



The National Money Transmitters Association, Inc.

12 Welwyn Road, Suite C
Great Neck, NY 11021
tel (516) 829-2742
fax (516) 706-0203
www.nmta.us

NMTA Bulletin — Volume 16 — Wednesday, July 18, 2005

The following editorial was posted on our website (www.nmta.us) on July 14, 2005:

Is Your Company 'Too Good' or 'Too Big' to Join the NMTA?

We transmitters, large and small alike, are put in the same boat by the world at large, whether we like it or not. Any negative headlines that mention the words "money transmitter" resound to our detriment, even if the transmitter in question is foreign or unlicensed. Any banker, regulator or lawmaker that has a bad experience with or gets a bad impression of any transmitter, may carry that impression into his or her next meeting with you.

A rising tide lifts all boats, but this 'harbor' we all share is mined, so we are all at risk. Time and again we have seen how AML scandals of any kind, involving anybody, just result in more doors being closed to us. To all of us.

So it behooves all transmitters, large and small alike, to reach out and uplift the others, rather than just try to avoid them. Being in the same association does not make people think you are just as 'bad' as the 'worst member.'

It shows you are concerned about compliance enough to get involved with helping to shape and re-form our industry — your industry. It shows that you are reaching out to bring others, the outliers, under the umbrella of compliance, by engaging them in dialogue, not cutting it off. It shows you are doing your part, with your time and money and voice, to support the efforts we all must make to protect our national and international financial systems against abuse.

Here is what US Treasury Under Secretary Stuart Levey had to say on the subject yesterday (<http://www.treas.gov/press/releases/js2629.htm>):

"We have also solicited the cooperation of some of the larger and more responsible financial institutions to advocate for reforms among their colleagues and in their various host countries. These institutions typically exhibit diligent anti-money laundering and terrorist financing practices even when their host countries do not require it. This puts these institutions at a competitive disadvantage vis-à-vis institutions that are less conscientious. Furthermore, these institutions are forced to take measures to protect themselves when doing business with financial institutions in countries with weak anti-money laundering and counter-terrorist financing regimes. We therefore believe that it is in the interest of more responsible institutions to create a momentum for reform among their colleagues, not just in the Middle East but worldwide."

There isn't one member (or non-member) I have met, who doesn't think his compliance systems and values are better than anyone else's and who doesn't wish one or two companies could just be booted out of the NMTA.

Since taking office, I have held to the following policy: if you are licensed in any US jurisdiction, have no indictments pending against you, pay your dues and fill out the application form, you are accepted.

To do otherwise would be to put my judgment above that of the state which granted the license. More importantly, it would be doing to someone else, exactly what most banks have done to us. With no due process, no process at all, I would not even begin to consider it.

But I am not unmindful of the need for finer distinctions. I will soon be posting on this website, my (draft) assessment procedures, and the way I envision the NMTA working with the Council on Standards and Practices of the NMTA. We will review and rate any member who desires to be recognized for a higher level of compliance. The system will seek to build on the existing independent reviews we are all already paying for, by adding two more layers of independent desk review, for clarity and completeness.

It is my hope that the Council on Standards and Practices of the NMTA will evolve into the recognized professional association for those who do outside compliance reviews on money transmitters. We need it, and they need it, too.

This kind of peer review is how every other profession and industry debates and agrees on standards, implements testing, certification, and self-policing. We money transmitters need such a peer review, also. It will make the NMTA more attractive to those who think they are good, and give the banks more detailed information and comfort when they grant those members an account.

Don't forget, our smaller brothers and our agents also need compliance support. Who will do it, if not the NMTA, your NMTA?

Our industry has been notoriously difficult to organize due to competition, tight profit margins, and all kinds of disagreements. But it is time to put our differences aside for this, and so many other, reasons.

No, your company is not 'too good' or 'too big' to join the NMTA. In fact, the larger companies have more resources, more to gain, and more to lose. They should be our biggest supporters, instead of absent. Banks, too.

Dismount, please, from that high horse, and work with the rest of us, in partnership, to safely provide banking and licensed financial services to as many honest, hard-working people as we can, and to improve the AML compliance of everyone in the business

-David

Industry News and Trends

Here's A Howdy Do – is enforcement too weak or too strong?

Money-Laundering Enforcement Slow and Weak, Review Finds

July 16, 2005; *By David S. Hilzenrath* Washington Post Staff Writer, Page D01

Federal bank examiners have not acted quickly or strongly enough in enforcing laws intended to prevent terrorists and other criminals from laundering money through U.S. banks, according to an internal review released yesterday by a key bank regulatory agency.

<http://www.washingtonpost.com/wp-dyn/content/article/2005/07/15/AR2005071501847.html>

Senators: Agencies Overreacted (Subscription required)

July 14, 2005... By Damian Paletta ...Washington - Several Senate Banking Committee members accused regulators of punishing some banks too harshly to overcome criticism in high-profile cases last year that they had let laundering compliance problems fester. Bankers have been on edge since AmSouth Bancorp. was hit with \$50 million of fines for failing to file suspicious-activity reports. Many have complained that federal regulators were too quick to crack down on minor violations.

<http://www.americanbanker.com/article.html?id=200507132TSGETAC&from=washregue=y>

Acting Comptroller Williams Discusses History and Characteristics of National Banks and the Bank Supervisory Process in Light of Current Issues

July 14, 2005... Washington - Acting Comptroller of the Currency Julie L. Williams noted recent developments in federal/state jurisdiction over national banks and discussed how those developments relate to the history and characteristics of the national banking system and the bank supervisory process.

<http://www.occ.treas.gov/toolkit/newsrelease.aspx?Doc=2GS3IJZU.xml>

New Laws Target Money Laundering

July 13, 2005... Ian Gerard...Australian - Australia ... precious gems worth more than \$20,000 will have to be notified to federal authorities under tough new rules designed to strengthen anti-money-laundering laws. ...

http://www.theaustralian.news.com.au/common/story_page/0,5744,15913785%255E2702,00.html

Wells Fargo

Lawmaker, IG Turn Up Heat on OCC/Wells (Subscription required)

Meanwhile, laptop belonging to bank's examiner is stolen

July 14, 2005.... By Rob Blackwell and Damian Paletta... American Banker. Washington - The Office of the Comptroller of the Currency came under more pressure Wednesday for its handling of money-laundering compliance problems at Wells Fargo & Co.

<http://www.americanbanker.com/article.html?id=20050713YQTR13KQ&from=washregue=y>

Memos Detail OCC's Shift on Wells/BSA (Subscription required)

July 12, 2005... By Rob Blackwell ...Washington - Federal examiners wanted to slap Wells Fargo & Co. with a cease-and-desist order for "systemic" lapses in its anti-laundering program, saying there were "serious concerns" about its ability to fix the problems, according to a Feb. 4 memo obtained Monday.

<http://www.americanbanker.com/article.html?id=20050711IN5H7ANK&from=washregue=y>

Regulators Reprimand Wells Fargo

July 7, 2005... Jenny Strasburg... San Francisco Chronicle - San Francisco, CA, USA. The Office of the Comptroller of the Currency, in a 14-page internal memo dated April 12 based on the results of an earlier agency audit, cited a series of ...

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2005/07/07/BUGPEDJTPM1.DTL>

Subscription required

New U.S. Bank Examination Manual Also Breaks Ground with First-Ever OFAC Standards

July 14, 2005... The new consolidated U.S. examination manual that provides the marching orders to financial institution examiners from the five U.S. banking regulatory agencies is not only novel because it is the first of its kind.

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?ID=789>

Industry Confused By Compliance: Survey

July 12, 2005...Michael Bailey...Money Management - Australia

Compliance practices in the financial services industry are usually reactive, and only vaguely regarded as a business benefit, according to a survey of ...

<http://www.moneymanagement.com.au/articles/11/0c031e11.asp>

Companies Cash In: Remittances Spawn Mini-Industry in United ...

July 10, 2005...By Mason Stockstill...San Bernardino Sun - San Bernardino, CA, USA...

Meanwhile, the money transfer industry has found a way to take a cut of the more than \$100 million sent out of America every day. ...

<http://www.sbsun.com/Stories/0,1413,208~12588~2960062,00.html>

Remittance Lift for B of A by Mexican Government

July 11, 2005... By Isabelle Lindenmayer...To increase its remittance business, Bank of America Corp. has enlisted an unusual ally: the Mexican government.

<http://www.americanbanker.com/article.html?id=20050708DNQDO3EP&from=cards&e=y>

Earnings Don't Stop at the Border

By Brenda Gazzar and Mason Stockstill...Inland Valley Daily Bulletin - Ontario, CA, USA...

because the large volume of remittances flowing out of the country has significant effects on recipients and societies, said Manuel Orozco, senior associate at ...

<http://www.dailybulletin.com/Stories/0,1413,203~21481~2959331,00.html>

Subscription required

Expat Remittances Bail Out Struggling Banks

July 8, 2005...Ulysses de la Torre... Inter Press Service (subscription) - "It really depends on the country," said Manuel Orozco, director of remittances and rural development at the Inter-American Dialogue in Washington. ...

<http://www.ipsnews.net/news.asp?idnews=29422>

Subscription required

Welcome Mat Banks Open Doors To New Customers: Illegal Immigrants. With Help From Government, Mortgage Lenders Tap Growing Hispanic Market

July 8, 2005...By Miriam Jordan...Wall Street Journal. Competition for new customers is driving banks to offer home loans and other financial services to illegal immigrants -- and they are getting help from government agencies, such as the Federal Deposit Insurance Corp. The FDIC encourages banks to lend and invest in underserved markets regardless of customers' immigration status.

http://online.wsj.com/article_print/0,,SB112078718392080419,00.html

Caribbean Islands: Third Source for Remittances By Dominican ...

July 8, 2005...by Ramon Cedano...Caribbean Net News - Georgetown, Cayman Islands...

Their data show that just through the main Dominican airport, Las America International, money transmitter companies located in the Caribbean countries send ...

<http://www.caribbeanetnews.com/2005/07/08/source.shtml>

Registration required

Study Challenges Assumptions About Money Being Remitted to Mexico

July 7, 2005... By Elisabeth Malkin...New York Times...A study concludes just half of the funds sent from migrants in the U.S. ends up going to their families in Mexico. "We're just not finding \$16.6 billion in Mexican households," said Rodolfo Tuirán, an under secretary at the Social Development Ministry. The issue is politically sensitive because the Mexican economy has come to depend on remittance money - the second-largest source of foreign exchange after oil.

<http://www.nytimes.com/2005/07/07/business/worldbusiness/07peso.html?adxnnl=1&adxnlx=1120766539-RrrYHX7iIQ4Bz1/x8KV+5g>

Cash Sent Back to Mexico Goes Fast,

Study says most families spend remittances on the essentials

July 8, 2005... By E. Eduardo Castillo... Associated Press Mexico City - Despite increasing migration, money sent home to Mexico is almost all spent on bare necessities for migrants' families, with little left over for investment that could create new jobs, according to a government report released Friday. Levels of migration and remittances sent home by workers abroad have both risen in recent years, and that growth rate is accelerating, said Elena Zuniga, the head of Mexico's National Population Council.

<http://www.chron.com/cs/CDA/ssistory.mpl/business/3259015>

Related Areas of Interest

WHEDA Lending Program Draws Fire

July 12, 2005...By Paul Gores and Georgia Pabst...Milwaukee Journal Sentinel - Milwaukee, WI, USA... industry has concluded that there is a very significant Latino population in this country, and that it's growing every day and it's unbanked," said Maloney ...

<http://www.jsonline.com/bym/news/jul05/340570.asp?format=print>

Money Laundering and Terrorist Financing in the Middle East and South Asia

July 13, 2005... E. Anthony Wayne, Assistant Secretary for Economic and Business Affairs Testimony before the Senate Committee on Banking, Housing, and Urban Affairs Washington, DC . <http://www.scoop.co.nz/stories/print.html?path=WO0507/S00251.htm>

US Official Calls for More Progress in Fight Against Terror ...

July 13, 2005...By Deborah Tate...Voice of America - USA

... At a hearing of the Senate Banking Committee, Treasury undersecretary Stuart Levey praised efforts by some countries in the region to pass money laundering laws ...

<http://www.voanews.com/english/2005-07-13-voa91.cfm>

Registration required

Do You Have Your Papers? Anti-Immigration sentiment spreading -ed.

Town Uses Trespass Law to Fight Illegal Immigrants

July 13, 2005...By Pam Belluck...Experts say that if the New Hampshire charges are upheld, some local law enforcement officials around the country will most likely copy the approach.

<http://www.nytimes.com/2005/07/13/national/13immigrants.html?th&emc=th>

Subscription required

Justice Bows on BSA, Reins in U.S. Attorneys

July 13, 2005... By Rob Blackwell... Washington - The Justice Department plans to announce restraints that bankers and their regulators have sought for months on money laundering-related prosecutions.

In a memo scheduled to be distributed today, the department says U.S. attorneys around the country may not file criminal charges against a financial company for violations of the

Bank Secrecy Act or other anti-laundering requirements without the approval of its criminal division in Washington.

<http://www.americanbanker.com/article.html?id=20050712XJ6N3JCR&from=washregu&e=y>

California Department of Financial Institutions Enters into a ...

July 12, 2005...Business Wire (press release) - San Francisco, CA, USA ("PayPal"), a licensed money transmitter. PayPal received a license from DFI on September 24, 2002, to engage in business as a money ...

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20050712005724&newsLang=en

Embracing Illegals

Companies are getting hooked on the buying power of 11 million undocumented immigrants

http://www.businessweek.com/magazine/content/05_29/b3943001_mz001.htm

Assessment of Civil Money Penalty in the Matter of Gulf Corporation, Miami, FL (No. 2005-1) - (7/5/05)

"This matter arises from Gulf's willful violations of the currency transaction and suspicious activity reporting requirements of the Bank Secrecy Act and the regulations issued pursuant to that act. As a result of numerous deficiencies in its procedures for currency transaction reporting, Gulf failed to timely file 2,434 currency transaction reports from February 1998 through June 2001."

http://www.fincen.gov/wn_main.html

LULAC National Convention in Little Rock this Week

Sunday, Jun 26, 2005....By Rob Moritz, Arkansas News Bureau...Little Rock - Hola! will be the greeting of choice here this week when as many as 10,000 Hispanic political, community and business leaders from across the nation arrive for the 76th annual League of United Latin American Citizens National Convention and Exposition.

<http://www.arkansasnews.com/archive/2005/06/26/News/323564.html>

Subscription required

U.S. Says Banks Over Report Data for Patriot Act

July 7, 2005... By Scot J. Paltrow... The government's use of the Patriot Act to force financial institutions to report suspicious transactions has resulted in an avalanche of unwanted paper and computer tapes that officials who collect the data say is undermining efforts to detect money flowing to terrorists.

<http://online.wsj.com/article/0,,SB112070160933079216,00.html>

Subscription required

The OCC's Ambitious Agenda

July 1, 2005...By Karen Krebsbach ...The Office of the Comptroller of the Currency has heard the battle cry of community banks declaring war on hyper-regulation. Acting comptroller Julie Williams, for example, has been talking bluntly for the last year about reducing banks' burden, noting that the OCC should be delivering "value-added" supervision, not forcing institutions into compliance exhaustion.

<http://www.americanbanker.com/article.html?id=20050701CDXHXRV&from=commbank&e=y>

Wachovia Wins Closely Watched US Lending Case

July 12, 2005...Reuters - USA

... rather than to have to apply more lenient federal rules, such as the National Bank Act and regulations issued by the Office of the Comptroller of the Currency. ... Wachovia had relied in part on OCC rulings giving that office exclusive power over national banks and their units.

http://today.reuters.com/business/newsArticle.aspx?type=ousiv&storyID=2005-07-12T224223Z_01_N12576794_RTRIDST_0_BUSINESSPRO-FINANCIAL-WACHOVIA-PREEMPTION-DC.XML

Important Events

1st Continental Congress on Money Remittances

The significance and impact of money remitters and their correspondents with emphasis on the access to bank services issue being faced by money transmitters and its correspondents in the US....Register & Actively Participate in the creation of the American Confederation of Money Remitters.....ONLY 6 DAYS LEFT....Given the intensity and evolution of regulations, banking, investment, and other aspects of the money transmitter business, a group of specialists have gathered businesses, regulators and other industry experts with a strong knowledge in the United States market, to discuss the activities and current issues of money transmitters....Up to Date information on relevant topics affecting this industry

Establishment of the American Confederation of Money Remitters, whose primary goal will be to organize an annual meeting that stimulates the exchange of knowledge and ideas, and to promote the healthy development of the industry....For Sponsor and exhibitor opportunities, please contact: Florida International Bankers Association- Tel: 305-579-0086

Hotel Intercontinental Miami
100 Chopin Plaza, Miami, FL, 33131
Telephone: 305-577-1000
Website: <<<<http://www.ichmiami.com/>>>>

Date: Monday July 25, and Tuesday July 26, 2005

Registration fee: US\$ 300

(Includes: conference materials, breakfast, lunch, refreshments, cocktail reception and simultaneous translation)

For more information please contact the Florida International Bankers Association, FIBA: (organizers of the event)

Telephone: (305) 579-0086 Email:fiba@fiba.net

FFIEC Outreach Events

Board of Governors of the Federal Reserve System Federal Deposit Insurance Corporation....Joint Release Office of the Comptroller of the Currency Office of Thrift Supervision...Financial Crimes Enforcement Network...For Immediate Release July 18, 2005...Bank Secrecy Act/Anti-Money Laundering Interagency Outreach Events....The Federal banking and thrift agencies, along with the Financial Crimes Enforcement Network (FinCEN), today announced registration details for the upcoming outreach events related to the Bank Secrecy Act/Anti-Money Laundering Examination Manual that was released on June 30.....http://www.fincen.gov/bsa-aml_pr.pdf

International News

EU Moves to Curb Terror Funding

July 12, 2005... The European Union has agreed to speed up measures to cut off funding for terrorist groups after bombs killed at least 52 people in London last week.

<http://www.cnn.com/2005/WORLD/europe/07/12/terror.funds.reut/index.html>

FSA to Rethink 'KYC' Money Laundering Rules -- Papers 14th July

July 14, 2005...By Julie Henderson...ifaonline.co.uk - London, UK

The Financial Services Authority is looking at plans to scrap its anti-money laundering regulations which force banks and other financial services firms to ...

<http://db.riskwaters.com/public/showPage.html?page=287247>

Mum's Thanks for Intervening in Row Over £1,000 Money Transfer

July 13, 2005...Sheffield Today - UK

Mum Theresa Green feared she had lost £1,000 after a money transfer from Sheffield failed to reach h ... more ». Great Britain ...

<http://www.sheffieldtoday.net/ViewArticle2.aspx?SectionID=58&ArticleID=1083144>

Money Laundering For Accountants

July 13, 2005...by David Winch... Mondaq News Alerts - World

The Money Laundering Regulations 2003 have been in force for nearly 18 months in the UK and the identification of new clients has become just another routine ...

http://www.mondaq.com/i_article.asp_Q_articleid_E_33649

Law In Pipeline To Ban Money Laundering

July 14, 2005... By Guo Nei...China Daily - China

China is speeding up legislation of its first anti-money laundering law, the draft of which will be submitted to the National People's Congress, China's top ...

http://www2.chinadaily.com.cn/english/doc/2005-07/14/content_460022.htm

Tough Battle Against Money Laundering

July 14, 2005...Xinhua - Beijing, China

... But these people cannot be persecuted for money laundering. The definition of money laundering in China's Criminal Law only covers ...

http://news.xinhuanet.com/english/2005-07/14/content_3217167.htm

China Uncovers 4.3bil Yuan Money Laundering

July 13, 2005...Malaysia Star - Petaling Jaya, Malaysia.

Beijing: China has uncovered 50 money laundering cases involving a total of 4.28 billion yuan, the central bank said. The People's ...

<http://biz.thestar.com.my/news/story.asp?file=/2005/7/13/business/11468711&sec=business>

Combating Economic and Organized Crime :Corruption, Money ...

July 13, 2005...noticias.info (press release) - Spain

... in complying with commitments undertaken at European level in order to ensure the effectiveness of the fight against corruption, money laundering and economic ...

<http://www.noticias.info/asp/aspComunicados.asp?nid=82763&src=0>

Poorer and Poorer Kiran Nepal

July 11, 2005...Nepali Times - Katmandu, Nepal

... economy, only grew by 3.7 percent this year (compared to 4 percent last year) even though the number of workers went up and money transfer became more ...

<http://www.nepalitimes.com/issue255/headline.htm>

Vietnam to Set Up Anti-Money Laundering Agency

July 7, 2005... Compiled by Hieu Trung... Thanh Nien Daily - Ho Chi Minh City, Vietnam. Vietnam's banking authorities have recently decided to establish an anti-money laundering center in an attempt to crack down on the circulation of dirty ...

<http://thanhniennews.com/society/?catid=3&newsid=7709>

Crimes & Cases

Four Sentenced on Drug, Money Laundering Charges

July 9, 2005...Gwinnett Daily Post - Griffin, GA, USA

Gail Denise Hutchinson, 65, Ronald Monroe Lott, 49, Stacy Deon Cunningham, 36 and Valery Aleta Patillo, 40 were sentenced by United States District Judge J ...

http://www.gwinnettdaily.com/index.php?s=&url_channel_id=32&url_article_id=3995&url_subchannel_id=&change_well_id=2

Bulgarian Couple Charged With Illegally Transferring Money

July. 08, 2005... Belleville News-Democrat - Belleville, IL, USA

Chicago - Federal authorities have indicted a Bulgarian couple for allegedly operating an unlicensed money-wiring business that sent \$3 million to clients in ...

<http://www.belleville.com/mld/belleville/news/local/12088128.htm>

Four Arrested on Money Laundering Charges

July 7, 2005...Canada NewsWire (press release) - Canada. July 6th, 2005, members of the Royal Canadian Mounted Police Integrated Proceeds of Crime Section (IPOC) arrested four people on money laundering charges. ...

<http://www.newswire.ca/en/releases/archive/July2005/07/c9545.html>

Subscription required

VA Man Pleads Guilty to Running Unlicensed Money Service Business

July 7, 2005...WVEC.com (subscription) - Norfolk, VA, USA

... wiring millions of dollars to his native Syria, Iraq, Lebanon and other nations pleaded guilty Thursday to operating an unlicensed money service business, the ...

<http://www.wvec.com/sharedcontent/APStories/stories/D8B6ROM00.html>