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NMTA Bulletin - Volume 27

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Banks Are Closing a Lifeline

Dear Readers,

I always smile when people say that immigrants come to the US in search of a better life, or in search of economic opportunity: to middle-class Americans, it must make it seem they had just accepted a job offer for better pay, and had made the heart-wrenching decision to move from New York to California, for reasons of professional advancement.

It is much more than that, of course. It is the decision to leave your beloved family and familiar surroundings, the land of your birth, for a future where the only certainty will be enormous challenge, hard work, danger, continuous sacrifice, a hostile native population whose language you do not speak, Spartan deprivation, and lonely separation from the very loved ones you came to support.

People don't do all that for a few extra bucks. They do it for the survival of their parents, spouses and children. They do it because the stunning greed, corruption and incompetence of their homelands' governments, have left them no other viable economic opportunity at home. They are choosing a devil they don't know, because their current situation is untenable, while their leaders struggle to heft their suitcases bulging with cash.

But most of all, they would not be here if it were not for eager, willing employers, and American consumers who benefit from the resulting low prices we pay for our goods and services.

And now, we want to 'harness' their remittances, like a dray horse who once was so strong, but who now is almost dead.

Our lead story today couldn't be more timely, coming as it does shortly before the UNDP/World Bank Somali Remittance Conference in Washington, D.C. on December 1st and 2nd. Who would have thought there could be such a direct link between the goings-on in up-to-date Kansas City, and a struggling Mogadishu?

Those Senate Office Buildings in Washington should pay close attention to the first article in this Bulletin, as it illustrates the unintended (?) consequences that are so disastrous on so many levels. These are people we should be helping, not obstructing. The Missouri Division of Finance, the MTRA, and FinCEN should all be outraged, as should men and women of goodwill and good sense, everywhere.

Indeed, I agree that banks are not being made the de facto regulators of the MSB industry: they are being made our executioners. We will continue to work to build bridges between

licensed remittance companies, banks and government regulators, but it is clear that we need more than pronouncements and reassurances.

We already have regulators in most states, but if the federal government thinks we need more regulation, then they should darn well get on with it quickly, or else get used to the spread of unlicensed Hawaladars, who don't attend conferences, and who won't be so punctilious about the niceties of the law.

Regards,

-David

Industry News and Trends

Money-Transfer Hurdles Add to Woes for Families Abroad

November 24, 2005...By Scott Canon...Kansas City Star - MO, USA...A company used by many area Somalis encounters obstacles amid tight regulations...."They do the banking for the unbanked," said Anne Marie Kelly, a spokeswoman for the Treasury Department's Financial Crimes Enforcement Network. ...

<http://www.kansascity.com/mld/kansascity/news/local/13244904.htm>

Study: Region's Poverty Reduced

November 26, 2005...By Julian Sánchez...El Universal Online - Mexico

<http://www.eluniversal.com.mx/miami/15941.html>

Latin America: Remittances Rescue Millions from Poverty

November 25, 2005...By Diego Cevallos...Inter Press Service (subscription) - World...Thanks to these remittances, an estimated 2.5 million people in the region have been able to escape poverty. Although remittances...

<http://www.ipsnews.net/news.asp?idnews=31189>

Wired Cash Aids Families 'Back Home'

November 27, 2005...By Missy Ryan...Boston Globe - United States

http://www.boston.com/news/local/articles/2005/11/27/wired_cash_aids_families_back_home/?page=1

Streamline Remittances Advises World Bank Report

November 22, 2005...domain-B - India...Officially recorded remittances worldwide exceeded \$232 billion in 2005, of which developing countries received \$167 billion - more than twice the level of...

http://www.domain-b.com/finance/banks/world_bank/20051122_remittances.html

also see:

Remittances Surpass International Aid

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20724935~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

Banks Woo Hispanic Market

November 22, 2005...By Shaheen Pasha...CNN - USA...But traditionally remittances for the Hispanic community have been handled by money transfer agencies rather than financial institutions. ...

http://money.cnn.com/2005/11/22/news/fortune500/banks_hispanics/

Related News Items

Groups Urge Pataki to Challenge Law Barring Aliens From Driver's... *(Subscription required)*

November 23, 2005...By Daniela Gerson... New York Sun - New York, NY, USA...Assemblyman Jose Peralta, whose Queens district is 60% foreign-born, said he has seen the Roosevelt Avenue market in false identification boom since the...

<http://www.nysun.com/article/23457>

Execs.: Banks to Tap Remittances, Microfinance to Grow

November 21, 2005...By Jorge Porter...BNamericas - Santiago, Chile...Latin American banks will eventually channel remittances into small business loans and financial products, thus boosting the use of banking services in the...

<http://www.bnamericas.com/story.jsp?sector=3¬icia=336249&idioma=I>

U.S. OCC Says its Focus is Uniformity on AML Issues *(Paid subscription required)*

November 17, 2005...Moneylaundering.com... A letter written by Comptroller John C. Dugan last week outlined the Office of the Comptroller of the Currency's focus on anti-money laundering. The letter, addressed to Senate Banking Committee Chairman Richard Shelby, also discusses changes at the agency.

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?id=884>

New Project Aims to Fight Money Laundering in Latin America

November 23, 2005...By Eric Green...Washington File - Washington, DC, USA...bodies, including two offices of the US Department of Treasury: the Office of Foreign Assets Control and the Financial Crimes Enforcement Network, on fighting...

<http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=November&x=20051123133550AEnerG0.4014398&t=livefeeds/wf-latest.html>

International News

Money Laundering Information Could be Declassified

November 24, 2005...By Adrian Hamzescu...Bucharest Daily News - Bucharest, Romania...The National Office for Money Laundering Prevention (ONPCSB) could be forced to publicize its conclusions after any investigation to improve the risk...

http://www.daily-news.ro/article_detail.php?idarticle=19386

Korean Won Has Weekly Loss on Stocks; Philippines Peso Rises

November 26, 2005...By Kim Kyoungwha and Yu-huay Sun...Bloomberg - USA...`It's high season for remittances by the Filipino people," said Tetsuo Yoshikoshi, market analyst ...Remittances account for a 10th of the Philippine economy. ...

<http://www.bloomberg.com/apps/news?pid=10000080&sid=a.1PamTC4ZFQ&refer=asia>

Peso rallies to 54.17 vs. \$

November 25, 2005...By Doris C. Dumlao...INQ7.net - Philippines...Remittances from overseas Filipino workers peak around Christmas, the most important holiday in this predominantly Catholic country. ...

http://news.inq7.net/nation/index.php?index=1&story_id=57670

UN Told Value of Remittances to Fiji

November 22, 2005...Radio New Zealand - Wellington, New Zealand...meeting on "Poverty

Eradication and Developmental Issues" has been told Fiji receives an estimated 270-million US dollars a year in remittances from its...

<http://www.radionz.co.nz/news/bulletins/radionz/200511221214/18825522>

Crimes & Cases

Prosecution of Key Supporter in Major Money-Laundering Scheme...

November 24, 2005...PR Newswire UK (press release) - London, UK...the proceeds of crime was reaffirmed recently with the sentencing of Mr. Patrick Thomas Tibbetts for his role in an international money-laundering scheme. ...

<http://www.prnewswire.co.uk/cgi/news/release?id=159041>

Money Laundering: Tafa Balogun Jailed Six Months

November 23, 2005...By Chuks Ehirim...Nigeria Daily Independent - Ikeja, Lagos, Nigeria...But Nyako relied on Section 18(2) of the Money Laundering Act and ordered the immediate forfeiture to the government of all the properties belonging to the...

<http://www.independentng.com/news/nnov230501.htm>

Nigerian Governor Accused of Money Laundering Skips Bail

November 21, 2005...Ireland Online - Dublin, Ireland...The governor of an oil-rich state charged in Britain for laundering millions of dollars skipped bail and flew back to his home town, Nigeria's anti...

<http://breakingnews.iol.ie/news/story.asp?j=163268854&p=y63z6956x>

Aristide's Former Security Chief Sentenced for Money Laundering

November 21, 2005...Hardbeatnews.com - Jackson Heights, NY, USA...Jean, 40, pled guilty to money laundering and US District Judge Jose Martinez granted him half-of the six-year sentence he would have otherwise received for...

http://www.hardbeatnews.com/editor/RTE/my_documents/my_files/details.asp?newsid=5284&title=Top%20Stories

Conferences

[The FIBA Annual Anti Money Laundering Compliance Conference](#)

BNamericas - Santiago, Chile...Working together to achieve effective anti money laundering controls and practices, the Florida International Bankers Association (FIBA), the Federation of...

http://www.bnamericas.com/conferences_detalle.jsp?documento=19364&idioma=I§or=0