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Southern District of New York
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :
 :
 :
 -v.- : **VERIFIED COMPLAINT**
 : **FOR FORFEITURE**
 :
 \$453,000,000 IN UNITED STATES CURRENCY, : 18 Civ.
 :
 Defendant-*in-rem*. :
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Plaintiff United States of America, by its attorney Geoffrey S. Berman, United States Attorney for the Southern District of New York, for its verified complaint, alleges, upon information and belief, as follows:

I. JURISDICTION AND VENUE

1. This action is brought pursuant to Title 18, United States Code, Section 981 by the United States of America seeking the forfeiture of \$453,000,000 in United States currency (the "Defendant Funds" or the "defendant-*in-rem*").
2. This Court has jurisdiction pursuant to Title 28, United States Code, Section 1355.
3. Venue is proper under Title 28, United States Code, Section 1355(b)(1)(A) because certain actions and omissions giving rise to forfeiture took place in the Southern District

of New York and pursuant to Title 28, United States Code, Section 1395 because the Defendant Funds have been transferred to the Southern District of New York.

4. The Defendant Funds constitute property involved in money laundering and proceeds of wire fraud, and are thus subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(A) and (a)(1)(C).

5. Upon entry of a final order forfeiting the Defendant Funds to the United States, the Government intends to recommend that the Defendant Funds be distributed to victims of the payday lending scheme perpetrated by Scott Tucker (“Tucker”), consistent with the applicable Department of Justice regulations, through the ongoing remission process. *See* 18 U.S.C. § 981(e)(6) and 28 C.F.R. Part 9.

II. BACKGROUND

6. From at least in or about 2009 through in or about 2014, U.S. Bancorp, through its subsidiary, U.S. Bank National Association (“USB”), violated the Bank Secrecy Act (“BSA”), Title 31, United States Code, Sections 5318(g), 5318(h) and 5322(a)-(c), and its implementing regulations, because USB willfully (i) failed to maintain an adequate anti-money laundering (“AML”) program and (ii) failed to report suspicious transactions relevant to a possible violation of law or regulations as required by the Secretary of the Treasury. USB’s violations included the failure to timely report suspicious banking activities of Tucker, a longtime customer.

7. On October 13, 2017, Tucker and his attorney, Timothy Muir, were convicted in the United District Court for the Southern District of New York of, among other things, wire fraud and money laundering, in violation of Title 18, United States Code, Sections 1343 and 1956, for their roles in perpetrating a massive payday lending scheme. From in or about the late 1990s through in or about 2013, through various companies that he owned and controlled

(the “Tucker Payday Lenders”), Tucker extended short-term, high-interest, unsecured loans, commonly referred to as “payday loans,” to individuals in New York and around the country at interest rates as high as 700 percent or more and in violation of the usury laws of numerous states, including New York. In order to induce customers to obtain the loans and to make payments on the loans exceeding the amounts allowed by law and the amounts which the customers were told they were required to pay, Tucker made material misrepresentations concerning the true cost of the payday loans offered by the Tucker Payday Lenders and the identity of the lender offering the loans. Tucker sought to evade applicable laws by entering into a series of sham relationships with certain Native American tribes (the “Tribes”) in which he assigned nominal ownership of his payday lending companies to certain corporations created under the laws of the Tribes in order to conceal his ownership and control of the Tucker Payday Lenders and gain the protection of tribal sovereign immunity—a legal doctrine that generally prevents states from enforcing their laws against Native American tribes.

8. As described in greater detail in the attached Statement of Facts, Tucker laundered more than two billion dollars of proceeds from his illegal payday lending scheme through accounts held at USB.

III. THE DEFENDANT-IN-REM

9. On or about February 13, 2018, USB entered into a Deferred Prosecution Agreement (the “DPA”) with the United States with respect to its violations of the BSA. Under the DPA, USB agreed to forfeit \$528,000,000, less the amount of any civil money penalty paid by USB to the Office of the Comptroller of the Currency (“OCC”) in connection with its concurrent settlement of the related regulatory action brought by the OCC. On or about February 15, 2018, the OCC imposed a civil money penalty of \$75,000,000 on USB in connection with that settlement.

Pursuant to the DPA, USB transferred the Defendant Funds to the United States in the Southern District of New York as a substitute *res* for funds received and/or transferred by Tucker through USB. USB agrees that the Defendant Funds are subject to civil forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(A) and (a)(1)(C).

10. The Deferred Prosecution Agreement and the accompanying Statement of Facts are attached as Exhibit 1.

IV. CLAIM FOR FORFEITURE

11. Incorporated herein are the allegations contained in paragraphs one through ten of this Verified Complaint.

12. Title 18, United States Code, Section 981(a)(1)(C) subjects to forfeiture “[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting ‘specific unlawful activity’ (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.”

13. “Specified unlawful activity” is defined in Title 18, United States Code, Section 1956(c)(7), and the term includes, among other things, any offense listed under Title 18, United States Code, Section 1961(1). Section 1961(1) lists, among other things, wire fraud (Section 1343).

14. Title 18, United States Code, Section 981(a)(1)(A) subjects to forfeiture “[a]ny property, real or personal, involved in a transaction or attempted transaction in violation of section 1956, 1957 or 1960 of this title, or any property traceable to such property.”

15. By reason of the foregoing, the Defendant Funds are subject to forfeiture to the United States of America pursuant to Title 18, United States Code, Section 981(a)(1)(A) and (a)(1)(C), because the Defendant Funds constitute proceeds of wire fraud, in violation of Title 18,


United States Code, Section 1343, and property involved in money laundering, in violation of Title 18, United States Code, Section 1956.

WHEREFORE, plaintiff United States of America prays that process issue to enforce the forfeiture of the defendant-in-rem and that all persons having an interest in the defendant-in-rem be cited to appear and show cause why the forfeiture should not be decreed, and that this Court decree forfeiture of the defendant-in-rem to the United States of America for disposition according to law, and that this Court grant plaintiff such further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

Dated: New York, New York
February 15, 2018

GEOFFREY S. BERMAN
United States Attorney for the
Southern District of New York
Attorney for the Plaintiff
United States of America

By:

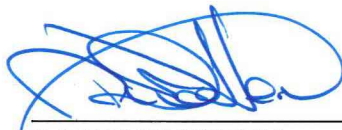

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VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK :
SOUTHERN DISTRICT OF NEW YORK)

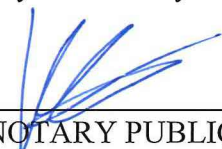
JERRY WHITTEN, being duly sworn, deposes and says that he is a Special Agent with the Internal Revenue Service – Criminal Investigations (“IRS-CI”), and as such has responsibility for the within action; that he has read the foregoing complaint and knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.

The sources of deponent’s information on the ground of his belief are official records and files of the United States, information obtained directly by the deponent, and information obtained by other law enforcement officials, during an investigation of alleged violations of Titles 18 and 31, United States Code.



JERRY WHITTEN
Special Agent
Internal Revenue Service --
Criminal Investigations

Sworn to before me this
14th day of February 2018



NOTARY PUBLIC

KEVIN C. GORMAN
Notary Public, State of New York
No. 02GO6161201
Qualified in WESTCHESTER County 9
Commission Expires FEBRUARY 20, 2015