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NMTA Bulletin — Volume 18 — Monday, August 15, 2005

Dear Readers,

Please do not be alarmed by the length of this Bulletin (two weeks is too long a time between issues.) Just scan it quickly for topics of interest....and don't forget to check out the postings as they happen, on our website: www.nmta.us.

Regards,

-David

Industry News and Trends

More than just registration is needed, of course, Mr. McNulty. Virginia requires a license. - ed.

Listen Online: Stemming the Money Flowing to Terrorists by Ari Shapiro All Things Considered, August 5, 2005 · Money exchange businesses, including those known as hawalas, came under scrutiny and increased regulation after the 9-11 attacks.

<http://www.npr.org/templates/story/story.php?storyId=4787704>

Mexico Remittances Surge Toward New Record in '05

Aug 1, 2005 ...Reuters – USA The bank said remittances reached \$9.3 billion between January and June and appear to be heading for a new record of \$20 billion this year following last ...

http://today.reuters.com/investing/financeArticle.aspx?type=economicNews&storyID=2005-08-01T204011Z_01_N01434820_RTRIDST_0_ECONOMY-MEXICO-REMITTANCES.XML

Perhaps they hope our industry will eventually just go away. This is the carrot.... -ed.

International Remittances...for New England Financial Institutions (from the Federal Reserve Bank of Boston)

By Mamie Marcuss <http://www.bos.frb.org/commdev/discussion/2005/remittances.pdf>

...and this is the stick. Wachovia's record on banking MSBs is spotty at best, due to pressure by Federal examiners. Now, they go after our markets. Coincidence? You be the judge. -ed.

Wachovia Woos Latin Customers

August 9, 2005... By Tom Ramstack... The Washington Times... Wachovia Bank plans to roll out a new ATM card for its Hispanic customers in the Washington area next month to help them send money to friends and family in Latin America.

<http://washtimes.com/business/20050808-085728-4470r.htm>

Meet the new boss at OCC, OTS, and FDIC. -ed.

US Senate Approves Bank Regulator Nominees

July 29, 2005...Reuters – USA. On a voice vote, the Senate approved John Dugan as comptroller in the Office of the Comptroller of the Currency, which charters, regulates and supervises all...

http://today.reuters.com/investing/financeArticle.aspx?type=bondsNews&storyID=2005-07-30T003654Z_01_N29446638_RTRIDST_0_CONGRESS-BANKING-REGULATORS.XML

New SEC head. -ed.

<http://www.ocweekly.com/ink/05/48/news-moxley.php>

Preemption deserves scrutiny, indeed. I didn't think we were governed by fiat of the few, here in the US. I do not think the states should give up the right to protect their citizens so easily (also see Spitzer articles below.) -ed.

A Street-Savvy Bank Cop

Business Week - USA... of this year, for example, Taylor brokered an agreement between the Internal Revenue Service and the Financial Crimes Enforcement Network (FinCEN) that will...

http://www.businessweek.com/magazine/content/05_33/b3947092_mz020.htm

http://www.businessweek.com/magazine/content/05_33/b3947095_mz020.htm

Spitzer Countersues US Bank Regulator

August 8, 2005... Los Angeles Times - CA, USA... "The OCC does not have the authority to promulgate rules ... The comptroller's lawsuit, he wrote, "is nothing more than a naked attempt to expand the OCC's power." ...

<http://www.latimes.com/business/investing/la-fi-spitzer8aug08,1,7512874.story?coll=la-headlines-business-invest&ctrack=1&cset=true>

Also see:

<http://www.nytimes.com/2005/08/06/business/06lender.html?>

<http://press.arrivenet.com/pol/article.php/678808.html>

Western Union

Bank Closing Western Union Service for Some St. Thomas, St. John Sites

July 30, 2005... By Megan Poinski... Money-transferring services at several St. Thomas and St. John businesses that are Western Union agents are in jeopardy because Banco Popular said it would close their bank accounts on Monday.

http://www.virginislandsdailynews.com/index.pl/article_home?id=7233326

GraceKennedy Money Services looks to the Caribbean

August 05, 2005... Jamaica Observer - Kingston, Jamaica

GraceKennedy Money Services is the generic brand under which Western Union Money Transfer, FX Trader and Bill Express will now fall...

http://www.jamaicaobserver.com/magazines/Business/html/20050804T230000-0500_85472_OBS_GRACEKENNEDY_MONEY_SERVICES_LOOKS_TO_THE_CARIBBEAN.asp

Looking for a niche, actually. -ed.

Western Union Finds it's Niche in an Online World

Aug. 08, 2005... By Mickey Alam Khan Senior Editor... mickey@dmnews.com Philadelphia

http://www.dmnews.com/cgi-bin/artprevbot.cgi?article_id=33693

Western Union launches marketing blitz in Taiwan

<http://www.etaiwannews.com/Kabayan/2005/08/14/1123990177.htm>

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

Guidance (Frequently Asked Questions) concerning completion of Part II of FinCEN Form 104, Currency Transaction Report (8/12/05) <http://www.fincen.gov/faq08122005.pdf>
FinCEN Ruling 2005-6 - Suspicious Activity Reporting (Structuring) - 7/15/05
Since this Ruling is relevant to Money Services Businesses (MSB) too, it can be found on the MSB website at msb.gov under Guidance/Q&As.

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

Joint Release - Registration for Bank Secrecy Act/Anti-Money Laundering Interagency Outreach Event Webcast (8/8/05) <http://www.fincen.gov/pressrelease08082005.pdf>
FinCEN Ruling 2005-2 - Difficulties Encountered by Money Services Businesses in Obtaining Banking Services - 5/5/05 http://www.fincen.gov/fincen_ruling2005-2.pdf

Jewelers' Guidance from FinCEN

Prepared remarks of William J. Fox, Director, Financial Crimes Enforcement Network, Jewelers Vigilance Committee Industry Seminar, New York, NY (August 1, 2005)
<http://www.fincen.gov/foxspeech080105.pdf>

Also see:

<http://www.idexonline.com/start.asp>

http://www.mondaq.com/i_article.asp_Q_articleid_E_34039

<http://www.diamonds.net/news/newsitem.asp?num=12876>

Kelly Works To Block Terrorists' Cash Sources

August 8, 2005... By John Machacek ... Poughkeepsie Journal - Poughkeepsie, NY, USA ... William Fox, director of the financial crimes enforcement network at the Treasury Department, said Kelly's trip spurred Saudi officials to begin talking to him ...

<http://www.poughkeepsiejournal.com/apps/pbcs.dll/article?AID=/20050808/NEWS01/508080319/1006>

US Blocks Funds Linked to Al Qaeda Cell in Italy

Aug 1, 2005...Reuters - USA... is helpful as part of a larger strategy that must also include behind-the-scenes intelligence gathering, a crackdown on unlicensed money transfer services and...

http://today.reuters.com/news/newsArticle.aspx?type=politicsNews&storyID=2005-08-01T194755Z_01_N01477453_RTRIDST_0_POLITICS-SECURITY-USA-ITALY-DC.XML

Immigration Issues

Why the 'Real ID' Act is a Real Mess

August 12, 2005... (FindLaw) -- In May 2005, Congress passed the "Real ID" Act, which requires states - starting in May 2008 -- to issue federally approved driver's licenses or identification (ID) cards to those who live and work in the United States. Unlike the USA Patriot Act and other politically sensitive pieces of legislation, Real ID has not made many headlines. <http://www.cnn.com/2005/LAW/08/12/ramasastry.ids/index.html>

Local police forces may not roost undocumented immigrants for being here. -ed.

Towns Lose Tool Against Illegal Immigrants

<http://www.nytimes.com/2005/08/13/national/13immig.html?th&emc=th&oref=login>

Hispanic Immigrants are Victimized More Often, Frequently Fail to Report Crimes

July 31, 2005... By Kim Mitchell... Delmarva Daily Times - MD, USA... "It's completely out of our hands," he said. Federal regulations require the identification to adhere to the Patriot Act and the Bank Secrecy Act. ...

<http://www.delmarvanow.com/apps/pbcs.dll/article?AID=/20050731/NEWS01/507310303/1002>

Banking on Illegal Immigrants

August 8, 2005... By Shaheen Pasha... Banks are seeing an untapped resource in providing home loans to undocumented U.S. residents

http://money.cnn.com/2005/08/08/news/economy/illegal_immigrants/index.htm

Related Areas

Bank Complies With Federal Orders on Procedures

August 03, 2005... By Dave Alexander... Muskegon Chronicle - Muskegon, MI, USA... cease and desist order" after a routine December bank examination found Muskegon Commerce Bank was not in compliance with the Bank Secrecy Act, according to ...

<http://www.mlive.com/business/muchronicle/index.ssf?/base/business-0/112308211258030.xml&coll=8>

Also see: FDIC Enforcement Decisions and Orders

<http://www.fdic.gov/bank/individual/enforcement/NewOrders/05-031b.html>

Afraid of a little competition? –ed.

Bankers vs. Wal-Mart

Washington, D.C. (July 20, 2005) - Independent Community Bankers of America (ICBA) President and CEO Camden R. Fine issued the following statement regarding Wal-Mart's application this week to charter an industrial loan company (ILC) in Utah...

<http://www.icba.org/news/newsreleasedetail.cfm?ItemNumber=11180&sn.ItemNumber=1733>

Also see:

<http://www.recordtimes.com/story.php?paper=adg§ion=Business&storyid=122619>

Certain regulators should wait a year before joining private industry; it makes sense for many government jobs. –ed.

Banking Regulators Unveil Examiner Idea

August 4, 2005... Forbes - USA... The Federal Reserve, the Federal Deposit Insurance Corp, the Office of the Comptroller of the Currency and the Office of Thrift Supervision jointly offered the

...<http://www.forbes.com/business/healthcare/feeds/ap/2005/08/04/ap2172977.html>

International News

EU Banks 'Must Store Records for Police'

August 2, 2005... Keith Nuthall... Financial Director - London, UK

Its tabled regulation, which will be pushed hard during the UK presidency of the EU, says banks and payment services must store the name, address and account...

<http://www.financialdirector.co.uk/accountancyage/news/2140647/eu-banks-store-records-police>

Changes to money laundering regime lack significant impact

<http://www.theherald.co.uk/business/44890.html>

United Kingdom: A Month in Money Laundering, July 2005

http://www.mondaq.com/i_article.asp_Q_articleid_E_34318

Government Eases Money Laundering Burden

August 5, 2005... Financial Director - London, UK
the regulations obliging accountancy firms to report suspicions of money laundering have been reformed after criticisms that they were too onerous

<http://www.financialdirector.co.uk/accountancyage/news/2140832/government-eases-burden-money>

United Kingdom: FSA Annual Public Meeting (free registration required)

August 4, 2005... by Simon Morris... The FSA held its sixth Annual Public Meeting on Thursday 21 July.

http://www.mondaq.com/article.asp?articleid=34135&email_access=on

Brits Misled on Casino Deals

Report Published 8/7/2005 1:44 PM London, Aug. 7 (UPI) -- Contrary to an earlier statement, British government officials have met with U.S. casino bosses to ease money laundering laws, a report says.

<http://www.upi.com/view.cfm?StoryID=20050807-013657-6049r>

Central Banks Can Thwart the Terrorists

August 1, 2005... Heather Long... Guardian Unlimited - UK... the intended remittance recipient. Such alternative remittance services have many links and no paper trails. This provides an opportunity...

<http://www.guardian.co.uk/business/story/0,3604,1539948,00.html>

Brazil Lawmakers Seek to Tighten Money Laundering Enforcement

August 5, 2005... Bloomberg - USA 5 (Bloomberg) --- Brazilian lawmakers are calling on the Finance Ministry and central bank to tighten enforcement of money laundering regulations after a probe.

http://www.bloomberg.com/apps/news?pid=10000086&sid=a7ucZVcWo9z4&refer=latin_america

Anti-Money Laundering Website

August 12, 2005... By Jeanine Klein Menzies... Royal Gazette - Bermuda
Government's National Anti-Money Laundering Committee has launched its official website designed to provide the public with information on Bermuda's.

<http://www.theroyalgazette.com/apps/pbcs.dll/article?AID=/20050812/BUSINESS/108120103>

India Flies on Remittances

Aug 3, 2005... Financial Express, India
Washington, Remittances from international migrants to their home countries, including India, is now the largest source of external finance for...

http://www.financialexpress.com/latest_full_story.php?content_id=98218

Better Salaries, Perks Luring Indians to Work in the Gulf, Says ...

August 03, 2005... Webindia123 - India... Meanwhile, a World Bank study has revealed that remittances from international migrants to their home countries, including India form the largest source of...

http://news.webindia123.com/news/showdetails.asp?id=103333&n_date=20050803&cat=business

Remittances are an Economic Force in South Asia

Aug 3, 2005... Press Trust of India - New Delhi, India

Washington, (PTI) Remittances from international migrants to their home countries, including India, are now the largest source of external finance for

...<http://www.ptinews.com/pti%5Cptisite.nsf/0/6B034A6085F5C7CF65257052001901BC?OpenDocument>

Pakistan Receives 4 Billion USD of Workers' Remittances Last ...

August 12, 2005... Xinhua - China 12 (Xinhuanet) -- Pakistan received 4.169 billion US dollars as workers' remittances during last fiscal year ending on June 30, 2005, an increase of 301 ...

http://news.xinhuanet.com/english/2005-08/12/content_3346088.htm

QNB Training in Tackling Money Laundering

August 9, 2005... Peninsula On-line - Qatar

The course was designed to create awareness on money laundering activities. The course also focused on a range of measures that ...

http://www.thepeninsulaqatar.com/Display_news.asp?section=Business_News&subsection=Local+Business&month=August2005&file=Business_News2005080924252.xml

Police Reshuffle Brings Hope for Money Laundering Probe

August 12, 2005... Jakarta Post - Jakarta, Indonesia... high hopes on the new head of internal affairs at the National Police Headquarters that he will quickly resolve allegations of money laundering involving 15...

<http://www.thejakartapost.com/detailnational.asp?fileid=20050808.C03&irec=2>

Money Laundering Regulations Needed

August 13, 2005... Stuff.co.nz - Wellington, New Zealand

The financial sector needs new regulations to safeguard against money laundering and terrorist financing, Justice Minister Phil Goff said yesterday.

<http://www.stuff.co.nz/stuff/0,2106,3375926a13,00.html>

Vanuatu Money Laundering and Terrorism Prevention Seminar

August 8, 2005... Vanuatu Online - Port Vila, Vanuatu

by the Independent. A seminar on money laundering and counter-terrorism gets underway today at the Vanuatu Reserve Bank in Port Vila. ...

<http://www.news.vu/en/business/BankingFinance/050808-Vanuatu-money-and-terrorism-seminar.shtml>

Philippines

Philippines, EC Sign Agreement on Anti-Money Laundering

August 10, 2005... Xinhua - China... the Philippines have signed a 73-million peso (1.33-million US dollars) financing agreement to assist with the country's anti-money laundering drive, Foreign...

http://news.xinhuanet.com/english/2005-08/10/content_3335966.htm

Oledan: Tough Bind

August 09, 2005... By Radzini Oledan... Sun Star - Philippines... Aside from the remittances of migrant Filipinos, revenues are also derived from the fees that it gets from these workers before they leave the country. ...

<http://www.sunstar.com.ph/static/dav/2005/08/09/oped/radzini.oledan.spice.of.life.html>

Central Bank Sees OFW Remittances this Year at \$10B

Aug. 06, 2005... Veronica Uy... INQ7 Interactive, Inc. - Philippines

The Bangko Sentral ng Pilipinas (BSP, the Philippine central bank) expects income remittances of overseas Filipino workers (OFWs) to reach at 10 billion...

http://money.inq7.net/topstories/view_topstories.php?yyyy=2005&mon=08&dd=06&file=3

Bangko Sentral Guv to Talk on Lower OFW Remit Fees

August 04, 2005... Sun Star - Philippines

Much has been said about remittances by Filipinos from abroad, mainly on how it benefits the Philippine economy. But the question ...

<http://www.sunstar.com.ph/static/man/2005/08/04/bus/bangko.sentral.guv.to.talk.on.lo wer.ofw.remit.fees.html>

Country Needs Viet Kieu Funding: Banking Official

August 4, 2005... Vietnam Economic Times - Hanoi, Vietnam... the country. The Government also plans to attract more overseas remittance by expanding remittance services across the country. In ...

<http://www.vneconomy.com.vn/eng/index.php?param=article&catid=01&id=368e0c1f5ca2a2>

Nauru Confident of Removal from Money Laundering List

August 4, 2005...Radio Australia - Australia

Nauru is confident it will be removed from the international money laundering black list in October. The Nauru government says an ...

<http://www.abc.net.au/ra/news/stories/s1429713.htm>

Special Body to Watch Money Laundering in Kazakhstan

August 3, 2005... Nazym Shakhanova... Kazinform - Astana, Kazakhstan

... the special body on financial monitoring in Kazakhstan will allow enhancing professionalism of the specialists on prevention of money laundering, said senior ...

<http://www.inform.kz/showarticle.php?lang=eng&id=133569>

Russia: Assay Chamber to Monitor Money Laundering

August 03, 2005 ...Tacy Ltd. - Israel... the Assay Chamber the power to monitor compliance of traders in precious metals, stones, jewelry and related scrap with legislation against money laundering. ... http://www.tacyltd.com/Research_Materials_Full.asp?id=55349

Commerzbank Says Former Manager Probed Over Russian Money ...

August 3, 2005... MOSNEWS – Russia... said that Andreas de Maiziere, a former senior executive who resigned unexpectedly last week, is at the centre of a money-laundering investigation involving ... <http://www.mosnews.com/news/2005/08/03/commerzbank.shtml>

Also see, going up the chain of command:

Money laundering probe extended to Commerzbank CEO

http://za.today.reuters.com/news/newsArticle.aspx?type=businessNews&storyID=2005-08-14T083646Z_01_BAN430926_RTRIDST_0_OZABS-FINANCIAL-COMMERZBANK-20050814.XML

Crimes & Cases

Bank Of NY May Settle in Money Laundering Case

Aug 3, 2005... Reuters - USA... BK.N: Quote, Profile, Research) said on Wednesday it was

reviewing a settlement proposal by federal prosecutors related to a Russian money laundering conspiracy...

http://today.reuters.com/investing/financeArticle.aspx?type=bondsNews&storyID=2005-08-03T204052Z_01_N03712862_RTRIDST_0_FINANCIAL-BANKOFNEWYORK-MONEYLAUNDERING.XML

U.S. Courts in New York, Miami Help Chile Uncover Disguised Pinochet Accounts

(Subscription required) August 2, 2005 - Moneylaundering.com

A Chilean tribunal intent on discovering the origin of former dictator Augusto Pinochet's fortune has garnered the help of two U.S. federal courts, in Manhattan and Miami, to probe the bank accounts...

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?id=809>

Brazil Central Bank Robbed Of \$67 Million in Currency

August 8, 2005... Bloomberg - USA... preparation to rob a central bank," said John Shockey, a retired special assistant with the Office of the Comptroller of the Currency who investigated more ...

http://www.bloomberg.com/apps/news?pid=10000086&sid=arkU5TYszJtw&refer=latin_america

Peabody Pair Indicted on Charges of Alien Smuggling and Operating ...

August 11, 2005... PR Newswire (press release) - New York, NY, USA

11 /PRNewswire/ -- Two Peabody residents were indicted yesterday on federal charges of alien smuggling and operating an unlicensed money remittal business. ...

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/08-11-2005/0004087057&EDATE=>

Russian Émigré Sentenced for Money Laundering

August 6, 2005... By Pamela Manson... Salt Lake Tribune - United States

A Sandy resident was sentenced Friday to four-plus years in prison for his role in a money-laundering scheme that authorities allege moved millions of dollars...

http://www.sltrib.com/utah/ci_2919072

Company Announcements

Moneybookers Signs with The Bunker

WebitPR (press release) - North Hykeham, Lincoln, UK... Moneybookers Limited is a money transmitter regulated under UK law. More information about Moneybookers is available at www.moneybookers.com. ...

http://www.webitpr.com/release_detail.asp?ReleaseID=2869

First Data to Acquire Austrian Payment Systems Services

Aug. 5, 2005... Business Wire (press release) - San Francisco, CA, USA

First Data Corp. (NYSE: FDC), a global leader in electronic commerce and payment services, announced today that it has signed an agreement to acquire Austrian...

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20050805005194&newsLang=en

Commentary

Faith in Banking

August 2, 2005... Chris Skinner... Finextra - UK... Chris Skinner looks at the opportunities

created for Western banks by growth in Islamic Banking.
<http://www.finextra.com/fullfeature.asp?id=645>

California DFI Monthly Bulletin - July 2005

DFI to Participate in FDIC Director's College Program

This year's program will highlight the Bank Secrecy Act (BSA), Fair Lending and a Fraud Case Study.

Transmitters of Money Abroad Entered into Settlement Agreements with Commissioner

On June 27, 2005, the Commissioner of Financial Institutions entered into a settlement agreement with Groupex Financial Corporation ("Groupex"), in which Groupex agreed to pay \$5,000 to the Department and the Commissioner agreed to take no further action with respect to alleged violations of the Financial Code related to incomplete reporting.

On July 7, 2005, the Commissioner of Financial Institutions entered into a settlement agreement with PayPal, Inc. ("PayPal"), in which PayPal agreed to pay \$225,000 to the Department and the Commissioner agreed to take no further action with respect to alleged violations of the Financial Code related to the use of unapproved receipts and untimely and incomplete reporting.

We are pleased to note that Xoom Corporation has applied for and received a TOMA license.
-ed.

Transmitter of Money Abroad Activity

New Transmitter of Money Abroad

Banagricola de El Salvador, Inc. Approved: 7/18/05

Trans-Fast Remittance, Inc. Opened: 7/7/05

Xoom Corporation Approved: 7/18/05

Acquisition of Control

First Data Corporation to acquire control of Vigo Remittance Corp.
Approved: 7/18/05

Rommel R. Medina, Ruell R. Medina and Remil R. Medina, to acquire control of Lucky Money, Inc. Filed: 7/14/05

Tigran Ovakimian, to acquire control of Armenian Express, Inc. Approved: 7/18/05

Final Order (Financial Code Section 1818)

Pan Asian Currency Exchange Corporation, San Jose, Santa Clara County
Effected: 7/18/05