

NOV 05 2009



U.S. Immigration  
and Customs  
Enforcement

MEMORANDUM FOR: All Special Agents in Charge

FROM: Kumar C. Kibble  
Acting Director, Office of Investigations

SUBJECT: Procedures for Response and Reporting of Bulk Cash  
Discoveries Made by the Transportation Security Administration

Bulk Cash Smuggling (BCS) is one of the greatest money laundering threats facing the international law enforcement community. The U.S. Government's 2005 National Money Laundering Threat Assessment and the 2003 Report on Terrorist Financing issued by the U.S. Government Accountability Office (GAO) identified BCS as a method utilized by drug smuggling, human trafficking, and other criminal organizations involved in cross-border crimes to launder their illegal financial gains abroad.

U.S. Immigration and Customs Enforcement (ICE), Office of Investigations (OI), Financial, Narcotics, and Public Safety Division has partnered with the U.S. Transportation Security Administration (TSA) and U.S. Customs and Border Protection (CBP) in order to create notification/response procedures related to the discovery of bulk cash by TSA personnel.

These procedures have been drafted in an attempt to create standardized processes for the response and reporting of incidents whereby bulk cash is discovered by TSA personnel while performing their official duties at federalized airports or Visible Intermodal Protection and Response (VIPR) operations areas. To date, there has not been standardized reporting. As a result, there have been a number of incidents where bulk cash has been discovered and reported to non-DHS components for subsequent investigation.

Coordination between TSA, CBP and ICE serves to protect the investigative equities of ICE, ensures criminal intelligence derived from TSA discovered bulk cash incidents is aggregated in one place – the ICE Bulk Cash Smuggling Center (BCSC), and allows for greater access to alleged violators of 31 USC 5332 (Bulk Cash Smuggling Into or Out of the United States), 31 USC 5316 (Reports on Exporting and Importing Monetary Instruments), 18 USC 1956 (Laundering of Monetary Instruments), and 18 USC 1960 (Prohibition of Unlicensed Money Transmitting Businesses), and 31 U.S.C. 5324 (Structuring Transactions to Evade Reporting Requirement).

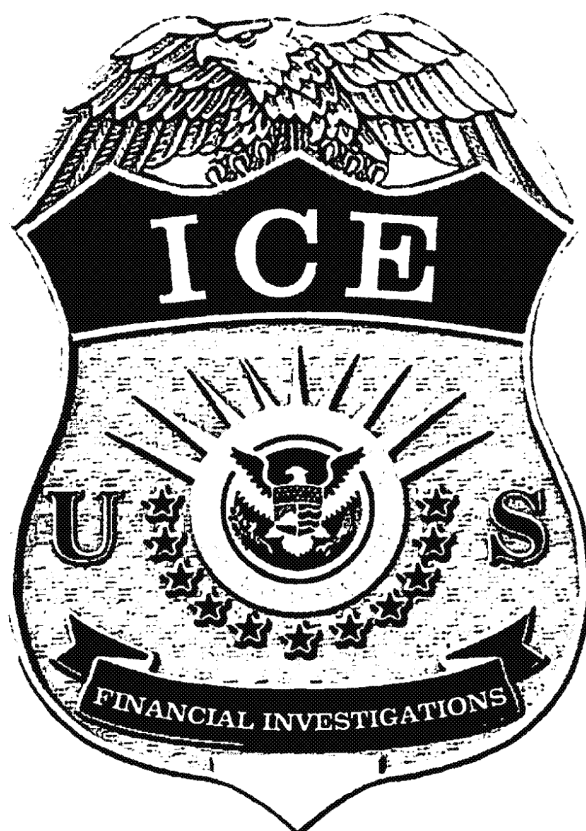
The procedures will leverage the capabilities of ICE's Bulk Cash Smuggling Center (BCSC), co-located at ICE's Law Enforcement Support Center (LESC) (b)(7)(E). The BCSC provides real-time assistance which enables law enforcement officers to take enforcement action at the onset of a domestic or international currency seizure.

The Executive Information Unit has assigned program code (b)(7)(E) in the (b)(7)(E) (b)(7)(E) for bulk cash related investigations initiated as a result of a notification by TSA. Program code (b)(7)(E) should from the date of this memorandum be linked to all criminal investigations and Search/Arrest/Seizure Reports involving bulk cash incidents referred to ICE by TSA.

The following Concept of Operations outlines the procedures and protocols to be followed by ICE OI when notified by TSA of an incident involving the discovery of bulk cash.

The Headquarters points of contact for this initiative within the ICE/HQ Financial Programs Cornerstone Unit are Acting Unit Chief (b)(6),(b)(7)(C) (202-732 (b)(6),(b)(7)(C) n@dhs.gov) and National Program Manager (b)(6),(b)(7)(C) (202-732 (b)(6),(b)(7)(C) @dhs.gov)

**U.S. Immigration and Customs Enforcement  
Office of Investigations**



**Concept of Operations:  
Procedures for Responding to Discoveries of  
Bulk Cash by Transportation Security  
Administration (TSA)**

**Executive Summary:**

U.S. Immigration and Customs Enforcement (ICE), Office of Investigations (OI), Financial, Narcotics, and Public Safety Division has partnered with the U.S. Transportation Security Administration (TSA) and U.S. Customs and Border Protection (CBP) in order to create standardized notification/response procedures related to the discovery of bulk cash by TSA personnel.

These procedures have been drafted in an attempt to create standardized processes for reporting incidents whereby bulk cash is discovered by TSA personnel while performing their official duties at federalized airports or Visible Intermodal Protection and Response (VIPR) operations areas. (b)(7)(E)

**(b)(7)(E)**

Coordination between TSA, CBP and ICE serves to protect the investigative equities of ICE, ensures criminal intelligence derived from TSA discovered bulk cash incidents is aggregated in one place – the ICE Bulk Cash Smuggling Center (BCSC), and allows for greater access to alleged violators of 31 USC 5332 (Bulk Cash Smuggling Into or Out of the United States), 31 USC 5316 (Reports on Exporting and Importing Monetary Instruments), 18 USC 1956 (Laundering of Monetary Instruments), and 18 USC 1960 (Prohibition of Unlicensed Money Transmitting Businesses), and 31 U.S.C. 5324 (Structuring Transactions to Evade Reporting Requirement).

The following Concept of Operations outlines the procedures and protocols to be followed by ICE OI when notified of an incident involving the discovery of bulk cash by TSA.

**Discussion:**

Bulk Cash Smuggling (BCS) is one of the greatest money laundering threats facing the international law enforcement community. The U.S. Government's 2005 National Money Laundering Threat Assessment and the 2003 Report on Terrorist Financing issued by the U.S. Government Accountability Office (GAO) identified BCS as a method utilized by drug smuggling, human trafficking, and other criminal organizations involved in cross-border crimes to launder their illegal financial gains abroad.

The establishment of standardized reporting/notification procedures related to the discovery of bulk cash by TSA during the performance of their normal screening duties, the reporting of these incidents to CBP or ICE OI, and the subsequent ICE OI response will enhance ICE's ability to identify, disrupt, and dismantle criminal organizations exploiting BCS to move their illicit funds. The procedures will bolster ICE enforcement efforts with regard to violations of the bulk currency statute (31 USC 5332); wherein ICE has primary jurisdiction. The procedures will also strengthen the enforcement of 18 USC 1960 violations (Unlicensed Money Service Businesses), 31 USC 5316 (Reports on Exporting and Importing Monetary Instruments), 18 USC 1956 (Laundering of Monetary Instruments), and 31 USC 5324 (Structuring Transactions to Evade Reporting Requirements).

The procedures will also leverage the capabilities of ICE's Bulk Cash Smuggling Center (BCSC), co-located at ICE's Law Enforcement Support Center (LESC) in Williston, Vermont. The BCSC provides real-time assistance which enables law enforcement officers to take enforcement action at the onset of a domestic or international currency seizure.

Through the use of existing program codes and newly created (b)(7)(E) Referred) program code, personnel assigned to the BCSC will track seizures and investigations resulting from TSA bulk cash notifications in order to develop a clear and comprehensive picture of the trends in BCS and other financial crimes.

**Background:**

As DHS's largest investigative agency, ICE seeks to identify vulnerabilities that terrorists and other criminals use to earn, move, and store illicit funds. ICE targets the *movement* of funds derived from criminal activity by identifying and investigating systems that are vulnerable to exploitation by terrorist financiers and other criminals. With the enactment of effective U.S. Anti-Money Laundering (AML) laws and the implementation of stringent AML compliance programs by traditional financial institutions, criminal organizations have been forced to shift the movement of their illicit proceeds outside of the established financial industry.

(b)(7)(E)



**(b)(7)(E)**

United States and abroad. The enactment of the USA PATRIOT Act criminalized the international smuggling of bulk cash under 31 USC 5332. *From fiscal years 2003 through 2009 alone, ICE utilized this statute to arrest over 1,100 individuals for BCS violations resulting in the seizure of more than \$410 million.*

**Goals of Response Procedures:**

The primary goals of the creation of coordinated procedures between TSA, CBP and ICE are:

- **CONSOLIDATE THE REPORTING OF BULK CASH DISCOVERIES BY THE TRANSPORTATION SECURITY ADMINISTRATION (TSA) TO THE BULK CASH SMUGGLING CENTER (BCSC).**
- **PROVIDE OPPORTUNITIES FOR NEW OR STRONGER PARTNERSHIP BETWEEN ICE AND FIRST RESPONDER STATE AND LOCAL LAW ENFORCEMENT OFFICERS IN BCS INVESTIGATIONS, AND INSURE EQUITABLE ASSET SHARING THROUGH TREASURY FORFEITURE FUND.**
- **ESTABLISH SINGLE POINT OF AGGREGATION (BCSC) FOR CRIMINAL INTELLIGENCE OBTAINED THROUGH ALL TSA REPORTED BCS INCIDENTS.**
- **ANALYSIS AND EXPLOITATION OF FINANCIAL CRIME INTELLIGENCE BY THE BCSC.**
- **CAPITALIZE ON EXISTING ICE ASSETS AT THE LESC IN ORDER TO EXPAND THE SCOPE OF ICE'S LAW ENFORCEMENT SUPPORT TO INCLUDE BCS SEIZURES AND OTHER FINANCIAL CRIMES.**
- **UTILIZE THE BCSC TO MANAGE AND DIRECT ALL IDENTIFIED LEADS TO FIELD OFFICES FOR INVESTIGATION IN COORDINATION WITH THE ASSISTANT DIRECTOR, OPERATIONS.**
- **INCREASE OUTBOUND SEIZURES OF BULK CASH BY CBP FROM PASSENGERS TRAVELING OUT OF THE UNITED STATES.**
- **PROVIDE FOREIGN CUSTOMS OFFICIALS WITH AN OPPORTUNITY TO CONDUCT DECLARATION VERIFICATION BASED ON FORCED DECLARATIONS OBTAINED BY CBP FROM DEPARTING PASSENGERS ORIGINALLY IDENTIFIED BY TSA.**

- **INCREASE AND DEVELOP INTERNATIONAL CONTROLLED DELIVERIES FROM TSA REFERRED INCIDENTS OF BCS WHERE THE VIOLATOR IS DEPARTING FROM THE UNITED STATES.**
- **INCREASE AND DEVELOP DOMESTIC INVESTIGATIVE LEADS FROM TSA REFERRED INCIDENTS WHERE THE VIOLATOR IS TRAVELING WITHIN THE UNITED STATES**
- **CONDUCT BCS THREAT ASSESSMENTS THROUGH REVIEW OF SHARED INTELLIGENCE AND COORDINATION WITH DOMESTIC AND INTERNATIONAL ICE OFFICES TO IDENTIFY SPECIFIC VULNERABILITIES.**
- **COORDINATE BCS INTELLIGENCE WITH DHS COMPONENTS AND OTHER LAW ENFORCEMENT ENTITIES TO BETTER IDENTIFY SMUGGLING ROUTES AND TRENDS IN ORDER TO INCREASE THE NUMBER OF INVESTIGATIONS THAT CAN BE GENERATED AND TO ADDRESS SYSTEM VULNERABILITIES.**

**DISCOVERY OF BULK CASH BY TSA:**

**(b)(7)(E)**

**NOTIFICATION PROTOCOLS:**

**(b)(7)(E)**

**Incidents Involving Domestic Travel:**

If, while performing their official duties, a TSA employee discovers a traveler in possession of bulk cash, and it is determined the traveler is ticketed and scheduled for travel on a domestic flight, the TSA airport Coordination Center, a TSA Supervisor or other TSA delegated or authorized individual will report the incident to a state/local Law Enforcement Officer (LEO) and the BCSC at 1-866-981-(b)(7)(E). This is a new procedure agreed upon with TSA which will be part of their revised Field Operations Guidelines. BCSC personnel will be responsible for collecting pertinent information about the incident and providing timely notification to an ICE/OI Special Agent at both the departure and destination airports to determine the appropriate level of response.

**Incidents Involving International Travel:**

(b)(7)(E)

**ROLES AND RESPONSIBILITIES:**

**Transportation Security Administration (TSA):**

TSA has established procedural guidelines for their employees about how to report the discovery of bulk cash during normal business operations. The TSA procedures will include: It will be the responsibility of the TSA airport Coordination Center, TSA Supervisor or other TSA designated/authorized agency personnel, to immediately notify a state/local LEO and then the BCSC or CBP personnel of the discovery of bulk cash carried by domestic or international travelers. The TSA airport Coordination Center, TSA Supervisor or other TSA



designated/authorized agency personnel will provide the name, air carrier and flight itinerary, and airport code where the cash courier is encountered to the responding state/local LEO and the BCSC or CBP. Further identifying information, including, whenever possible, date of birth, a complete physical description of the individual (height, weight, hair color, complexion, clothing, and approximate age), traveling companions, type of travel documents utilized, and type and description of luggage carried should be obtained from the responding state/local LEO. In addition, the discovering TSA employee will provide the responding state/local LEO with a brief oral statement about how the bulk currency was packaged and/or any observed visible markings, as well as any unsolicited statements made by the traveler about the bulk currency (source, ownership, intended use, final destination, purpose for concealment, etc...).



**Immigration and Customs Enforcement/Office of Investigations (ICE/OI):**

TSA's policies require that when possible criminal activities unrelated to transportation security are discovered during the TSA normal security screening process, they must make initial notification to a state/local LEO officer. As a result, it is imperative that once advised of a BCS incident by the BCSC, the ICE duty agent, alternate, or ICE TFO contacts the responding LEO or appropriate department dispatcher as quickly as possible to insure protection of ICE investigative equities.

ICE/OI has the legal authority to investigate incidents involving the domestic and international transportation of bulk currency discovered at ports of entry (POEs), between POEs, and away from POEs. Once an ICE/OI field office is notified by the BCSC about a BCS discovery, the ICE/OI duty agent, alternate, or ICE Task Force Officer (TFO) for that field office must record the information provided, contact the state and local LEO first responder, and determine the appropriate level of response based upon the circumstances. If additional information is required from the TSA employee who discovered the bulk cash, the investigating ICE agent should contact the Assistant Federal Security Director for Law Enforcement (AFSD/LE) at the airport and make an official request for information. The AFSD/LE is the point of contact for obtaining additional information, if available, from TSA employees. If ICE or CBP seize currency, the seizure must be documented in a § (b)(7)(E) (b)(7)(E) utilizing the project code (b)(7)(E) followed by the opening of a case in (b)(7)(E) in accordance with all existing case management protocols. If the (b)(7)(E) report is completed by CBP, OI must "Update Non-OI (b)(7)(E) to insure

the (b)(7)(E) program code is added to the seizure report. Additionally, resolution of the incident must be reported to the BCSC. If notification to CBP by TSA leads to a forced declaration of currency by a passenger traveling internationally, CBP should immediately advise OI so they can notify OIA. OI will then follow up on the notification to OIA by creating an Investigative Referral (IR) in (b)(7)(E) using the (b)(7)(E) module to capture the details of the referral.

In an effort to expand investigations past the initial bulk cash seizure, ICE will attempt to exploit all undeveloped leads by allowing, where practicable, a suspected courier to continue travel on to his/her final destination. If deemed appropriate by the receiving OI office, surveillance of the subject may be attempted at the destination airport in an effort to determine possible criminal associates, related vehicles, businesses or residences. The BCSC will notify the duty agent at both the departing and arriving airports, and they will be responsible for coordinating any subsequent enforcement activities.

**(b)(7)(E)**

**(b)(7)(E)**

**(b)(7)(E)**

**DOCUMENTING BULK CASH SMUGGLING INCIDENTS REFERRED BY THE TRANSPORTATION SECURITY ADMINISTRATION:**

Relevant leads obtained by ICE field agents, (b)(7)(E), Reports of Investigation (ROI), and suspect data will be indexed into (b)(7)(E) along with the program codes for (b)(7)(E) Bulk Cash Smuggling (b)(7)(E) to assist in tracking the development of investigations and seizures. (b)(7)(E)

**(b)(7)(E)**

BCSC agents and intelligence analysts will track the progress of all BCS investigations and/or prosecutions related to their referrals through the (b)(7)(E) (b)(7)(E) including investigations conducted by other law enforcement agencies. This will allow the BCSC to develop and track a clear and comprehensive picture of the trends in BCS and other financial crimes, a needed capability in the federal law enforcement arena.

**AGENCY COORDINATION AND DE-CONFLICTION:**

The BCSC will be responsible for managing and directing all TSA originated leads to field offices for investigation. Investigative activities and targeting will be coordinated on national and international levels, with the OI and OIA offices playing a critical role in the coordination and deconfliction of all investigative referral and lead information. BCSC personnel will review and de-conflict investigative leads and intelligence to identify any pre-existing/ongoing investigations. The noted de-confliction efforts will include coordination and liaison with the Blue Lighting Organization Center (BLOC).