

Suspicious Activity Report Narrative

Julius Moye

May 15, 2020

Bank Investigation File Number: NPTG-8675309

This SAR is being filed to report unusual transaction activity and possible business with a sanctioned individual by Easy Foods Company (account number 987564-6160).

Our customer, a grocery store and MSB in Mountain View, CA, has been a loyal customer for 25 years. An alert was generated in February 2020 due to unusually high transaction amounts. The transaction types and amounts are non-commensurate with usual business activity. We suspect our client, Easy Foods Company, and its money transfer service are being used to launder money and possibly evade sanctions. Additionally, we are concerned with our client's inability to conduct adequate KYC measures in its operations as an MSB.

Transactions for the last calendar year were reviewed with a period of investigation (POI) from 5/10/19 – 5/10/20. Easy Foods Company, Inc., is owned by Siu Wong and is registered as an MSB. During the POI, there was a total of 33 incoming transactions from Al Ansari Exchange (AAE) in Dubai. This was unusual given that Easy Foods has a history of mostly handling outgoing transfers to China.

These transactions were conducted on behalf of ABC Trading, Ltd. – a freight forwarding/logistics company based in Dubai. Our investigations indicate the company was established in 2018 and is owned by two individuals with common Iranian and Arab names. This is of interest given that all recipients of incoming transactions from AAE had names of Iranian origin.

Three particular AAE transactions raised the initial alert as they were greater than \$100,000 each. Incoming wires ranged from \$188,000 and \$414,000 and were sent on a monthly basis (February – April 2020).

After each incoming transfer, several cashier's checks were written as outgoing transactions within 4 days. The recipients of all ten checks in question were screened. One, Naser Maleki, was an exact name match on OFAC's SDN List. We contacted Mr. Wong for additional detail. He claimed no ID was collected as they were personal acquaintances. Pursuant to 31 CFR § 1010.415, all MSBs must maintain records of check recipients for values greater than \$3,000. This lack of KYC is of great concern for our institution.

A warning will be issued regarding Easy Food's inadequate KYC enforcement. We will heretofore assess exiting the relationship if necessary.

Furthermore, we will continue to monitor the activity and file supplementary SARs if required. All documentation obtained during this investigation is in the case file, NPTG-8675309, maintained by the bank's AML department.