

MONEY LAUNDERING.COM  
**15th Annual International Anti-Money Laundering Conference**  
 March 15-17, 2010 | The Westin Diplomat | Hollywood, Florida

**Mitigating the Money Laundering and Terrorist Financing Risks in Free Trade Zones**

**Simon Dilloway**  
 Principal - Lopham Consultancy  
 United Kingdom

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**Free Trade Zone Definition**

**Over 3000 in over 100 countries globally**

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**Why not have a second passport?**

second passports = economic citizenship



**CARIBBEAN CITIZENSHIP**

- Tax free status on foreign source income
- Tax Free Capital Gains, Wealth, Gift & Inheritance Tax
- Visa Free Travel to over 100 countries
- Full Citizenship & Voting Rights
- Privacy to conduct your affairs as if your life belonged to you
- The ability to bank in Europe or the Caribbean without your bank accounts being reported to any nation

countries

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## Trade Based Money Laundering

*Trade-based money laundering is defined as the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimise their illicit origin.*

FATF Report 2006

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## Methods

- over- and under-invoicing of goods and services;
- multiple invoicing of goods and services;
- over- and under-shipments of goods and services; and
- falsely described goods and services.

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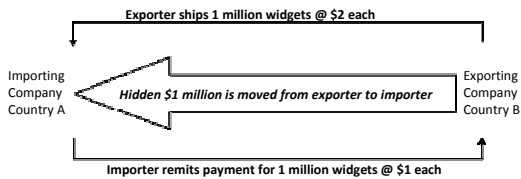
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## Examples



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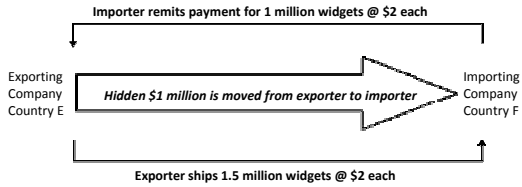
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## Examples



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## Not a T Shirt

Another technique used to launder funds involves issuing more than one invoice for the same international trade transaction. By invoicing the same good or service more than once, a money launderer or terrorist financier is able to justify multiple payments for the same shipment of goods or delivery of services. Employing a number of different financial institutions to make these additional payments can further increase the level of complexity surrounding such transactions.

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## Some Statistics

**MONEY MOVED OUT OF THE UNITED STATES DUE TO:**  
**Import Prices >150% of Average Country Import Price**  
**Export Prices < 50% of Average Country Export Price**

Year	Money Moved Out of U.S.
1993	\$ 97.35 Billion
1994	\$116.18 Billion
1995	\$136.76 Billion

ZDANOWICZ J.S. BEPRESS 2009

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## Some Statistics

**MONEY MOVED OUT OF THE UNITED STATES DUE TO:  
Import Prices > Upper Quartile Country Import Prices  
Export Prices < Lower Quartile Country Export Prices**

Year	Money Moved Out of U.S.
2004	\$167.76 Billion
2005	\$191.95 Billion
2006	\$189.05 Billion

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## Some Statistics

**Commodities**  
Gum Arabic  
Honey  
Dates



### AL-QAEDA BUSINESS INTERESTS



**Companies**  
Al Taqwa Management  
Taba Investments  
Ariana Afghan Airlines  
Wadi al Aqiq

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## RISK ASSESSMENT

CONSULT TRADE ANALYSIS FIGURES



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## RISK ASSESSMENT

NORMAL ML & TF INDICATORS  
ASSESS COUNTRY/COMMODITY RISK  
*FTZ INVOLVEMENT RAISES RISK*  
ASSESS SPECIFIC FTZ RISK  
*WATCH LIST COUNTRY INVOLVED?*  
FURTHER INVESTIGATION

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Thank you

QUESTIONS?

Simon Dilloway

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