

SAR Filings Reveal Methamphetamine Production Ring

The owner of a company that distributed various products to small independent convenience and grocery stores was sentenced to 188 months in prison after his conviction on drug, money laundering, and Title 31 charges. The company was distributing pallet-load quantities of psuedoephedrine to a broker who was reselling the drug to large-scale methamphetamine manufacturing operations.

Psuedoephedrine is a common decongestant found in over-the-counter medications and a key ingredient in the manufacture of methamphetamine.

This joint IRS-CI and DEA investigation was initiated after the receipt of several SARs. One SAR outlined apparent attempts by the subject to structure currency deposits into his business bank account. In this case, the bank noted the company's pattern of daily \$9,800 currency deposits. A second SAR was filed when the bank noted a shift in the company's deposit pattern. Instead of numerous currency deposits, the bank noticed the company began to deposit quantities of cashier's checks in amounts under \$10,000.

Further investigation revealed that the small company sold about 9,000 cases of psuedoephedrine worth in excess of \$5.6 million. This is enough to produce over 9,000 pounds of methamphetamine with a wholesale value of over \$54 million. Eleven individuals were convicted and more than \$4 million in cash and property was seized.

(Source: IRS/Criminal Investigation)

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