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NMTA Bulletin - Volume 31

Covering January 9, 2006 to January 13, 2006

Dear Reader,

Some Positive News from the IRS

A senior federal official confirmed on Wednesday that those MSBs who have successfully undergone an IRS Title 31 Exam will now be allowed to request a "Letter of No Findings" that will be given on a case-by-case basis, and for the first time, will be 'disclosable' to a third party. Most states that perform examinations still demand that 'results letters' be kept confidential.

Thanks and kudos to the IRS, FinCEN and Treasury for this salutary change. Although we are sure the letter will come with some appropriate caveats and disclaimers, we need to show bankers, business partners and other government officials that we do not operate without government scrutiny. Written acknowledgement and confirmation of that fact, from an official source, can only be to the good. No safe harbor implied, but nevertheless a powerful statement, because it demonstrates that banks are truly not to be held responsible for the de facto regulation of the MSB industries.

Regards,

-David

Industry News & Trends

Threat Assessment, or Assessment Threat? –ed.

Money Laundering Threat Assessment released January 11th

One industry pundit writes, "We've just seen a bad situation get much worse..... the section on banks is quite neutral, whereas all MSBs are apparently de facto conduits for money laundering..." The NMTA believes it is time to move beyond approaching risk merely by categorizing customers, unless a workable due diligence follow-up is also included, showing positive outcomes, in the very same guidance. –ed.

<http://www.usdoj.gov/dea/pubs/pressrel/011106.pdf>

Also see:

ABC News Story

<http://abcnews.go.com/US/story?id=1496387>

Blogger take

http://counterterror.typepad.com/the_counterterrorism_blog/2006/01/highlights_of_f.html

US Identifies Money-Laundering Threats

<http://www.marketwatch.com/news/story.asp?guid=%7B5E837F13-EC75-4977-BF8F-767864D9DAB7%7D&siteid=google>

US Vows Diligence on New Money Laundering Threats

<http://today.reuters.com/news/newsArticle.aspx?type=domesticNews&storyID=2006-01->

[11T185753Z 01 EIC168146 RTRUKOC 0 US-ECONOMY-MONEYLAUNDERING.xml&archived=False](http://www.usdoj.gov/dea/pubs/pressrel/pr011106.html)

Money Laundering Threat Assessment Released

January 11, 2005... US Department of Justice (press release)

<http://www.usdoj.gov/dea/pubs/pressrel/pr011106.html>

US Steps up Effort Against Money Laundering

January 11, 2005... By Barry Wood... Voice of America - USA

<http://www.voanews.com/english/2006-01-11-voa108.cfm>

ICE FINANCIAL INVESTIGATIVE EFFORTS EXPAND TO COMBAT GROWING MONEY LAUNDERING THREATS By U.S. Immigration and Customs Enforcement (ICE)

News release: Jan 11, 2006

http://communitydispatch.com/artman/publish/article_3397.shtml

Provident of Maryland giveth and taketh away. –ed.

Program by Provident of Md. Speaks Hispanics' Language

(American Banker, paid subscription required.)

<http://www.americanbanker.com/login.html?action=login&url=%2Farticle.html%3Fid%3D20060109Y0EW7X87%26from%3Dcommbank%26e%3Dy>

...but see the account-closing letter from Provident of Maryland, that threatens arrest. –ed.

<http://www.nmta.us/main/Package/Provident%20Closing%20Letter%20-anon-%209-7-05.pdf>

Benefit of US Remittances a Mixed Bag

January 11, 2006... By Hugh Dellios... Sun-Sentinel.com - Fort Lauderdale, FL, USA... The remittances, or remesas, have become Mexico's second-largest source of foreign income, behind only oil revenue after recently surpassing tourism receipts. ...

<http://www.sun-sentinel.com/news/local/caribbean/sfl-hmexremitt11jan11,0,2822961.story?coll=sfla-news-caribbean>

Remittances can Reduce Poverty in Sub-Saharan Africa (ARI) ARI

January 12, 2005... Análisis Íñigo Moré... 136/2005 (Translation from Spanish) – “The impact on Africa of remittances from migrants has a greater dimension and transcendence than anywhere else in the world. This is due to both the characteristics of the remittances and the particular conditions of the continent. Accordingly, these flows are the most forceful weapon with which to reduce poverty in the region, but their impact on development is weaker in Africa than in any other region.”

<http://www.realinstitutoelcano.org/analisis/854.asp>

Money Services Business Must Comply with Bank Secrecy Act

January 10th, 2006... By Roy Ugale Rayo, JD, LLM... Asianjournal.com - Los Angeles, CA, USA... Your business is a MSB, and thus subject to the reporting requirements of the Bank Secrecy Act (BSA), if your business offers one or more of the following...

<http://www.asianjournal.com/?c=132&a=9709&sid=d461476f893309faac034fe5f217da00>

Related Areas

OFAC Releases Sanctions Enforcement Procedures for Banking Institutions

January 12, 2006

http://www.treas.gov/offices/enforcement/ofac/legal/regs/fr71_1971.pdf

<http://www.treas.gov/press/releases/js3076.htm>

CSBS Reaccredits Vermont Division of Banking

PR Newswire (press release) - New York, NY, USA... trust companies, motor vehicle and retail installment sales companies, licensed lenders, mortgage brokers, debt adjusters, **money transmitters**, check cashers ...

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/01-12-2006/0004248279&EDATE=>

NAR Questions OCC Expansion of Bank Powers

January 10, 2005... U.S. Newswire (press release) - Washington, DC, USA... in real estate development activities granted to two of the nation's largest banking conglomerates by the Office of the Comptroller of the Currency last month...

<http://releases.usnewswire.com/GetRelease.asp?id=59071>

Also see:

Government Oks Two Bank Real Estate Deals

http://houston.bizjournals.com/houston/stories/2006/01/09/daily7.html?jst=b_in_hl

BofA gets Permission to Build Ritz-Carlton next to Headquarters

<http://www.dfw.com/mld/dfw/business/13592352.htm>

Japan Bank Mistakenly Sent Info to Clients

January 11, 2005... MSN Money - USA... On the bank's first day of business last week, it encountered a minor system glitch that halted about 10 online remittance services. ...

<http://news.moneycentral.msn.com/provider/providerarticle.asp?feed=AP&Date=20060111&ID=5385357>

State News

Not a problem for us, just seems duplicative. Hopefully, this will be covered by information-sharing, in the future. -ed.

NY State May Want SAR Copies Filed

<http://www.nmta.us/main/Docs Posted/NYSARProposal12-05.pdf>

Conferences

Yours truly will be a panelist. -ed.

Money Laundering Alert's 11th Annual International Anti-Money Laundering Conference & Exhibition

Registration form can be found at:

<https://www.moneylaundering.com/conferences/miami06/registration.aspx?kc=5ME106>

Money Laundering

The FIBA Annual Anti Money Laundering Compliance Conference. February 9 & 10, 2006 Hotel Intercontinental, Miami, Florida.

www.antimoneylaundering-fiba.com

The Bolivian-American Chamber of Commerce, Inc. in cooperation with the Colombian American Association, the Ecuadorian American Association, the Center for Latin American & Caribbean Studies at New York University, the U.S.-Mexico Chamber of Commerce and the Venezuelan American Association of the U.S., cordially invites you to a lunch panel program:

"Growing Crisis: Effects of the U.S.A. Patriot Act on Latin American Financial Institutions"

Friday, January 20, 2006, Noon - 2:00 p.m., King Juan Carlos Center at New York University, New York City, (Program is completely off-the-record and not available to members of the media.)

<http://www.nmta.us/main/Docs Posted/PatriotActPanelJan2006.pdf>

also see:

Felaban Initiatives

http://www.felaban.com/pdf/juan_antonio_ing.pdf

International News

United Kingdom: A Month in Money Laundering - November 2005

09 January 2006, Article by Zabe Ahmed

Welcome to the November 2005 edition of A Month in Money Laundering

http://www.mondaq.com/article.asp?articleid=36996&email_access=on

Upswing in Remittances from the Capital

January 11, 2006... By N. Srinivasan... Khaleej Times - Dubai, United Arab Emirates... Abu Dhabi -- Remittances from expatriates in the capital registered a sizeable upswing last year, although exchange house managers were swift to discount any...

http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/theuae/2006/January/theuae_January252.xml§ion=theuae&col=

The Benefits and Costs

January 11, 2006... By Edgardo B. Espiritu... Manila Times - Philippines... international financial markets. But by far the most important factor is the record volumes of OFW remittances. These are estimated...

<http://www.manilatimes.net/national/2006/jan/11/yehey/opinion/20060111opi4.html>

Remittances by Expatriates Rise

January 10, 2006... Gulf Times - Doha, Qatar... Remittances to the subcontinent and East Asia have gone up considerably in the last few days primarily due to Eid al-Adha, sources at various exchange houses...

[http://www.gulf-](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=68291&version=1&template_id=36&parent_id=16)

[times.com/site/topics/article.asp?cu_no=2&item_no=68291&version=1&template_id=36&parent_id=16](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=68291&version=1&template_id=36&parent_id=16)

Cases

Plea Deal Declined in Money Transfer Case

January 11, 2005... By Carolyn Thompson... Associated Press Writer... Newsday - Long Island, NY, USA... Buffalo, NY -- One of three men accused of running an unlicensed money transferring business that sent more...

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--lackawanna-moneyt0111jan11,0,556622.story?coll=ny-region-apnewyork>

China Finds N.Korea Guilty of Money Laundering

January, 2005... Chosun Ilbo - Seoul, South Korea... A three-month investigation by China of accusations that North Korea used a Macau bank to launder gains from currency forgery has confirmed the suspicions...

<http://english.chosun.com/w21data/html/news/200601/200601110019.html>

Hamas Money Laundering Network Busted

January, 2005... By Hanan Greenberg ... Ynetnews - Israel... Defense Minister Shaul Mofaz signed a military injunction ordering the closure of a Gaza Strip company involved in money laundering on behalf of Palestinian...

<http://www.ynetnews.com/articles/0,7340,L-3198378,00.html>

Firm Warned for Illicit Iraq Remittances

January, 2005... The Japan Times – Japan... over drug exports to Iraq when the country was ruled by Saddam Hussein, saying it made remittances to an Iraqi company without approval.

...

<http://www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20060111a5.htm>

Dutch Bank Pays \$80 Million for Violating Money-Laundering Laws

January 10, 2005...TMCnet - USA... NV to pay roughly \$80 million (66.8 million euros) in fines for conducting financial transactions with Iran and Libya that violated US money-laundering laws. ...

<http://www.tmcnet.com/usubmit/2006/jan/1274520.htm>

Kari Uoti Pleads Not Guilty at Money Laundering Trial

January 2005... Helsingin Sanomat - Helsinki, Uusimaa, Finland...The trial of Finnish businessman, Dr. Kari Uoti, who faces charges of money laundering, along with nine other defendants, began on Monday. ...

<http://www.helsinginsanomat.fi/english/article/Kari+Uoti+pleads+not+guilty+at+money+laun+dering+trial/1135218282083>

Warning Issued Over 419 Spam Promising Volkswagen Lottery Win

January, 2005... SC Magazine - London, UK... into their bank account, but are really designed to steal information about the user's bank account or demand a "handling fee" for the money transfer. ...

<http://www.scmagazine.com/uk/news/article/534992/warning-issued-419-spam-promising-volkswagen-lottery-win/>

Company Announcements

Commerce National Bank Names Lisa Loughran as Vice President, Director of Operations

January 12, 2006 01:00 PM US Eastern Timezone

"...She will oversee all audits and exams as well as serve as our BSA (Bank Secrecy Act) Compliance Officer. We are fortunate to have Ms. Loughran join our team of experienced bankers at Commerce National Bank."

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060112005501&newsLang=en

Money Transfer Giant to tap into Smaller Companies

January 11, 2005... By Hu Yuanyuan... China Daily – China... Western Union Financial Services, one of the world's money transfer giants, is going to strengthen its position in China by tapping into Sees (small and medium...

http://www.chinadaily.com.cn/english/doc/2006-01/11/content_511235.htm

Also see:

Western Union to Set to Domestic Chinese Business Expansion

January 11, 2006... TechNet - USA

<http://www.tmcnet.com/usubmit/-western-union-set-domestic-chinese-business-expansion-/2006/jan/1278039.htm>