

Level 4 Seizure Example-English

20XX-0X-XX (time removed)

XXXX-XX-XXXX

SMITH, John

Seizing

----- Int'l Airport - Traffic

xxxxx

Border Services Officer: SMITH, John

Badge: xxxxx

Date: 20xx-xx-xx

Start/End Time: [time duration removed]

Location: ----- International Airport

Notebook (xxxxxx) pages: xx-xx

While working as a uniformed Border Services Officer at the ----- International Airport, I was involved in the examination of the following subject: XXX, xxx

PRINCIPAL SUBJECT:

XXX, xxx

DOB 19xx-xx-xx

EXAMINATION:

A thorough examination of the contents of XXX, xxx. xxx arrived off AC xxxx coming from Vegas and was transiting through Canada en route to ----- . xxx declared to be in possession of 100 US Dollar. Subject declared at primary 100,000 US dollars that he won from Vegas. Subject was then sent to our cashier to complete a currency declaration form. Upon completing the currency declaration form, subject was referred to secondary for verification. xxx indicated on the currency reporting form that he was in possession of 100,000 US dollars and no other currency. Subject stated that he spend 32 days in Las Vegas to play poker. When I asked xxx where he received all the money from, xxx stated that he won it playing poker. I then confirmed with xxx that he has 100,000 US dollar as he declared on the currency reporting form and that the form is complete and accurate. xxx then confirmed. I then stamped and had

xxx sign the currency reporting form. I then asked xxx to present a receipt for the money. xxx stated that he doesn't have one because he was playing mostly cash hands and some games at the World Poker Series Tournament. I asked xxx what he does for work and he stated that he owns a clothing company called AAA. I then asked how much money AAA clothing makes. xxx stated that he doesn't know because his wife works there and she is in charge. xxx also stated that the clothing company does not make any and/or very little money. xxx was travelling with a female traveller ----, ----- . When asked if that was his wife, xxx stated that it was his girlfriend. I then asked xxx how much money he took to Vegas to gamble. xxx then stated that he had about 5 thousand Singapore dollars and was then given 20 thousand US dollars from a friend in Singapore. I then asked why his friend would give him 20 thousand [dollars]. xxx stated that it was his money and that his friend was simply bringing it to him because he didn't want to pay the bank transfer fee. With the assistance of Officer J, he was taken to the currency room to verify his currency. In the currency room, it was found that xxx under declared. xxx was in possession of 101,140 US dollars, 1000 Taiwan (1000NT\$), 110 Singapore dollars and xxx only declared 100,000 US dollars on his currency declaration form. xxx was then informed that we needed to determine the legitimacy of the currency and to assess if a seizure would be actioned. All the money was then placed inside of a seizure evidence bag and the seal of the bag was signed by myself, Officer J and xxx. The bag henceforth was in my possession at all times. xxx stated he understood. Below is a Question and Answer between myself and xxx. Q are my questions and A are xxx's replies;

Q: You live in Singapore?

A: Yes

Q: From Singapore, where else did you travel to?

A: I went Singapore, then Taiwan.

Q: Why Taiwan?

A: To visit my girlfriend.

Q: How long did you spend in Taiwan?

A: Close to 60 days, but I also went to Japan for vacation.

Q: Did you already know why you were going to go to Vegas?

A: Yes

Q: What is the name of the tournament you attended?

A: WSOP - World Series of Poker.

Q: When did you go to Vegas?

A: The 12th of June.

Q: Do you have to register for this tournament?

A: Yes

Q: Can you show me when you registered?

A: Yes, I have receipts.

Q: When you left Singapore why did you not take cash with you?

A: I did.

Q: How much did you have before you went to Taiwan?

A: I had 20,000 Singapore dollars.

Q: When you went to Vegas via Taiwan, how much did you have?

A: I had about 5,000.

Q: Your friend then brought you money to Vegas?

A: Yes

Q: Where did he get the money?

A: My friend "Tom" owed me the money from online poker.

A: They have some agents who run the online sites. "Tom" owed me.

Q: How do you get paid?

A: The agent normally pays.

Q: The money that you used to play in Vegas was given to you by "Tom" who is an agent?

A: Yes.

Q: How do you know "Tom"?

A: He is a friend.

Q: How much money did "Tom" owe you?

A: He owed me 80,000 and he gave me 20,000.

Q: When did "Tom" arrive to Vegas?

A: The same day as me - on the 12th of June.

Q: Where did he give you the money?

A: In the hotel- in my room.

Q: In stacks?

A: Yes, in 2 stacks.

Q: He gave you the money of the 12th . When did the tournament start?

A: It started on the 12th of June.

Q: How much did you play and spend in Vegas?

A: I played whatever the minimum is and times it by 100.

Q: When you arrived in Vegas you only had 5,000 Singapore dollars.

A: Yes.

Q: What was the biggest amount you won in Vegas?

A: 50,000.

Q: In 2017, did you file taxes?

A: No.

Q: Do you have to file your winnings for taxes?

A: No.

Q: In 2017, how much did you make?

A: It was a down year so I was negative.

Q: From AAA the retail store, how much do you make?

A: I didn't make any money, my wife took it all.

Q: Do you own a bank account?

A : Yes.

Q : How much do you have in the account?

A : 20,000 in Singapore dollars.

Q: Do you have many bank accounts?

A: I have 2.

Q: Do you have a home in Singapore?

A: I live with my parents. I pay 1000 Singapore dollar rent.

A: (upon checking his bank app) I only have 12,000 dollar in the bank.

Q: Do you have any other property or cars?

A: My friend owes me money so he gave me the car because he owes me money.

Q: What was his name?

A: "V"

Q: Do you owe people any money?

A: I owe "Jim" 100,000 k.

Q: Where does he live?

A: In Singapore.

Q: You owe him 100,000 Singapore dollars?

Q: Do you owe anyone else any money, such as the bank?

A: No, just "V".

Q: Why do you owe him money?

A: I lost it in a cash game.

Q: Aside from the money in the bank, do you have any other types of cash or assets?

A: No, just the shop.

Q: How much is the retail store worth?

A: It's worth nothing.

Q: Have you ever been arrested?

A: No.

Q: So you are telling me that Singapore doesn't recognize poker winnings?

A: Yes

Q: What is the biggest earning you ever made?

A: 60 k

Q: But right now you have 100 k US from Vegas...isn't this your biggest winning?

A: No, not really.

A: No online I have won 200k.

Q: What about your watch?

A: Yes this was about 12 k.

Q: Do you own any other jewellery?

Q: About 25 k.

Q: Prior to poker, what did you do for work?

A: I worked at --- --- and I made 3.5 k a month and started to play online poker.

Q: Does "Tom" have any other company or just poker?

A: No just poker.

Q: What is your password for your phone?

A: - - - - -

Q: How long have you been going out with you girlfriend?

A: 1.5 years

Q: How many tattoo do you have?

A: 9 tattoos

Q: What are they?

A: Left arm is geisha with a snake.

A: Left chest samurai

A: Right chest is the head of a devil

A: Right shoulder is a koi fish but it is covering god nu zha.

Q: What does the god represent?

A: I don't know.

Q: What about on your back?

A: I have a dragon fighting a devil.

A: On my stomach I have a devil.

A: Left thigh I have a tiger and an eagle and a dragon.

A: Right leg is a samurai holding a sword.

A: Right ankle I have a tribal.

Q: What do they represent?

A: I was with bad company.

Q: Were you ever with a gang?

A: They call it [name changed to 1999].

Q: Are they bad people?

A: Not really just smoke.

Q: What did you do for them?

A: From 13 to 15 I was with them.

A: Singapore police asked us to come speak with them.

Q: Why?

A: Because they wanted to know who the hit man was.

At [time removed] due to the fact that xxx made an inaccurate declaration and admitted to owing large amount of cash to someone in Singapore a cursory media exam was done by Officer J.

Officer J found a pic of what appeared to be narcotics.

A: That's not mine, it was sent from a group chat.

Q: What have you done for the gang?

A: Nothing really, just fighting.

Q: Who did you fight?

A: My classmate.

Q: Why?

A: Because rivalry of gang.

Q: What gang was your classmate with?

A: [name changed to 2000]

Q: Do you still know people with 1999 gang?

A: No.

Q: When you left the gang, what did you have to do?

A: Nothing.

Q: So, your hitman was arrested and once he was arrested the gang disbanded?

A: Yes.

Q: When you mention a hitman, what did he do?

A: He did nothing.

Q: How old was he?

Q: He was 16 and I was 15.

Q: Are they still around?

A: Yes but they don't do anything- they are small time.

Q: Do they sell drugs?

A: I don't know, it's hard to do that stuff in Singapore.

Q: What tattoo did you have when you were with 1999 gang?

A: On my left shoulder I had a devil and on my right shoulder is the god and on my back I got the devil and dragon.

Q: Why didn't you get the back tattoo covered?

A: Because the back tattoo was too large to get covered.

xxx was then asked to have a seat.

At [time removed], while examining the money in the seizure bag, I noticed that some of the bills had different bands. One of the stacks had paperclips on them. xxx stated that the casino does not give receipts.

After a break Q and A resumed.

Q: What is "Tom"'s full name?

A: [name removed]

Q: What his is number?

A: -----

Q: How do you know him?

A: Through poker.

Q: How long do you know him?

A: 3 -4 years.

Q: Is he married?

A: Yes, he has kids.

Q: Aside from poker, what else does he do?

A: No, just poker.

Q: And he owed you money?

A: Yes.

Q: Tell me exactly.

A: Because I played online poker on [site name omitted] poker.

A: I went through "Tom".

Q: All the winnings are in the system?

A: Yes.

Q: Why did he lend you the money?

A: No he didn't lend it to me...it was owed to me from online poker.

Q: Do you have an app to play in the online poker games?

A: Yes.

Q: How do you know "V"?

A: From poker.

Q: How long have you known "V"?

A: 3 years.

Q: Why do you owe him money?

A: 2 years back I couldn't pay the remaining 100k.

Q: What app do you owe him on?

A: [app name omitted]

Q: When you win, why does the app not pay you?

A: Because they don't know me.

Q: Can you prove that you won the money from poker?

A: No.

Q: "Tom" lives in Singapore and travels a lot, what problems has he had with police?

A: Maybe he has party problems.

Q: How about drugs?

A: No, he doesn't do drugs.

Q: How do you download the app?

A: On the apple store.

Q: If I download the app, how do I play?

A: You then have to join a club and you have to be invited.

Q: What is the name of the club that you play for?

A: [name changed to 3000]

Q: But you don't know who the players are?

A: No.

I then had a short conversation with xxx to confirm how the online poker application works. On the application you are allowed to create a club. The club members then make a virtual poker room with online credits. Club members are then referred to agents who take cash payments and in exchange will give a poker player online credit to use on the app to play in their club. All winning are then sent in the form of online credit that gets sent back to the agent who then gives cash to the player. The application does not pay any money but instead just charges a user fee to the club. When asked what "Tom" does for a living xxx stated that he is a professional poker play and is currently unemployed.

When I asked xxx if he knew any of the other members of the club he stated no. I then asked if he knew any of the other agents. xxx stated that he thinks "Tom" is 4th on the list for agents for the club but again he doesn't know who started the club or who other agents are. I then asked xxx, "Hypothetically, what happens if you paid "Tom" 10,000 cash and received 10,000 online credit and then played poker that day using the app and won 40,000 credit and then cashed out?" "Tom then owes you money. xxx then stated "Yes, that's how it works." I then asked xxx were "Tom" then got the 40,000 from and xxx stated that he didn't know and that wasn't his concern.

At [time omitted] Q and A was conducted again.

Q: How long did you play poker while you were in Vegas?

A: 32 days.

Q: What was your largest win while you were there?

A: 57 thousand.

Q: What day?

A: I don't know.

Q: Do you remember what hand you had?

A: It was a long grind.

Q: Largest loss?

A: 20 thousand.

Q: Do you remember the day for that?

A: No.

Q: Was that from one hand?

A: No it was throughout the day.

Q: Do you remember anything memorable while you were playing poker that sticks out in your mind?

A: I made a quater on the bottom, full house in the middle, and trip aces on top- that's a different type of poker called open face Chinese poker.

Q: How much money did you make off that hand?

A: About 3 thousand.

Q: Were all the chips from the casino?

A: Yes at first all the chips I bought after that I didn't need to buy.

Q: What other games did you play in Vegas?

A: Open face Chinese poker, Texas hold em, pot limit oma.

Q: Did you play every single day?

A: Yes every single day.

Q: Did you stay at the Wynn?

A: I just stayed at Rio.

Q: You went there for the tournament right?

A: Yes.

Q: How many days did you play in the tournament?

A: Maybe 6 but each day it only lasted 5 hours.

Q: When did you cash out?

A: On 9, 10, and 11.

Q: How much did you cash out?

A: I only cashed out little amounts like 30, 40 and 20.

Q: Why did you do that?

A: Just in case there was still a game I could still buy in.

Q: Have you ever filed taxes in the US?

A: No.

Q: Did you buy chips?

A: Yes but it was done inside the casino.

Q: Did you buy any chips outside the casino?

A: No.

Q: Did you sell any of your chips outside the casino?

A: No.

Q: Have you ever sold your chips?

A: Yes on the table.

Messages on his phone were found of people selling chips. However there was no direct message of xxx stating that he would buy/sell chips. When I asked and confirmed with xxx that the casino is supposed to tax any winning over 5000, xxx confirmed this and stated that they do tax over 5000. I then asked why they didn't tax him on his winnings or provide a receipt of that. xxx then stated that when he cashed out they never taxed him and he didn't think anything of it. During the examination and once we stated to xxx that the currency may be seized at level 4 he didn't appear too upset, however he then started to look nervous. We then asked xxx what he was planning on doing with the 100 k USD. xxx stated that he was planning on putting money as a down payment on a house. I then asked since he was in debt to someone else why he didn't pay off his debt. xxx stated that he has a repayment plan of 1000 a month and that "Jim" doesn't know he won this amount of money. I then asked if "Jim" was charging him interest on the amount. xxx stated no. I then asked if "Jim" was upset that it was taking so long for him to get his money. xxx stated that he lives in Singapore and that "Jim" "couldn't do shit" because it is really safe in Singapore.

Travelling with Money over Reporting Threshold

The reporting threshold of \$10,000 is high. In this case the subject was coming from a tournament that could have easily issued a bank draft. Traveling with so much money in a non-secure backpack is not normal with someone winning big in Vegas. Carry so much cash opens the person to the risk of being robbed which is counter intuitive to a professional gambler. In addition, most casinos accept payment with debit and credit cards.

Traveller has no proof of cashing out in Casino in Nevada

According to the Nevada state website and the client, any winnings over 5000 at any casino must be reported for tax purposes. Casinos also have records of winning and the cash out of his chips. Subject's phone had messages in which people were potentially selling chips. Open source information was viewed and found that this is done to avoid paying taxes on earnings but is also used by money launderers to exchange proceeds of crime money for chips to be used at a casino to then launder the money into a bank draft.

Initial 20,000 used to gamble

When initially asked where xxx receives money he mentioned that he owns a clothing company in Singapore called AAA clothing. When questioned as to how much money he makes from the company, xxx was unable to answer. xxx stated that he is not involved in that business and then later stated that his wife is in charge but they are currently going through a divorce. xxx went on to state that it does not make a lot of money.

xxx also knew ahead of his vacation in Taiwan and Japan that he would be travelling to Vegas to gamble. The Singapore government website was checked and it shows that the reporting threshold for outbound currency is 20,000 Singapore dollars. xxx has no currency form completed by Singapore Customs to prove he declared his original money he took to vacation and he doesn't even have the currency declaration form that his friend "Tom" had when he left Singapore to meet xxx in Vegas.

xxx stated that "Tom" owed him the money through an online poker app that he plays on. xxx states that the app does not directly handle any money/currency, so the app will not directly pay out or accept money. Within the application individuals can create a club. This club then pays a portion to the application to use which is how the application seems to make money. The members of the club then are referred to as agents. A poker player will then go to an agent and pay cash in order to get online credit to play in the club. The poker player who in this case doesn't not know any of the other members of the club then plays poker. When the poker player wishes to cash out they refers back to the agent. The poker player then transfers the online credit and then the agents gives him cash. xxx was asked where "Tom" receives the money from and he stated that he doesn't know and that it is not his concern. xxx was asked if the money could have been received from proceeds of crime and xxx did not refute the statement. This essentially leave no paper trail of any winnings and it appears to operate in the same way an illegal gaming operation operates except it is online. The application is removed from any money and it appears that the handling of the money from poker player to agent is all done through text message.

Proceeds of crime indicator form was looked at and stated that one of the more common forms of money laundering is for a criminal to take their illicit cash to a casino and to exchange the funds for chips. After the criminal finishes gambling he/she cashes in the chips in and receives a draft, thereby laundering their proceeds of crime. Even if the money is attributed to gambling, the issue remains as to what was the course of the funds that were used when gambling. Also, it is unclear if the money that was with "Tom" was properly exported from Singapore because he should have had a customs declaration form from Singapore and an import declaration from the United States.

Subject Travelling Across International Border

The subject is travelling from Vegas to Canada to Taiwan with US funds. The proceeds of crime indicator form was looked at and it stated bulk cash smuggling is a common form of money laundering. The shipment of such a large sum of money across an international border distances the money from the illicit source. Money launderers are aware that borders make it difficult to trace the source of the funds.

Subject Vague as to Details Regarding the Source and or Use of the Funds

An honest person earning legitimate income would be able to provide details and documents to support his explanation. They would know with clarity the source and use of the funds. Fabricated or deceptive explanations have frequently been found to lack traceable detail. In this case, the subject initially stated

that it was his money and that his friend hand carried it to Vegas in attempt to save money on a wire transfer fee. When subject was then asked questions in relation to the money he then changed his answer and stated that it was from online poker earnings.

Subject has limited funds in bank account

xxx was asked how much he has in his bank account. xxx initially stated that he had approximately 20,000 Singapore dollars. xxx then verified how much was in his bank using his mobile device to open his bank information. xxx then confirmed that he had only 12,000 Singapore dollars in his account. xxx has little funds in his bank account yet he has 100,000 USD in cash with him. xxx then stated that he has had almost 700,000 Singapore dollars in his account and was asked to show proof of having that much in his account. xxx was unable to go back and show that he had 700,000 Singapore dollars at one point. In addition xxx stated that the 700,000 Singapore dollars was spend traveling, partying, hotels, food and other luxuries over the course of 2 years.

Tax return in home country

Subject was asked how much he declared on his previous tax return in which he stated he claimed an income of zero dollars because he was too lazy to file. An open source check of if you are required to show gambling earning on income showed that it is still considered capital gains and is not subject to tax however, all earning still need to be accounted for. His gambling earning still should have been reported as capital gains and he should be able to show he makes money as a professional poker player. xxx cannot so the source of where he gets all this cash and even where he stores it is unclear which leads to a very high level of suspicion.

Bundle of money

Bundles of money are not all the same, one stack had paper clips in it and 2 of the wrappings were different. When we asked xxx why he stated that originally one of the wrapping had 5,000 USD on it he then just added another 5,000 USD to create a new bundle. For the other discrepancy he states that perhaps it was from [name of casino omitted] however he is not sure.

Nervous and unconcerned when answering questions and once informed of seizure.

Proceeds of crime indicator form was looked at and stated that persons attempting to smuggle or show deceit will often display nervous behaviour. xxx appeared to only get nervous when we informed him that he needed to investigate where the money originated from and where he received his winnings. During a more in-depth media examination of his mobile device, we found that individuals sent texts about buying chips. In addition someone that xxx knew had actually gotten his chips taken at the casino because they were not able to show where they won them from. In this case, where there is a large amount of currency at stake, the legitimate traveller will offer supporting documentation and explanations. In this case xxx was evasive when asked where he received the initial 20,000 Singapore

dollars to gamble. This response is not in line with the behaviour of an honest person travelling with legitimate funds.

Travel history

Passport was examined and xxx has extensive travel history to many countries. xxx is thus familiar with reporting requirements and was still unable to prove any currency export document from his time in Vegas.

Showed No Emotion when Advised of Seizure of Currency

People who have earned and are travelling with legitimate money will go to great lengths to show the legitimacy of their funds. They will also show great disappointment if funds are seized. In this case, the subject made no attempt to show legitimacy of funds and when advised of the seizure showed no emotion.

Given that the money that was used to initially gamble cannot be accounted for from a legitimate source. The fact that the winnings cannot be proven to have been cashed out from a casino. At [time omitted], I presented my grounds which are listed above for a level 4 seizure to Supt T. Superintendent T approved the level 4 seizure. Currency was seized at level 4 proceeds of crime and money laundering.

With Officer R the bag was opened and xxx was handed back the 1000 Taiwan dollar and 110 Singapore dollar as well as a casino coin.

At [time omitted], the money was then recounted and came to 101,140 US dollars and was resealed and signed by myself and Officer R.

At [time omitted] ICES file #xxxx-xx-xxxx was done and shortly after xxx was given the seizure receipt and his right to appeal was explained. Once xxx signed the seizure receipt a copy was then given to xxx and he was allowed to leave. xxx did not show much emotion when he left.

At [time omitted] the currency was then carried to a safe in the cash room with myself, Officer R, Superintendent M.

At [time omitted] the seizure bag containing the money was opened and was recounted with myself, Officer R, and Superintendent M. The recount came to 101,140 US dollars.

The money was then placed into two envelopes, the first envelope # - - - - - which contained 50,000 US dollars and the second envelope # - - - - - which contained 51,140 US dollars, and were placed in the safe.

FINAL DISPOSITION OF SUBJECT:

Both travellers free to leave.

WRITER: John Smith

BADGE #: xxxxx

PORT OF ENTRY: ----- International Airport

REPORT DATE: xxxx-xx-xx

END REPORT