

Intelligence Assessment

**Financial Nexus between Eurasian Crime Figures
and US Residents**



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INTELLIGENCE DIVISION

Law Enforcement Sensitive/Contains BSA Information

8 September 2016

Financial Nexus between Eurasian Crime Figures and US Residents

Executive Summary: Analysis of sensitive financial information acquired by FinCEN revealed two previously unidentified separate financial networks involving Eurasian crime members of the Kutaisi clan, US residents, and other associates mostly located in Tbilisi, Georgia and Russia. The Georgian crime group includes several reputed "thieves-in-law" lead by [REDACTED], who is associated with Georgian mafia boss [REDACTED] and US designated Brothers' Circle member [REDACTED].¹ Thief-in-law Razhden Shulaya appears to be the connecting link between the two networks.

- In the first financial network, the transaction pattern is indicative of potential trade-based money laundering involving US automobiles with substantial structuring activity. Multiple originators sent wire transfers to various beneficiaries. Subsequently, funds were immediately withdrawn via ATM cash withdrawals.
- In the second network, four thieves-in-law, including Shulaya, sent funds to a US person for undetermined purposes. All wire transfer amounts were conducted primarily below the Currency Transaction Reports (CTR) reporting requirements.

In July 2011 President Obama identified Eurasian crime group, the Brothers' Circle, as a significant Transnational Criminal Organizations under Executive Order 13581 (Blocking Property of Transnational Criminal Organizations), according to a White House press report. The Executive Order targets entities or individuals, in consultation with the Departments of Justice and State, for sanctions of any individual or entity determined to have materially assisted, sponsored or provided financial, material or technological support for any person whose property and interests in property are blocked pursuant to this Order.

¹ Thieves in law or vory v zakone are Eurasian criminals who act as leaders, controllers, and regulators of Russian-speaking organized crime, according to Europol.

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The Financial Network of Thief-in-Law Razhden Shulaya in the US

Financial report filers, corroborated by FinCEN analysis, identified suspicious wire transfers indicative of structuring activity between Georgian thief-in-law Razhden Shulaya, US associates, and Russian associates. The financial activity of Shulaya, who is associated with two addresses in New York, also involves the rapid movement of funds through ATM cash deposits and withdrawals on same or consecutive days at various branch locations in New York.^{iii iv} All noted financial activity occurred between July 2005 and February 2015.

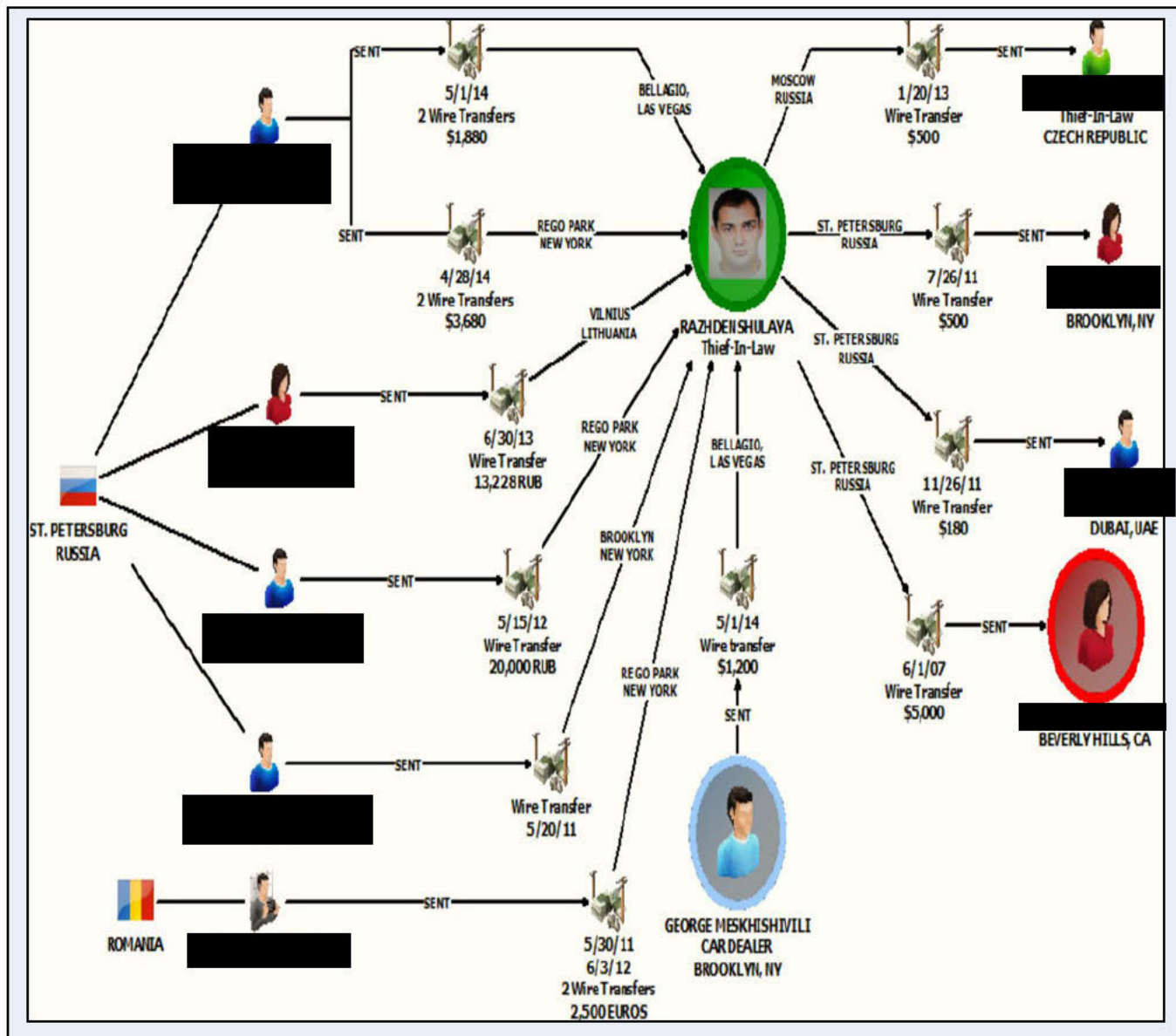
Foreign press reports identified previous criminal activity for Shulaya, however, it is unclear if the current wire transfers are related. A Europol press release and financial reporting indicate that Shulaya was arrested in June 2013 along with 17 suspects, including 13 “thieves-in-law” during a joint investigation conducted by Interpol and Europol. Members of the Georgian organized crime group, including Shulaya, were implicated in an array of crimes across Europe including extortion, money laundering, corruption, and use of false documents.^{v vi} Wire transfer details are described below and represented in Chart 1 and Appendices 1 and 2.

- Razhden Shulaya received 20 suspicious credits and 20 suspicious debits between 13 June 2014 and 17 February 2015 totaling \$52,799 from an unidentified source into two US bank accounts. Shulaya immediately withdrew the funds via ATMs. Shulaya's accounts in Russia were previously closed due to derogatory news on Shulaya, according to sensitive financial records.^{vii}
- Razhden Shulaya received a wire transfer for \$1,200 at The Bellagio in Las Vegas, Nevada from US resident George Meskhishvili on 01 May 2014. Shulaya also received a wire transfer for \$940 on the same date at The Bellagio from [REDACTED] in Russia.^{viii}
- Razhden Shulaya and 13 subjects connected by common beneficiaries received suspicious wires below the threshold of \$10,000 between July 2005 and 01 May 2014. Thirteen individuals sent 32 wire transfers through 21 Western Union agent locations in Estonia, Kazakhstan, Romania, Russia, and the United States. Razhden Shulaya and other recipients in nine different countries received transactions totaling \$56,863. The primary recipients were Individuals located in the United States (California, Nevada, and New York).^{ix}

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Chart 1. Razhden Shulaya's Money Flow



Shulaya Associates Central to Two Networks in the United States

Two associates of Razhden Shulaya in the United States, George Meskishvili and [REDACTED] appear to be central facilitators or beneficiaries in two separate financial networks involving Kutaisi crime members. Financial reporting indicates Meskishvili is potentially involved in trade-based money laundering involving US automobiles, however, we are unable to determine the full scope of activity with the information available.

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Network 1: George Meskhishvili

George Meskhishvili, who sent funds to thieves-in-law Razhden Shulaya and [REDACTED] appears to be a key facilitator of potential illicit funds transiting between individuals in Tbilisi, Georgia, and the United States. Sensitive financial information acquired by FinCEN indicates bank accounts owned by George Meskhishvili received wires from multiple senders in Tbilisi, Georgia, followed immediately by large cash withdrawals in New York. The majority of the wire amounts were below the CTR threshold of \$10,000 and occurred on same or consecutive days. (See Chart 2 below and Appendix 3)

George Meskhishvili's transactions are potentially linked to trade-based money laundering involving US automobiles. According to bank documentation, George Meskhishvili, who resides in New York, listed his occupation as a car dealer/car exporter via a business named Georgia.^x FinCEN cannot confirm a physical presence in the United States for Meskhishvili's company, Georgia, and the existence of the company is questionable. Meskhishvili has a prior conviction for attempting to use a stolen credit card for a purchase in March 2015.^{xi}

Additionally, financial reporting confirms that George Meskhishvili purchased three cars totaling \$69,500 with cash from an undetermined source. One of the financial reports denotes that the purchase was made on behalf of an entity named Georgia located in Tbilisi, Georgia.^{xii}

Meskhishvili sent or received funds through three US bank accounts and multiple money service businesses.

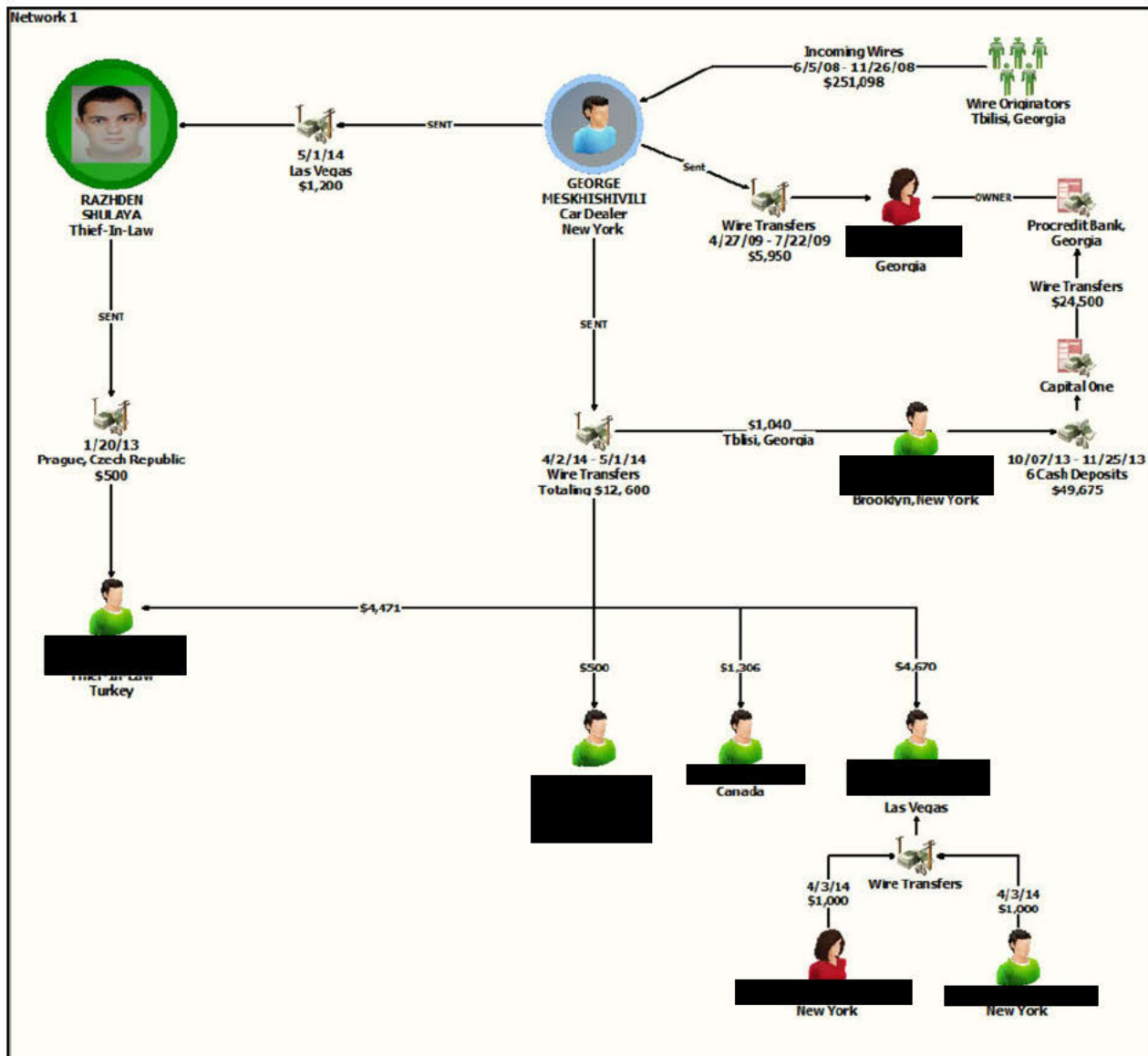
- George Meskhishvili sent 11 suspicious wire transfers totaling \$12,600 through four different Western Union New York locations to Razhden Shulaya, two individuals in Las Vegas, and five beneficiaries in Tbilisi, Georgia, and other high-risk jurisdictions. The transactions occurred between 02 April 2014 and 01 May 2014.^{xiii}
- George Meskhishvili received 28 international wires totaling \$379,845 from five senders located in Tbilisi, Georgia into two US bank accounts in New York between 27 April 2009 and 22 July 2009. Debits totaling \$273,200 for the two accounts consisted of 18 cash withdrawals and three wire transfers occurring within a few days after wires were received.^{xiv}
- George Meskhishvili received nine wire transfers totaling \$58,340 between 05 June 2008 and 02 January 2009 into his personal account from unverifiable individuals in Tbilisi, Georgia for undetermined business purposes. Meskhishvili immediately conducted 17 ATM withdrawals and sent one wire for \$6,900 to [REDACTED] for no reasonable purpose, according to bank documents.

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Subsequent research indicates that ██████████ made multiple cash deposits and sent outgoing wire transfers from Tbilisi, Georgia to ██████████ ██████████ New York who immediately conducted ATM withdrawals. The source of the funds cannot be determined and no legitimate business purpose can be ascertained.^{xv}

Chart 2. George Meskhishvili's Money Flow



██████████ appears to be facilitating funds transfers to individuals in Tbilisi, Georgia, but has no direct transactions with the thieves-in-law ██████████ received wire transfers from George Meskhishvili in Tbilisi, Georgia and the United States and shared a previous address with George Meskhishvili. Bank records identify ██████████ as unemployed and residing in Brooklyn, New York.^{xvi}