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NMTA Bulletin — Volume 17 — Friday, July 29, 2005

Dear Readers,

Congressman Charlie Rangel's 75th Birthday Gala will be held at Tavern on the Green on Wednesday, August 3, 2005 at 6:00 p.m. Attending will be Hon. Hillary Rodham Clinton, Hon. Eliot Spitzer, Hon. David Paterson and Special Guest General Wesley Clark, United States Army (ret.)

Please join us in honoring him and please give as generously as you can (NMTA members: please note that you are an NMTA member on your personal checks.) Further details can be found at: <http://www.craigullman.com/gala-invite/invite.htm>. All contributions must be made from personal or PAC funds and may not be reimbursed by any other person. Contributions from corporations, labor unions, and foreign nationals are prohibited.

The First Continental Congress on Money Remittances was held on Monday and Tuesday at the InterContinental Hotel in Miami. It was great to see so many remitters and their correspondents from all over the Western Hemisphere, getting together to share concerns and organize. Kudos to the organizers, Mr. Carlos Grossman, Mr. Jorge Guerrero and Mr. Ernesto Armenteros, for doing such a great job in putting this important event together, and thanks to the Florida International Bankers Association (FIBA) for sponsoring the event and helping to organize it.

-David

Industry News and Trends

Why have states at all? This points to one of the reasons we need a Federal money transmitter license. -ed.

United States: Federal Appeals Court Upholds Preemption for National Bank Operating Subsidiaries

Also see (*perhaps more importantly, halfway down the page*):

Department of Justice Issues Revised Guidelines for Money Laundering Prosecutions

July 20, 2005...Mondaq News Alerts - World

http://www.mondaq.com/i_article.asp_Q_articleid_E_33825

Also see:

State Bank Preemption Tabled Amid Split at FDIC (Subscription required)

July 20, 2005... By Hannah Bergman...Washington - Clear disagreement among the Federal Deposit Insurance Corp.'s five board members emerged Tuesday when the agency tabled a debate over preempting state banking laws.

<http://www.americanbanker.com/article.html?id=20050719500S07HK&from=washregu>

We wish all the best to Mr. Soto, and we hope this does not negatively impact transmitter accounts at B of A. -ed.

Bank Of America Anti Money-Laundering Exec Leaves

July 29, 2005... Reuters – USA. New York, (Reuters) - Bank of America Corp.'s (BAC.N: Quote, Profile, Research) global anti-money laundering compliance executive, Daniel Soto, is ...

http://today.reuters.com/investing/financeArticle.aspx?type=governmentFilingsNews&storyID=URI:urn:newsml:reuters.com:20050729:MTFH74931_2005-07-29_17-43-52_N29447596:1

Wells Case Touchy Topic in OCC Nominee Hearing *(Subscription required)*

July 27, 2005... By Hannah Bergman and Damian Paletta... Washington - At his confirmation hearing Tuesday, Comptroller of the Currency-designate John C. Dugan faced tough questioning by Senate Banking Committee Chairman Richard Shelby about accusations that the agency inappropriately handled anti-money-laundering deficiencies at Wells Fargo & Co.

<http://www.americanbanker.com/article.html?id=20050726T7J198V6&from=home&e=y>

OCC Chief Aims Speech at Critics in Wells Case *(Subscription required)*

July 15, 2005... By Hannah Bergman... Washington - Acting Comptroller Julie Williams on Thursday politely but firmly defended her agency's decision not to slap Wells Fargo & Co. in public for anti-laundering lapses. Though she did not mention Wells by name in her speech at a New York Bankers Association conference, Ms. Williams spent a good deal of time discussing how the Office of the Comptroller of the Currency decides whether to take enforcement actions and which penalties are appropriate.

<http://www.americanbanker.com/article.html?id=20050714RCYZMFPO&from=washregu&e=y>

Also see:

US Regulator-Checks on Money Laundering Flawed

Jul 15, 2005...Reuters – USA. Washington, July 15 (Reuters) - A US bank regulator described its own supervision of anti-money laundering and suspicious transaction rules as marginally ...

http://today.reuters.com/investing/financeArticle.aspx?type=bondsNews&storyID=2005-07-15T181052Z_01_WAT003542_RTRIDST_0_FINANCIAL-REGULATOR-MONEYLAUNDERING-URGENT.XML

OCC Admits BSA/AML Supervision Failings, Begins to Correct Them *(Subscription required)*

July 26, 2005... On the trails of public criticism for its seemingly lax examinations of Wells Fargo and Riggs Bank, the Office of the Comptroller of the Currency made public an internal report that raises significant questions about its Bank Secrecy Act and anti-money laundering supervision.

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?id=802>

Money-Laundering Enforcement Slow and Weak, Review Finds

July 16, 2005... By David S. Hilzenrath... 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>

Ex-Riggs Official Says Structure of AML Department is Key to Compliance
(Subscription required)

July 26, 2005... David Caruso is the former executive vice president of compliance for Riggs Bank. He joined Riggs in June 2003 and built a compliance, investigation and security department in response to adverse regulatory, enforcement and legal actions. He is now the managing director of The Dominion Advisory Group, an AML consulting firm

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?id=803>

Manual Gives Good News of No More SAR 'Quotas' (Subscription required)

July 26, 2005... U.S. institutions that are examined by the five supervisory agencies that, together with the Financial Crimes Enforcement Network, authored the new uniform Bank Secrecy Act examination manual will be happy to note that the bank examiners who now come calling are instructed to not look at the number of suspicious activity reports filed as a sign of compliance with anti-money laundering legal standards.

<http://www.moneylaundering.com/ArticleDisplay.aspx?id=3186>

The following information has been added to FinCEN's website under What's New.

The Financial Crimes Enforcement Network (FinCEN) has issued five Administrative Letter Rulings:

FinCEN Ruling 2005-5 - Definition of Money Services Business (Casinos as Money Services Businesses) - 7/6/05

FinCEN Ruling 2005-4 - Definition of Money Services Business ("Doing Business" as a Money Services Business) - 7/1/05

FinCEN Ruling 2005-3 - Definition of Money Services Business (Ceasing to be a Money Services Business) - 6/24/05

FinCEN Ruling 2005-2 - Difficulties Encountered by Money Services Businesses in Obtaining Banking Services - 5/5/05

FinCEN Ruling 2005-1 - Currency Transaction Reporting: Aggregation by Casinos at Slot Machines - 2/7/05

Of these FinCEN Rulings, those that are relevant to Money Services Businesses can also be found on the MSB website at msb.gov.

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

Remittances Seen as Vital to South Asia

July 19, 2005...Remittances -- money sent home by immigrant workers abroad -- are hugely beneficial to countries in the region. Bangladesh, India and Pakistan are among the world's top receivers of these fund transfers. A Bank publication, "Remittances:

Development Impact and Future Prospects," explores aspects of the process, such as the impact on the developing world, the sort of development these flows actually finance, and their impact on poverty. more

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:20587408~pagePK:146736~piPK:226340~theSitePK:223547,00.html>

Remittances: Development Impact and Future Prospects

World Bank - Video Presentation

June 30, 2005...The flow of remittances -- money sent home by workers in another country -- reached an estimated US \$90 billion in 2003.

Globally, remittances constitute the largest source of financial flows to developing countries after foreign direct investment, in some cases exceeding the investment flows. This B-SPAN event features a discussion of research results by the authors of a new Bank book, "Remittances: Development Impact and Future Prospects." more

<http://info.worldbank.org/etools/bspan/PresentationView.asp?PID=1568&EID=767>

Sending Money for Less

July 22, 2005...Tom Van Riper... For Arzaad Mohammed, a native of Guyana who works at Michael Beharry Jewelry on Liberty Ave. in Jamaica, Queens, getting a break on the price of sending money home to his family can't come soon enough. "It's really expensive," he said of the minimum \$12 he spends at Western Union to periodically send \$100 to his sister and brother-in-law in Guyana. Indeed, Caribbeans, who are ...

<http://pqasb.pqarchiver.com/nydailynews/872132221.html?did=872132221&FMT=ABS&FMTS=FT&date=Jul+22%2C+2005&author=TOM+VAN+RIPER+DAILY+NEWS+WRITER&pub=New+York+Daily+News&desc=SENDING+MONEY+FOR+LESS>

Local Banks Tap Illegal Immigrant Market

July 17, 2005... By Miguel Gonzalez...Victorville Daily Press - Victorville, CA, USA... deportation. For years, Carlos used remittance services, such as Western Union, to send money to his family in Jalisco, Mexico. ...

<http://www.vvdailynews.com/2005/112161306447815.html>

Remittances Cover Basic Costs

July 09, 2005... By E. Eduardo Castillo...El Universal (México) - Distrito Federal, Mexico... Levels of migration and remittances sent home by workers abroad have both risen in recent years, and that growth rate is accelerating, said Elena Zúñiga, the ...

http://www2.eluniversal.com.mx/pls/impreso/noticia.html?id_nota=11157&tabla=miami

Related News Items

US Banks, Financial Companies, Take Interest in Immigrants

July 29, 2005... Workpermit.com - UK... rising 10 percent to 41.3 million last year, from 37.4 million in 2002, something else is surging along with it: the money, known as remittances, that day ...

http://www.workpermit.com/news/2005_07_29/us/banks_migrants.htm

Legislation Could Give Central Americans Green Cards

July 23, 2005...Monterey County Herald - Monterey, CA, USA

... They noted that US remittances to Central America exceed \$10 billion. In the case of El Salvador, US remittances make up 17 percent ...

<http://www.montereyherald.com/mld/montereyherald/news/12206553.htm>

Compliance Hits Auditor Relations

July 17, 2005...Dan Roberts, FT Syndication Service ...Financial Express.bd – Bangladesh. New York: The soaring cost of complying with US regulation is poisoning relationships between companies and their auditors, according to the latest study on ...

http://www.financialexpress-bd.com/index3.asp?cnd=7/17/2005§ion_id=27&newsid=5375&spcl=no

First Horizon Fined \$180,000 (Registration required)

July 27, 2005... First Horizon Home Loan Corp. has been hit with a \$180,000 fine by the U.S. Office of the Comptroller of the Currency over a mix-up with customer information

http://www.commercialappeal.com/mca/business/article/0,1426,MCA_440_3955791,00.html

Continental Sees Earnings Hike, Cease and Desist

July 26, 2005...Jim Freer ...South Florida Business Journal - Fort Lauderdale, FL, USA. Separately the US Office of the Comptroller of the Currency said, July 15, Continental agreed to a cease and desist order, under which the bank is required to ...

http://southflorida.bizjournals.com/southflorida/stories/2005/07/25/daily17.html?jst=b_In_hl

OPENING A CHECKING ACCOUNT; What The Banks Know About You (But Won't Tell You) and Why it Matters

July 17, 2005... Think nobody but the grocery store knows about the bad checks it has to eat? Think only the bank remembers overdrawn accounts left behind when customers move? Think again.

<http://pqasb.pqarchiver.com/sptimes/868396621.html?MAC=17a573984c3cea5ee05b988c1cd32a69&did=868396621&FMT=FT&FMTS=FT&date=Jul+17%2C+2005&author=HELEN+HUNTER+NTLEY&pub=St.+Petersburg+Times&printformat=&desc=OPENING+A+CHECKING+ACCOUNT+%2F%2F+What+the+banks+know+a>

Bank Secrecy Act/Anti-Money Laundering Interagency Outreach Events

July 19, 2005...noticias.info (press release) - Spain... Financial Crimes Enforcement Network (FinCEN), today announced registration details for the upcoming outreach events related to the Bank Secrecy Act/Anti-Money ...

<http://www.noticias.info/asp/aspComunicados.asp?nid=85211&src=0>

Banking Agencies Issue Final Community Reinvestment Act Rules

July 19, 2005...noticias.info (press release) - Spain... the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, take effect ...

<http://www.noticias.info/asp/aspComunicados.asp?nid=85212&src=0>

JVC Anti-Money Laundering Response Closes Fincen Inquiry

July 27, 2005... Rapaport... Diamonds.net - New York, NY, USA

The Jewelers Vigilance committee (JVC) responded on behalf of industry organizations to close anti-money laundering questions issued ...

<http://www.diamonds.net/news/newsitem.asp?num=12845&type=all&topic=all>

The Jewelers Vigilance Committee (JVC) has Posted... FAQs on the latest FinCEN Regulations for certain types of jewelers.

http://www.jvclegal.org/t_patriotsact_home.html

HRD Protests FinCEN Patriot Act Provision

July 28, 2005... By Jeanette Goldman... Diamonds.net - New York, NY, USA

The Diamond High Council (HRD) is protesting the 'interim final' rules published by the Financial Crimes Enforcement Network (FinCEN) as part of

<http://www.diamonds.net/news/newsitem.asp?num=12855&type=all&topic=all>

JA Provides Members with Anti-Money Laundering Guidance

July 20, 2005...JCK - Jewelers Circular Keystone - King of Prussia, PA, USA.

Jewelers of America has provided its members with guidance on the interim final rule regarding anti-money laundering programs recently issued by the US ...

<http://www.jckgroup.com/article/CA626954/jck?section=Legislative%2C+Regulatory+%26+Legal>

International News

A Month in Money Laundering - June 2005

Mondaq News Alerts - World

This edition includes news on the first anti-money laundering regulations in Vietnam (7

June) and the meeting of the Financial Action Task Force in Singapore...
http://www.mondaq.com/i_article.asp_Q_articleid_E_33975

United Kingdom: A Month in Money Laundering - May 2005

...by John Hammersley... This edition includes news on the Parliamentary approval of a new anti-money laundering Bill in India (7 May) and the launch of an association for anti-money laundering professionals in Dubai (23 May).

http://www.mondaq.com/article.asp?articleid=33821&email_access=on

United Kingdom: A Month in Money Laundering - April 2005

...Mondaq News Alerts - World

Financial Action Task Force ("FATF") questions South African anti-money laundering laws. FATF has compiled a report detailing deficiencies ...

http://www.mondaq.com/i_article.asp_Q_articleid_E_33817

Banks Back Money Laundering Clampdown

De Havilland - UK. Banking establishments have collectively backed EU commission plans to keep tabs on all money transfers across the 25-nation trading bloc in a bid to choke off ...

<http://www.dehavilland.co.uk/webhost.asp?wci=default&wcp=NationalNewsStoryPage&ItemID=15011521&ServiceID=8&filterid=10&searchid=8>

EU Places Tight Wire Transfer Regulation on Fast Track (*Subscription required*)

July 27, 2005... The European Commission wants financial institutions to transmit certain customer information with money transfers throughout the funds payment chain. The proposal, which must be approved by EU member states and the EU Parliament, was issued July 26 as part of the European Union's Plan of Action to Combat Terrorism. The measures apply to cross-border funds transfers in any currency that are sent or received by a "payment service provider," that is, financial entity in the EU

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?id=804>

Also see: Proposal for a regulation on information of the payer accompanying transfers of funds, European Commission, July 26, 2005.

http://www.moneylaundering.com/Subscribers/resources/PDFs4DB/EC_proposed_wire_reg_0705.pdf

EU Proposes Banks Register Details of Any Money Transfers in Move...

July 26, 2005...Forbes -USA... AFX-The European Commission is proposing that banks register the details of anybody transferring money in the EU in a further crackdown on terrorist funding ...

<http://www.forbes.com/home/feeds/afx/2005/07/26/afx2156741.html>

Japan To Tighten Money Transfer Rules

BusinessWeek - USA

July 23, 2005... In an effort to stop the flow of money to terrorists, Japan plans to check the identity of people transferring ...

http://www.businessweek.com/ap/financialnews/D8BGUEBO0.htm?campaign_id=apn_home_down&chan=db

UK Anti-Money Laundering Rules Revised: What are the Real ...

July 29, 2005...New Age Media Concepts (press release) - USA

UK, (NAMC) - As the Financial Services Authority announces the simplification and streamlining of its anti-money laundering (AML) requirements, the proposed ...

<http://press.namct.com/content/view/2431/9/>

Commerzbank Offices Searched Over Probe

July 25, 2005 ... By Antje Homburger... Commerzbank AG said Monday five current and former employees, including a senior manager who quit last week, were under investigation over allegations of money laundering involving assets from the former Soviet Union.

Andreas de Maiziere, the German bank's personnel chief, resigned last...

<http://www.rscopyright.com/AP/content.html?id=D8BIFB401>

Remittances by Overseas Pakistanis Surge to \$ 4.169 Billion

Pakistan Times - Pakistan

Karachi: The State Bank of Pakistan today announced that Pakistan has received an amount of US\$ 4.169 billion as workers' remittances for the fiscal year 2004 ...

<http://www.pakistantimes.net/2005/07/18/business1.htm>

No WT on Payment Against Remittances

July 23, 2005...Daily Times - Lahore, Pakistan

... Central Board of Revenue (CBR) clarified that the 0.1 percent withholding tax (WT) had not been imposed on cash payment against home remittances, according to ...

http://www.dailytimes.com.pk/default.asp?page=story_17-7-2005_pg5_5

Money Remittances from Overseas Turks Decrease

July 26, 2005... By Ismail Altunsoy...Zaman Online - Istanbul, Turkey

By Ismail Altunsoy. Money remittances made by Turks in European countries to Turkey have decreased below \$1 billion from \$5,3 billion. ...

<http://www.zaman.com/?bl=economy&alt=&hn=22121>

Only 1.2 Million Ugandans Have Bank Accounts

July 23, 2005 ... Sylvia Juuko...AllAfrica.com - Africa

Elliot Mwebya, the director of the National Payment Systems Secretariat, said low bank account holding hinders utilization of efficient and electronic payment ...

<http://allafrica.com/stories/200507240029.html>

Laws To Clean Up Money Laundering

July 22, 2005... Florence Chong...Australian - Australia

The Federal Government is expected to introduce an anti-money laundering bill to parliament by October, according to participants in an industry discussion ...

http://www.theaustralian.news.com.au/common/story_page/0,5744,16007196%255E643,0.html

Remittances to Developing Countries Increases

July 20, 2005... Gifty Korantemaa...AllAfrica.com - Africa

All over the world, migration and remittances have grown rapidly in recent years and now constitute the second largest financial flow to developing countries ...

<http://allafrica.com/stories/200507200813.html>

BoI Launches Web-Based Solution for Remittance from US

July 20, 2005... NewKerala.com - Ernakulam, Kerala, India

New Delhi: Bank of India (BoI) today announced the launch of a web-based solution for remittances from the United States to India for the benefit of Indians ...

<http://www.newkerala.com/news.php?action=fullnews&id=7886>

Broader Brush for Austrac (Subscription required)

July 20, 2005... By Marc Moncrief...The Age (subscription) - Melbourne, Victoria, Australia... Nine of the recommendations were established after the attacks of September 11, 2001, and relate specifically to terrorist funding. ...

<http://www.theage.com.au/news/business/broader-brush-for-austrac/2005/07/19/1121538972936.html?oneclick=true>

50 Money Laundering Cases Cracked

July 19, 2005...CRI - China

An official with the People's Bank of China, Ling Tao, told CRI in an interview that banking authorities and police had cracked 50 money-laundering cases by ...

<http://en.chinabroadcast.cn/2238/2005-7-19/135@259072.htm>

Crimes & Cases

The Patriot Act: Justice Department Claims Success

July 20, 2005... NPR's Larry Abramson, Maria Godoy and Katie Gradowski contributed to this report. NPR - Washington, D.C., USA

... Prosecutors say they used this provision to bring charges against Yehuda Abraham, an unlicensed money transmitter, for his role in helping to arrange the ...

<http://www.npr.org/templates/story/story.php?storyId=4756706>

Money Wiring Spurs Charges

July 19, 2005... By Oscar Avila... reporter Rudolph Bush contributed to this report...Chicago Tribune - United States

... of the Department of Homeland Security, has generated more than 130 indictments and seized about \$25 million in assets from unlicensed money-wiring operations ...

<http://www.chicagotribune.com/news/local/nearnorthwest/chi-0507190059jul19,1,1245217.story?coll=chi-newslocalnearnorthwest-hed&ctrack=1&cset=true>

Yemeni Cleric Sentenced for 75 Years For Money Laundering to Al ...

July 29, 2005...PakTribune.com - Pakistan...New York: A US federal court in New York sentenced a prominent Yemeni cleric who once boasted he was Osama Bin Laden's "personal sheikh according to federal ...

<http://paktribune.com/news/index.php?id=114265>

Car Dealer Probed in Money Laundering Case

July 28, 2005... By Chris Osher...Pittsburgh Tribune-Review - Pittsburgh, PA, USA. A West Homestead car dealer is the focus of a federal investigation into drug trafficking and money laundering, according to court documents filed on Wednesday ...

http://pittsburghlive.com/x/tribune-review/trib/pittsburgh/s_357849.html

Ethiopian Man Pleads Guilty to Running Unlicensed Money Transfer

July 28, 2005...Dateline Alabama - Birmingham, AL, USA.

An airport shuttle driver pleaded guilty to federal charges of running an unlicensed money transfer business in Santa Ana and illegally funneling \$1.6 million ...

<http://www.tuscaloosaneews.com/apps/pbcs.dll/article?AID=/20050728/APN/507280505&cachettime=3&template=dateline>

Victims of Check Scam Feel Blindsided

July 25, 2005... By Helen Huntley...St. Petersburg Times - St. Petersburg, FL, USA...

Certegy check services. With payroll checks, the focus is on verifying the identity of the check casher, he said. With purchases ...

http://www.sptimes.com/2005/07/25/Business/Victims_of_check_scam.shtml

Jordanian Pleads Guilty to Money Laundering

July 23, 2005 ... By Tim McGlone...Virginia Pilot - Norfolk, VA, USA

... that dream shattered. Eyad "Eddie" Akkawi, 33, pleaded guilty Friday to conspiracy and money laundering charges. He admitted ...

<http://home.hamptonroads.com/stories/story.cfm?story=89666&ran=214741>

Man Sentenced to Prison for Money Laundering (Registration required)

July 20, 2005...Philadelphia Inquirer - Philadelphia, PA, USA

Jorge Ruben Tapia-Echegarry, 55, who resides in Florida, pleaded guilty in August 2004 to a charge of international money laundering. ...

http://www.philly.com/mld/inquirer/news/local/states/new_jersey/12176084.htm

Centerville Woman Convicted Of Money Laundering, Reports US ...

July 19, 2005...Yahoo News (press release) - USA

Boston, July 19 /PRNewswire/ -- A Centerville woman was convicted yesterday by a federal trial jury of money laundering and tax charges. ...

<http://biz.yahoo.com/prnews/050719/netu035.html?.v=16>

Check 'n Go Family Feud Brings New Allegations

July 19, 2005...By James McNair... During a one-year stint as president of the company that owns the Check 'n Go payday loan chain, former Provident Bank CEO Allen Davis put his mistress and his yacht captain on the company payroll, took \$1.2 million in fees without board approval and led the company into ventures that lost more than \$15 million, the Check 'n Go parent company contends in a new court filing.

<http://news.enquirer.com/apps/pbcs.dll/article?AID=/20050719/BIZ01/307190002/-1/back01>

Ten Quizzed Over Money Laundering

July 14, 2005...BBC News - UK

Ten people have been arrested in Spain and the UK in connection with a money laundering scheme thought to have processed up to £80m a year.

http://news.bbc.co.uk/2/hi/uk_news/england/4684061.stm

Commentary

(Please note that the opinions expressed do not necessarily reflect those of the NMTA) -ed.

Does 'Know Your Customer' Work?

July 25, 2005 ... by Paul Byles... Cayman Net News - Grand Cayman, Cayman Islands... The US Financial Crimes Enforcement Network (FinCEN), which oversees anti-money-laundering efforts, is notorious in US banking circles for having a huge ...

<http://caymannetnews.com/2005/07/886/work.shtml>