasions prior to 1996 that CTRs must be filed within the 15-day time period and that late filings may constitute a violation of the BSA. Because Rega continued to follow a course of conduct that frequently and deliberately ignored the filing requirements in the BSA, Rega’s conduct was willful.

IV. CIVIL MONEY PENALTY

FinCEN has determined that by failing to file CTRs as described in Paragraph III above, Rega willfully violated the currency reporting provisions of the BSA and a civil money penalty is due pursuant to 31 U.S.C. §5321 and 31 CFR §103.47(f).

V. ASSESSMENT

THEREFORE, the Department of the Treasury assesses against Rega a civil money penalty of \$2500.

By its execution of its CONSENT, Rega, without admitting or denying FinCEN's determinations described in Paragraphs III and IV above, except as to jurisdiction in Paragraph II, which is admitted, consents to the assessment of a civil money penalty in the sum of \$2500.

Rega shall, under the terms of its CONSENT:

1. Pay the amount of \$2500 within five (5) business days of the date of this ASSESSMENT.
2. Such payment shall be:
 - a. made by certified check, cashier's check, or money order;
 - b. made payable to the United States Department of the Treasury;
 - c. hand-delivered or sent by overnight mail to Nicholas A. Procaccini, Assistant Director and Chief Financial Officer, FinCEN, P.O. Box 39, Vienna, Virginia 22183; and
 - d. submitted under a cover letter, which references the caption and file number in this matter.

I. RELEASE

Rega's execution of its CONSENT and compliance with both the terms of its CONSENT and the terms of this ASSESSMENT OF CIVIL MONEY PENALTIES constitute a complete settlement of civil liability for any reporting or recordkeeping violations of the BSA which were identified by FinCEN in its letter to Rega dated May 3, 2000.

By: //signed//
James F. Sloan, Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
U.S. DEPARTMENT OF THE TREASURY

Date: October 23, 2000