



U.S. Department of
Homeland Security

**United States
Secret Service**

Press Release

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U.S. SECRET SERVICE, IMMIGRATION AND CUSTOMS ENFORCEMENT – HSI, AND IRS DISRUPT SIX BILLION DOLLAR TRANSNATIONAL MONEY LAUNDERING SCHEME

Suspects Indicted for Money Laundering and Operating an Unlicensed Money Transmitting Business

(Washington, D.C.) The U.S. Secret Service, in close coordination with U.S. Immigration and Customs Enforcement’s Homeland Security Investigations (HSI) and the Global Illicit Financial Team (GIFT) hosted by IRS-Criminal Investigations (IRS-CI) have arrested five individuals and seized bank accounts containing approximately \$20 million located in eight countries. This investigation was a collaborative effort of U.S. Secret Service Electronic Crimes Task Force partners, HSI, IRS-CI and their domestic and international law enforcement partners. This investigation of Liberty Reserve, a transnational online payment processor and money transfer system, led to the seizure of an online domain owned and operated by the company. It is alleged that Liberty Reserve is used by criminal elements worldwide to launder money and distribute illegal proceeds globally.

“These arrests are an example of the Secret Service’s commitment to investigate and apprehend criminals engaged in the misuse of virtual currencies to conduct global monetary fraud,” said Steven G. Hughes, Special Agent in Charge of the U.S. Secret Service New York Field Office. “Cyber criminals should be reminded today that they are unable to hide behind the anonymity of the Internet to avoid regulated financial systems. We are grateful to our many law enforcement partners throughout the world for assistance in this investigation, especially in Costa Rica, Spain and the Netherlands.”

U.S. Secret Service, HSI and IRS-CI executed arrest and search warrants in seven countries to include Spain, Costa Rica, the Netherlands and the United States. Assets of Liberty Reserve will also be frozen in Hong Kong, Spain, Morocco and China. Current and former executives of Liberty Reserve are charged with violating numerous anti money laundering statutes and operating as illegal money transmitters.

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Liberty Reserve had approximately one million users worldwide with more than 200,000 users in the United States. It is estimated that Liberty Reserve processed more than 12 million financial transactions annually with a combined value of more than \$1.4 billion. Overall, Liberty Reserve processed an estimated 55 million separate financial transactions and is believed to have laundered more than \$6 billion in criminal proceeds. The United States Attorney's Office for the Southern District of New York is prosecuting this case.

The U.S. Secret Service has taken a lead role in mitigating the threat of financial crimes since the agency's inception in 1865. As technology has evolved, the scope of the U.S. Secret Service's mission has expanded from its original counterfeit currency investigations to also include emerging financial, electronic and cyber crimes. As a component agency within the U.S. Department of Homeland Security, the U.S. Secret Service has established successful partnerships in both the law enforcement and business communities – across the country and around the world – in order to effectively combat financial crimes.

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EDITOR'S NOTE: For questions concerning this release, please contact the U.S. Secret Service Office of Government and Public Affairs at 202-406-5708.