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Caribbean-Based Investment Advisor and Attorney Sentenced for Using Offshore Accounts to Launder and Conceal Funds

Eric St-Cyr, an investment advisor, and Patrick Poulin, an attorney, were sentenced today to serve 14 months in prison and three years of supervised release each for conspiring to launder monetary instruments, the Justice Department and Internal Revenue Service (IRS) announced.

Senior U.S. District Judge T.S. Ellis III imposed the sentences after considering the defendants' substantial cooperation with ongoing government investigations. St-Cyr and Poulin, both Canadian citizens, along with Joshua Vandyk, a U.S. citizen, were indicted by a grand jury in the U.S. District Court for the Eastern District of Virginia on March 6, and the indictment was unsealed March 12 after the defendants were arrested in Miami. St-Cyr, 50, pleaded guilty on June 27 and Poulin, 41, pleaded guilty on July 11. Vandyk, 34, pleaded guilty on June 12 and was sentenced on Sept. 5 to serve 30 months in prison.

According to the plea agreements and statements of facts, Vandyk, St-Cyr and Poulin conspired to conceal and disguise the nature, location, source, ownership and control of property believed to be the proceeds of bank fraud, specifically \$2 million. Vandyk, St-Cyr and Poulin assisted undercover law enforcement agents posing as U.S. clients in laundering purported criminal proceeds through an offshore structure designed to conceal the true identity of the proceeds' owners. Vandyk and St-Cyr invested the laundered funds on the clients' behalf and represented that the funds would not be reported to the U.S. government.

"The sentences imposed by the court today show that those who use offshore accounts and entities for money laundering and tax evasion will be punished," said Deputy Assistant Attorney General Ronald A. Cimino for the Justice Department's Tax Division. "This investigation, which lasted years, involved extensive undercover activity as well as cooperation from multiple foreign law enforcement agencies. The undercover IRS agents in this investigation went to Canada, the Turks and Caicos and the Cayman Islands to develop the evidence. These two defendants are cooperating with the IRS, and we anticipate that other investigations will develop from the information they have provided."

"These defendants played a shell game by creating offshore entities designed to help their U.S. clients evade taxes and other legal requirements, and they used that same shell game to launder purported criminal proceeds," said U.S. Attorney Dana J. Boente for the Eastern District of Virginia. "We are committed to working with our law enforcement partners to penetrate and combat these schemes wherever they occur."

"Today's sentencings close the door on a business built on skirting the law," said Chief of IRS-Criminal Investigation Richard Weber. "This investigation reinforces our commitment to investigate and prosecute criminals worldwide who conduct illegal financial transactions, launder money or attempt to conceal the true

source of their income in order to evade paying taxes. This should send a clear message to those involved in this type of crime—we will find you.”

According to court documents, Vandyk and St-Cyr lived in the Cayman Islands and worked for an investment firm based there. St-Cyr was the founder and head of the investment firm, whose clientele included numerous U.S. citizens. Poulin, an attorney at a law firm based in Turks and Caicos, worked and resided in Canada as well as Turks and Caicos. His clientele also included numerous U.S. citizens. Vandyk, St-Cyr and Poulin solicited U.S. citizens to use their services to hide assets from the U.S. government, including the IRS. Vandyk and St-Cyr directed the undercover agents to create an offshore corporation with the assistance of Poulin and others because they and the investment firm did not want to appear to deal with U.S. clients. Vandyk, St-Cyr and Poulin used the offshore entity to move money into the Cayman Islands and used Poulin as a nominee intermediary for the transactions.

According to court documents, Poulin established an offshore corporation called Zero Exposure Inc. for the undercover agents and served as a nominal board member in lieu of the clients. Poulin transferred approximately \$200,000 that the defendants believed to be the proceeds of bank fraud from the offshore corporation to the Cayman Islands, where Vandyk and St-Cyr invested those funds outside of the United States in the name of the offshore corporation. The investment firm represented that it would neither disclose the investments or any investment gains to the U.S. government, nor would it provide monthly statements or other investment statements to the clients. Clients were able to monitor their investments online through the use of anonymous, numeric passcodes. Upon request from the U.S. client, Vandyk and St-Cyr liquidated investments and transferred money, through Poulin, back to the United States. According to Vandyk and St-Cyr, the investment firm would charge clients higher fees to launder criminal proceeds than to assist them in tax evasion.

The case was investigated by special agents of the IRS-Criminal Investigation. Trial Attorney Todd Ellinwood and Assistant Chief Caryn Finley of the Tax Division and Assistant U.S. Attorney Kosta Stojilkovic for the Eastern District of Virginia are prosecuting the case. The Justice Department and the IRS would like to thank the Royal Canadian Mounted Police, the Royal Cayman Islands Police Service and the Royal Turks and Caicos Islands Police Force for their assistance in this investigation.

Additional information about the Tax Division and its enforcement efforts may be found at [the division website](#).

Component(s):

[Tax Division](#)

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