

15th Annual International Anti-Money Laundering Conference

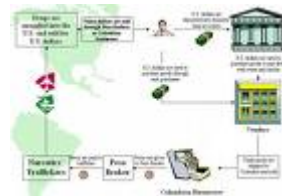
March 15-17, 2010 | The Westin Diplomat | Hollywood, Florida

Overcoming the AML Challenges of Entering New Markets

- Threat of illicit drug wealth, organized crime and terrorism
- Trade based Money Laundering
- Service based Money Laundering
- Mobile payments and stored value cards laundering
- Virtual world laundering
- Suspect internet value transfer

Trade Base Money Laundering

- Most common in Western Hemisphere is Black Market Peso Exchange (BMPE)
 - Over and under invoicing
 - Most complex scheme use to move money in and out of the U.S.



Service Base Money Laundering

- Involves industries such as Hospitality industry, consulting, accounting and legal service
 - Uses of shell corporation
 - Invoices for unspecified services or “soft” billings
 - Unfamiliar vendors
 - Vendors with PO Boxes only
 - Vendor billings more than once a month Internal control deficiencies
 - Vendor billings more than once a month
 - Rapidly increasing purchases from one vendor

New Payment Methods

- Services that provide virtual accounts
 - Stored Value Card
 - Online payment services (PayPal)
 - Digital currency (e-Gold)
 - Mobile payments
 - Online virtual world transactions



Tax Evasion and Money Laundering

- Money laundering is in effect tax evasion in progress
- Use of international business companies (IBCs)
 - Offshore companies
 - Not permitted to engage in business within jurisdiction
 - Confidentiality of beneficial owner
 - Correspondent Banking

Seizures From Correspondent Accounts

- Seizures have occurred from corresponding bank accounts in the U.S. representing criminal proceeds deposited in bank accounts in:
 - Belize
 - Cambodia
 - Haiti
 - India
 - Israel
 - Jordan
 - Liechtenstein
 - Oman
 - Singapore
 - Taiwan
 - Yemen

Global Financial Crisis

- Financial Crisis: security threat
- Emergence of Ponzi Schemes
- Scope of Mortgage Fraud Problem
- Illegal Money Remitter Business
- Due Diligence in Private Banking
- Foreign Corrupt Practice Act



THE UNITED STATES
DEPARTMENT OF JUSTICE

- **DEPARTMENT OF JUSTICE**
- Office of Public Affairs
- **FOR IMMEDIATE RELEASE**
- Friday, February 19, 2010
- **Florida Businessman Pleads Guilty to Money Laundering in Foreign Bribery Scheme**
- The president of a Miami-Dade County, Fla.,-based company pleaded guilty today to engaging in monetary transactions involving property derived from a scheme to bribe former Haitian government officials, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division; U.S. Attorney Jeffrey H. Sloman of the Southern District of Florida; and Daniel W. Auer, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation (IRS-CI) Miami Field Office.

Law Enforcement Cooperating and Sharing Information Across Agencies

- Increased ability to share information
- The ability to combat all fraud and analysis of trends in the marketplace
- Improve training efforts for prosecutors and agency lawyers to do their jobs
- Streamline cases that are understandable to juries
- Cooperation between agencies to achieve justice both criminally and civilly

International Narcotics Control Strategy Report (INCSR)

- The Department of State's International Narcotics Control Strategy Report (INCSR) -- due to Congress March 1st annually -- is prepared in accordance with 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. 2291).
- The INCSR is the United States Government's country-by-country two volume report that describes the efforts to attack all aspects of the international drug trade, chemical control, *money laundering and financial crimes*.
 - <http://www.state.gov/p/inl/rls/nrcrpt/index.htm>