



BSAR Transcript
BSA: 31000150416250 and DCN:

BSA: 31000150416250

Filing Information	
Type of Report	Initial Report
Filing Date	07/13/2019
Received Date	07/13/2019
Entry Date	07/15/2019
Submission Method	Electronic discrete filing

Subject Information		
Subject 1 of 3 : EPSTEIN		
Role	Subject	
Subject Type	Purchaser/Sender	
Individual/Organization	Individual	
Last(or Entity) Name	EPSTEIN	
First Name	JEFFREY	
Gender Type	Male	
Date of Birth	[REDACTED]	
SSN/ITIN	[REDACTED]	
Form(s) of Identification	Identification Type	Passport
	Identification Number	[REDACTED]
	Issuing Country Code	US
Address(es)	Address Type	Subject permanent/mailing address
	Street Address	[REDACTED]
		[REDACTED]
	City	[REDACTED]
	State	[REDACTED]
		[REDACTED]
	ZIP Code	[REDACTED]
Country	[REDACTED]	
	[REDACTED]	
Phone Number(s)	Type	Work
	Number	[REDACTED]
Email(s)	[REDACTED]	
Occupation/Type of Business	Executive/Southern Trust Co.	
Corroborative Statement to Filer	No	
Relationship to Financial	Institution TIN	[REDACTED]



BSAR Transcript
BSA: 31000150416250 and DCN:

Subject Information		
Institution(s)	Relationship of Subject	Customer: Yes
Affected Account(s)	Account Number	[REDACTED]
	Financial Institution TIN	[REDACTED]
Subject 2 of 3 : KAHN		
Role	Subject	
Subject Type	Purchaser/Sender	
Individual/Organization	Individual	
Last(or Entity) Name	[REDACTED]	
First	[REDACTED]	
Gender Type	Male	
Date of Birth	[REDACTED]	
Form(s) of Identification	Identification Type	Passport
	Identification Number	[REDACTED]
	Issuing Country Code	US
Address(es)	Address 1 of 3	
	Address Type	Subject permanent/mailling address
	Street Address	[REDACTED]
	City	NEW YORK
		NEW YORK - Enhanced
	State	NY
		NY - Enhanced
	ZIP Code	10021-3241
		10021-3241 - Enhanced
	Country	US
		US - Enhanced
	Address 2 of 3	
	Address Type	Subject permanent/mailling address
	Street Address	[REDACTED]
	City	[REDACTED]
	NEW YORK - Enhanced	
State	NY	
	NY - Enhanced	
ZIP Code	10022-6146	
	10010-5516 - Enhanced	



Subject Information		
Phone Number		
Employer		
Occupation/Type of Business		
Relationship to Financial Institution		
Affected Accounts		
Subject 3 of 3 : SOUTH		
Role		Subject
Subject		
Individual/Organization		
Last(or Entity)		
Form(s) of Identification		



BSAR Transcript
BSA: 31000150416250 and DCN:

Subject Information		
	Issuing Country Code	VI
Address(es)	Address Type	Subject permanent/mailling address
	Street Address	[REDACTED]
		[REDACTED]
	City	[REDACTED]
		[REDACTED]
	State	[REDACTED]
		[REDACTED]
	ZIP Code	008021348
00802-1348 - Enhanced		
Country	[REDACTED]	
	[REDACTED]	
NAICS Code	5221	
NAICS Code Text	Depository Credit Intermediation	
Phone Number(s)	Type	Work
	Number	[REDACTED]
Relationship to Financial Institution(s)	Institution TIN	[REDACTED]
	Relationship of Subject	Customer: Yes
Affected Account(s)	Account Number	[REDACTED]
	Financial Institution TIN	[REDACTED]

Suspicious Activity Information	
Amount Involved	\$27,658,324
Date or Date Range of Activity	06/28/2019 - 07/10/2019
Money laundering	Suspicious EFT/wire transfers
Financial instrument or payment mechanism	Funds transfer Foreign currency

Activity Location		
Financial Institution Location 1 of 1		
No Branch Activity Involved	Yes	
Type of Financial Institution	Securities/Futures	Subsidiary of financial/bank holding company Clearing broker-securities
	Primary Regulator	SEC
RSSD Number	[REDACTED]	
Legal Name	Charles Schwab & Co., Inc	
EIN	[REDACTED]	
Address	Address Type	Address where transaction occurred



BSAR Transcript
BSA: 31000150416250 and DCN:

Narrative

This SAR is being filed by The Charles Schwab Corporation on behalf of Charles Schwab & Co., Inc. ("Schwab"), a registered broker dealer, to report concerns with attempted wires for the purpose of real estate, in light of negative media surrounding Jeffrey Epstein. The concern relates to an upcoming bail hearing for Mr. Epstein and stated concern regarding Jeffrey Epstein being a possible flight risk. This investigation is the result of an internal referral.

Please refer to internal number CA111517 when requesting more information regarding this report.

The three subjects of this SAR are:

Southern Trust Company LLC who established a relationship with Schwab in April 2019 consisting of an active corporate brokerage account, [REDACTED]. The company is registered in the United States (U.S.) Virgin Islands, license number [REDACTED], as a business and management consulting firm, and was established in December 2018.

Jeffrey Epstein (66 years old) established a relationship with Schwab in April 2019 and acts as an internal control person and beneficial owner on three accounts; the role does not grant him authority to act upon the Schwab accounts. Jeffrey Epstein is included as a subject of this SAR due to the negative media involving recent Federal charges. His disclosed employer is Executive at Southern Trust Company Inc.

[REDACTED] (46 years old) established a relationship with Schwab in April 2019 consisting of three active corporate accounts. His disclosed employment is Senior Executive at HBRK Associates Inc. [REDACTED] appears to be a close business partner in various ventures with Jeffrey Epstein, including Southern Trust Company.

The outgoing wires of concern were identified in the Schwab corporate brokerage account [REDACTED] registered to Southern Trust Company, Inc. [REDACTED] is the authorized agent, providing him the authority to act upon the account, and Jeffrey Epstein is listed as an internal control person and 100 percent beneficial owner; Mr. Epstein does not have any authority to act upon the account.



BSAR Transcript
BSA: 31000150416250 and DCN:

Narrative

Schwab's investigation encompassed the time period ranging from 04/11/2019 to 07/10/2019. The activity in question occurred between 06/28/2019 and 07/10/2019, as referenced in Part II, line 30 of this SAR. The dollar amount \$27,658,324.00, referenced in Part II, line 29 of this SAR represents the total amount of outgoing wires of concern which were identified during the investigation period.

Jeffrey Epstein was arrested and federally charged on 07/08/2019 with one count of sex trafficking of minors, and one count of conspiracy to engage in sex trafficking of minors; allegations indicate that the activity took place between 2002 and 2005, possibly with an exchange of funds for acts. Jeffrey Epstein is being held in jail, with a scheduled bail hearing on 07/15/2019. Prosecutors consider Jeffrey Epstein a very high flight risk given his enormous wealth, international ties, and private planes.

With the recent federal charges and concerns of flight risk, Schwab identified concerns with outgoing wires identified within the account of concern around the time Jeffrey Epstein was arrested and charged.

On 06/26/2019, Schwab received a request to send an international foreign currency wire, the request signed by both [REDACTED] and Jeffrey Epstein, from brokerage account [REDACTED]. The wire was requested for 11,150,000 Euros (EUR) or \$12,708,324.00 (USD). The wire was remitted to Marc Leon located at Imm El Pacha [REDACTED] in Morocco. The funds were sent to an account at Bank Julius Baer and Co. Ltd. located in Zurich Switzerland, account number [REDACTED].

Research regarding Marc Leon identified that he is a partner at Kensington Morocco; the firm offers luxury properties in Morocco and France (www.kensingtonmorocco.com).

The following day, 06/27/2019, Schwab received a call from [REDACTED], asking if it was possible to terminate the aforementioned wire. The Schwab representative asked the reason for the reversal request, and [REDACTED] explained the reason was "for a concentrated real estate transaction, and uh, what uh, terms we were told we had on uh an agreement, were uh,



BSAR Transcript
BSA: 31000150416250 and DCN:

Narrative

not, were reneged on this morning. So uh, we are hoping it still can be a deal, but at this point the terms that I accepted are not agreeable, I want to retract the wire."

The wire had been posted, and currency was exchanged. In order to reverse the wire, Schwab relayed to Mr. Kahn that it would be a "best effort" since the 30 minute window to cancel had lapsed. In the event Schwab was successful in reversing the wire, [REDACTED] agreed to assume any losses, but alluded that if there was a gain, he hoped he would receive the profit.

Schwab was able to successfully retract the wire posted on 06/26/2019, and realized a (\$113,527.80) loss after the currency conversion. The funds have been deposited back into brokerage account [REDACTED], registered as Southern Trust Company, Inc., on 07/10/2019. [REDACTED] indicated the wire for 11,150,000 Euro was sent prematurely, but that he may need to send another wire for even more to a different escrow account. This information was relayed during the conversations regarding the reversal request.

On 07/04/2019, Schwab received a second international wire request, again signed by both [REDACTED] and Jeffrey Epstein; the request was to send \$14,950,000 USD to Marc Leon located at Imm El Dacha [REDACTED] in Morocco. The funds were sent to an account at Bank Julius Baer and Co. LTD located in Zurich Switzerland, reflecting an updated account number [REDACTED]. At the time of this request, the account did not have a balance to support the wire request as the retracted wire was still pending deposit back to account [REDACTED].

[REDACTED] sent an email to Schwab five days later on 07/09/2019, asking to "please cancel this wire." Once the retracted wire was posted to account [REDACTED] on 07/10/2019, Schwab made an outbound call to [REDACTED] where he confirmed he did not want the \$14,950,000.00 wire to be processed. In addition, [REDACTED] asked the Schwab representative if future wire requests would require two signatures (note at this time Jeffrey Epstein was in jail). He indicated he would need to send more wires out soon.

Please see the attached CSV for detailed information pertaining to the outgoing wires.



BSAR Transcript
BSA: 31000150416250 and DCN:

Narrative

As of 07/10/2019, there have not been any funds remitted from the three accounts associated to [REDACTED] and Jeffrey Epstein, each established at Schwab in April 2019.

The transactional review of these accounts discovered the accounts were funded by wire deposits and transfers of assets (TOA) from other financial institutions. Deposited funds were ultimately transferred to brokerage account [REDACTED] at Schwab. The three associated accounts were each initially funded with a \$250,000.00 check deposit remitted from Deutsche Bank Trust or FirstBank accounts. The accounts they were transferred from were like-registered.

Account [REDACTED] received a \$2,000,000.00 wire from an external like-registered account to Southern Trust Company. In addition, brokerage account [REDACTED], registered to Southern Financial LLC received a wire deposit from Southern Trust Financial LLC (\$2,000,000.00) and check deposits from Coatue Enterprises LLC (\$39,800.00), and Darren Indyke & Michelle Saipher (\$42,700.00). The memo on the check deposits noted promissory interest payments.

The three accounts also received incoming investment account transfers from like registered accounts at TD Ameritrade and Merrill Lynch. As of 07/10/2019, various investments have been sold and the majority of proceeds have been transferred into brokerage account [REDACTED], used to fund the attempted outgoing wires.

Schwab determined to file this SAR reporting concerns with international wires attempted to be remitted to an individual in Morocco for real estate purposes. In light of the negative media surrounding Jeffrey Epstein, including the upcoming bail hearing, Schwab is filing to report attempted money movement for an individual considered a flight risk.

Schwab maintains all supporting documentation. Written requests for supporting documentation may be sent to [REDACTED]. Please refer to internal number CA111517 when requesting more information regarding this report.