

II. INTERNATIONAL MONEY LAUNDERING STATUTE

United States v. Dinero Express, Inc.

In *United States v. Dinero Express, Inc.*, the Second Circuit Court of Appeals was required to decide whether the remittance scheme, viewed as an entire process, qualifies as “transfer” under §1956(a)(2), despite the fact no money was wired from the United States to the Dominican Republic.¹⁷ The Court of Appeals affirmed the trial court’s holding stating that the actions of defendant qualified as a “transfer.”¹⁸

Defendant, Roberto Beras, was a co-owner and the Vice President of Dinero Express, Inc. which was a “licensed money remitter on behalf of customers in the United States to locations in the Dominican Republic and Puerto Rico.”¹⁹ The operation questioned in this case involved transactions where the defendant would receive a five percent commission for accepting deposits from known drug traffickers and arranging the transfer of these deposits from New York City to the Dominican Republic and Puerto Rico.²⁰ The specific action involved the transfer of drug proceeds to the Dominican Republic using a four-step process.²¹ First, money from the drug traffickers was delivered to Dinero Express, Inc. with gradual depositing.²² Second, Dinero Express, Inc. would create phony invoices to show that transactions were made to the Dominican Republic.²³ Third, arrangements were made with an individual in the Dominican Republic to advance local currency in the same amount as the deposits being made in New York City.²⁴ Finally, Dinero Express, Inc. would repay the local currency provider using a wire transfer of the funds on one occasion.²⁵ As a result, Beras was sentenced to a 292 month prison term, three years of supervised release, a \$4,100 mandatory special assessment, and an order of forfeiture of \$10,000,000.²⁶

The international money laundering statute prohibits “individuals from engaging, with the requisite intent of knowledge, in the transport,

17. *United States v. Dinero Express, Inc.*, 313 F.3d 803, 806 (2d. Cir. 2002).

18. *Id.* at 807.

19. *Id.* at 805.

20. *Id.*

21. *Id.*

22. *Dinero*, 313 F.3d at 805.

23. *Id.*

24. *Id.*

25. *Id.*

26. *Id.*

transmittal, or transfer, or attempt to transport, transmit, or transfer of a monetary instrument or funds from a place in the United States to or through a place outside the United States from or through a place outside the United States".²⁷

Defendant makes the argument that because not one of the individual steps involved the direct wiring of money from the United States to a place outside of the United States, a "transfer" did not occur which would fall into the meaning of §1956(a)(2) therefore claiming his convictions were improper.²⁸ However, the Court of Appeals cites, *United States v. Harris*, 79 F.3d 223, 231 (2d Cir.), which held that a multi-step transfer would be examined as single event for purposes of §1956(a)(2).²⁹ Therefore, this court concluded by analogy that the steps used by Beras would be viewed as a single "transfer" under §1956(a)(2). The court notes that there is a "transfer" of money where it is accepted in one location and then pursuant to conduct, the money is caused to be delivered to another location.³⁰

Therefore the Court of Appeals held that the conduct of Beras constituted a "transfer" for the purposes of §1956(a)(2) no matter whether the "transfer" was a single-step "transfer" or multi-step process.³¹ The court further argued that the conduct of the defendant allowed American drug traffickers to move money to the Dominican Republic.³² Therefore, the court affirmed the decision of the trial court by upholding the convictions of Beras for international money laundering under 18 U.S.C. §1956(a)(2).

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27. 18 U.S.C. §1956(a)(2).

28. *Dinero*, 313 F.3d at 805-06.

29. *Id.* at 806.

30. *Id.*; *United States v. Gilboe*, 684 F.2d 235, 238 (2d Cir.1982) (ruling that 18 U.S.C. §2314 covers electronic transfers of funds because "the manner in which the funds were moved does not affect the ability to obtain tangible paper dollars or a bank check from a receiving account"—i.e., "the beginning of the transaction is the money in one account and the ending is money in another").

31. *Dinero*, 313 F.3d at 807.

32. *Id.*