AML Typologies

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A Participant in Health Care Fraud

- Customer flowed through over $1M in a 4 month period from Amazon payments.
- 25 incoming ACHs in increments of $20,000+.
- All went out immediately (some same day) via wire.
- Claimed to be seller of over-the-counter health and beauty items at discount rates.
- Reach out to customer uncovered that 75% of business was sales of Diabetic test strips.
- Review of Amazon found those prices to be >50% above market price.
Matched Trading at Multiple Broker Dealers

- Over a month period, Customer matched trades in OTCBB energy and mining companies between two E*TRADE accounts.

- A Customer reached out revealed our customer was intending to “pump the price up so that he could get rid of his stock at a higher price.”

  According to the customer: if you can make it appear that there’s a ton of activity, and you’ve got a stash of stock to sell, then yours will sell.

- He also disclosed that he traded at multiple broker dealers – because there’s no way the government can know that he’s with E*TRADE and XX.

- Customer was >7% of the daily volume in the stocks.
Wyoming Corporate Services

- Physical address and a lawyer – “we’re in business.”
- 700 shelf companies – shell companies left on the “shelf” to season and then sold for those looking for bank loans or to bid on contracts.
- Customers with no discernable business, source of funds or association with Wyoming Corporate Services.
- Our customer had a one page website for their LLC “internet domain name and real estate business.”
- “Global” cell number for one partner who appeared to be offshore.
- Other partner worked out of an RV.
Chinese Reverse Mergers/Manipulation

- Group of China based customers open numerous accounts.
- Buy large quantities of only one stock; a Chinese company that reverse merged into a US shell onto the NASDAQ.
- Company is an auto finance and service provider.
- Customers were related to the company: employees/officers and family.
- Trade with each other from one device or a group of devices.
- Inflate the price and volume of the stock.
- Create a trading frenzy.