

Image not found or type unknown

USVI Lawsuit Reveals JPMorgan's Awareness of Epstein's Large Cash Withdrawals

Business / **Published On April 13, 2023 05:57 AM /**

Ernice Gilbert **April 13, 2023**

Image not found or type unknown



JPMorgan's headquarters in London, England. By. GETTY IMAGES

JPMorgan Chase employees had flagged Jeffrey Epstein's large cash withdrawals as early as 2006, two years before his conviction for soliciting a minor for prostitution, according to court documents filed on Wednesday.

JPMorgan risk-management team noted that Epstein routinely withdrew \$40,000 to \$80,000 several times a month, the U.S. Virgin Islands said in its amended lawsuit against the bank, according to a report in the Wall Street Journal. At the time, Epstein was withdrawing over \$750,000 annually from the bank.

Epstein first faced sex crime charges in 2006, pleaded guilty to solicitation of prostitution with a minor in 2008, and served approximately 13 months in prison. Despite the conviction, JPMorgan continued to provide services to Epstein until 2013 when his accounts were closed. Epstein died in jail in 2019 while awaiting trial on federal sex-trafficking charges.

The U.S. Virgin Islands sued JPMorgan last year in a Manhattan federal court, alleging that the bank facilitated Epstein's sex trafficking. The lawsuit claims that Epstein used the bank to pay his victims with cash and wire transfers, transactions that should have raised concern. Another lawsuit filed by an unnamed woman accusing Epstein of sexual abuse also accuses the bank of failing to monitor his transactions. Both cases are currently being heard in Manhattan federal court.

Banks are required to file suspicious-activity reports on sizable cash withdrawals and transactions that could indicate crimes such as money laundering. The U.S. Virgin Islands argue that JPMorgan had information that could have flagged Epstein's alleged crimes to law enforcement earlier.

Several JPMorgan employees have been questioned in the case, including Mary Erdoes, the head of asset and wealth management. Although her deposition has not been released publicly, Wednesday's court filing reveals some of its contents, according to WSJ.

Erdoes stated in her deposition that JPMorgan executives knew as far back as 2006 that Epstein was accused of paying cash to have underage girls and young women brought to his home. The filing also alleges that Epstein's behavior was so well-known at the bank that his interest in girls was the subject of jokes.

JPMorgan has previously stated that Erdoes would not overrule the bank's compliance officials to protect a customer and only recalls one formal meeting with Epstein when she fired him as a client.

JPMorgan has denied aiding Epstein and has sought to shift the focus to former executive Jes Staley. In a lawsuit against Staley last month, JPMorgan claimed that the former executive misrepresented the true facts of his personal interactions with Epstein. Staley has stated he was unaware of Epstein's alleged crimes, and his lawyer has declined to comment on the allegations in the JPMorgan lawsuit.

In 2010, JPMorgan compliance officials decided that Epstein "should go" and raised questions about his behavior. A senior compliance official in 2011 expressed concerns about extending Epstein a loan related to a modeling agency accused of bringing underage girls into the U.S.

The court documents reveal that the compliance officer noted Epstein was no longer managing retail billionaire Leslie Wexner's money and questioned whether he had any clients at all. The officer also said that Epstein had sponsored accounts and credit cards for two 18-year-olds in 2004, one of whom was named regularly in media reports about Epstein's "escapades."

The U.S. Virgin Islands' amended lawsuit claims that Epstein deposited hundreds of thousands of dollars into the accounts of one known victim and another unnamed "recruiter" after he pleaded guilty in 2008. The suit also states that the bank's compliance department flagged other payments Epstein made to women. The bank was told the cash was used for fuel and landing fees for Epstein's private planes, but withdrawals continued while he was in prison.