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## **NMTA Bulletin - Volume 35**

**Covering February 21, 2006 to March 9, 2006**

***Dear Readers,***

### ***The High Cost of Compliance***

Please see [http://www.nmta.us/main/Docs Posted/Bank Letter 2-22-06 Anonymized.pdf](http://www.nmta.us/main/Docs%20Posted/Bank%20Letter%202-22-06%20Anonymized.pdf)

This letter was sent from a bank to *an agent*. Even if the agent could pass all the compliance hurdles, the cost of the 'audit' plus the monthly compliance fees will probably make the deal cost-prohibitive for the agent. And this is one of the good banks, one of the few that is still trying valiantly to service our industry.

The cost to us as a society, of course, comes down to more than just money. It is that, on a macro level, if the cost of doing business officially is too high, where will all this business go, and how will the money get through? It will be anybody's guess....

### ***FinCEN is Concerned***

Last year, FinCEN held a fact-finding meeting on March 8<sup>th</sup>, wherein suggestions were prohibited. 'Just the facts' comments were placed on the agenda.

This contrasts with yesterday's Advance Notice of Proposed Rulemaking, which leads off today's Bulletin. In it, FinCEN solicits comments *and suggestions* from the general public, as to possible solutions to the MSB banking crisis.

I will submit the NMTA's formal comments and suggestions soon, but they boil down to this: credential us at the federal level, then make it clear to banks that verifying such certification will be considered sufficient initial due diligence. Ongoing activity monitoring still has to be done, to make sure volumes and patterns are reasonable (explained), proportionate, and as anticipated at account-opening.

Federal AML certification of MSBs is the only solution consistent with our National Money Laundering Strategy goals. Banks should not have to verify our compliance programs. Thanks and kudos to FinCEN, for remaining open to suggestions from the public.

### ***The More Things Change....***

As we are coming up on the one-year anniversary of the Senate Banking Committee Hearing that was held on Tuesday, April 26, 2005, I thought it timely that I stumbled across this memo while rummaging around my computer recently. These notes were written by Professor Arthur Domike, of Global Home & Infrastructure Finance, Inc. (GHIF), Washington, who was in the audience that day (thank you, Arthur.) I found it ironic and a little sad that, despite our collective efforts we, as a nation, still face the same problems, perhaps even worse, one year on:

## **“Overall:**

All attending Senators, particularly Shelby and Sarbanes, expressed support for the Money Services Businesses [MSBs] that have been adversely affected by the administration of the regulations, particularly the cutoff of their accounts by banks. The Senators made repeated references to the need to find solutions to this situation, even though the money laundering and anti-terrorist objectives of the regulations shouldn't be ignored.

The first panel consisted of regulators who all expressed regret about the unintended side effects of the regulations, and especially [what others called] *over-zealous* prosecution of relatively minor offences and the *unfair branding of the MSB sector as "high risk"* and therefore subject to greater regulation.

As would be expected, the second panel expressed degrees of outrage at the way the regulations and the bank's precipitous actions had impacted the MSBs. The Bankers' Association representative explained that the banks had reacted to what they perceived as excessive application of the rules, and particularly the fact that some local prosecutors viewed the MSB industry as high risk and asserted that the banks were responsible for any faults found in their behavior. Landsman recommended that a law be considered, the "National Money Transmitters Act," that would federally register remittance firms, and relieve these legitimate firms of the stigma of "high risk" activities that should be subject to special legal attention. Sen. Shelby treated the idea sympathetically.

**Note:** No new data were introduced on the numbers of MSB accounts closed or the effects on volume of remittances etc. No one asserted that bank accounts closures were motivated by bank's interest in building their own remittance business. OCC indicated a recent internal study exists but no detail given, and GAO is preparing a relevant report for Shelby/Sarbanes for June/July. FinCEN emphasized importance of new guidelines and the MoU with other agencies and States; these should be secured. IRS is conducting studies but probably not publicly available.

## **Relevant Comments by Speakers:**

**Fox of FinCEN** noted that the banks had been reacting to the purported "zero tolerance" attitude of the regulators by submitting large numbers of "suspicious activity reports" or SARs. This makes the reports less useful. So regulators need to better educate banks to avoid these unintended consequences. New guidelines are to "color in the grey areas" of regulation.

**Williams of OCC** said that state regulation varies greatly and that federal law now requires registration [to be checked]. OCC does **not** have zero tolerance approach, and does not expect banks to review any but higher risk accounts. Banks should not be closing MSB accounts since they require this service. New guidance for banks is now being issued.

**Brown of IRS** said there were some 29,000 MSBs that would fall under the various regulatory agencies. IRS has 300 compliance officers, will get another 35 this year, but problems inevitable in overseeing huge numbers. To meet the numbers problem, IRS is doing simultaneous audits of all MSBs in a large community to pinpoint the problems, to better define their priorities. Many are not registered, and states need to be more diligent. IRS (FinCEN) has developed a

new Memo of Understanding covering exchange of info with states, which NY is first to sign. Banks need to provide accounts for MSBs or they go underground.

**Taylor of NY Banking Dept.** indicated recent progress in registrations, with NYBD working with local authorities to identify unregistered MSBs. Complained that overzealous prosecutors caused banks to withdraw accounts. "Dept. Of Justice should rein in prosecutors." Problem with nationally registered MSBs ignoring state regulations.

Sen. Sarbanes noted that remittances are a critical part of the income of many families in recipient countries, and the industry must be strengthened, not weakened. Sarbanes said that Shelby and he requested GAO to examine fees issue and it should have report within two months.

**Byrne of Am. Bankers Assn.** said that the account closings resulted from regulatory confusion, which will be lessened by today's new guidance. But local regulatory officers continue to be nitpicking, telling banks that MSBs are high risk and accounts should be closed. At end of June, Bankers will have new guidance.

**Goldman** expressed doubt that the new guidelines would solve the problems with bank accounts. In NY, half of all banks have cut off relationships even though there have been only nominal losses over many years. Chase cut off all accounts, as did Fleet, BofA, etc. Concrete proposals for action included setting specific standards for "high risk" MSBs, curbing banks from closing accounts, create groups to assure access to bank services, transparency in regulation.

**O'Malley of MoneyGram** noted that the company has had to negotiate heavily with banks to retain the relationships of their many agents [60,000 in US, 79,000 worldwide]. He urged that federal regulators become better informed of state regulations so that risk assessment is better informed. Also that Patriot Act etc. regulation of small MSBs be clarified and simplified.

**Landsman of NMTA** said that the March 30 FinCEN announcement recognized the failure of the regulatory system, and the blanket "high risk" attribution to all MSBs. One approach to solving problem would be a national Money Transmitters Act which would register remittance businesses and establish standards so that regulators would better recognize legitimate businesses."

Let us summon the political will this year, to really come to grips with this problem.

Regards,

-David

## **Industry News and Trends**

### ***FinCEN Continues Efforts to Assist MSBs with Advanced Notice of Proposed Rulemaking***

March 8, 2006... "Money services businesses play an important role in America's economy by providing valuable financial services to many Americans who do not, or cannot yet, take advantage of typical savings or checking accounts...It is critical for the health and safety of the U.S. financial system that MSBs obtain and maintain banking services and not be driven underground."

[http://www.fincen.gov/msb\\_anpr.html](http://www.fincen.gov/msb_anpr.html)

Also see:

Advance Notice of Proposed Rulemaking

[http://www.fincen.gov/anprm\\_on\\_msb.pdf](http://www.fincen.gov/anprm_on_msb.pdf)

***US: Money-Services Businesses Need Help***

March 8, 2006... By Jeannine Aversa... AP Economics Writer... Seattle Post Intelligencer - USA... services to many Americans who do not, or cannot yet, take advantage of typical savings or checking accounts," said....

[http://seattlepi.nwsourc.com/business/1310AP\\_Banking\\_Access.html](http://seattlepi.nwsourc.com/business/1310AP_Banking_Access.html)

***U.K. Money Transmitters Ask for Help Securing Bank Accounts (Paid subscription required)***

February 24, 2006... Moneylaundering.com - Money transfer businesses in the U.K. are calling on regulators there and in Europe to help them overcome the "unintended consequences" of the nation's strict money laundering laws. Small U.K. money transfer operators complain that many banks either will not accept their accounts or simply close them without justification....

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?id=951>

Congratulations to Mr. Couse and thank you, FBA, for your advocacy concerning "federal guidelines on the Bank Secrecy Act (BSA) and the Patriot Act, especially as they relate to MSBs". -ed.

***Florida Bankers Honor Couse***

February 22, 2006... By Bill Fabian... Newszap Florida - FL, USA... have worked hard to raise awareness about the industry's concerns over the lack of clear and consistent federal guidelines on the Bank Secrecy Act (BSA) and...

[http://www.newszap.com/articles/2006/02/23/fl/lake\\_okeechobee/clew05.txt](http://www.newszap.com/articles/2006/02/23/fl/lake_okeechobee/clew05.txt)

February 27 to March 03, 2006... E-Conference took place to help microfinance institutions make strategic and operational decisions on....money transfers. To view summaries click on 'Resources' link.

***World Bank E-Exchange on Money Transfers: Managing the Opportunities and Risks for Microfinance Institutions***

<http://www.dgroups.org/groups/worldbank/moneytransfers/index.cfm>

***Reference Guide to Anti-Money Laundering***

February 27, 2006... By Paul Allan Schott... "This second edition of the "Reference Guide to Anti-Money Laundering and Combating the Financing of Terrorism" is a source of practical information on how countries can fight money laundering and terrorist financing.

[http://publications.worldbank.org/ecommerce/catalog/product?item\\_id=5369283](http://publications.worldbank.org/ecommerce/catalog/product?item_id=5369283)

Scroll halfway down this page to find information concerning "Hawala's." -ed.

***The Truth About Dubai***

March 09, 2006... By J. Henderson... Ludwig von Mises Institute - Auburn, AL, USA... too uneducated or illiterate to utilize formal banking services, or too poor to afford the higher fees associated with highly regulated money transfer vehicles...

<http://www.mises.org/story/2078>

***Paying off Credit Card Triggers Homeland Security Alert***

Morons.org - USA... The root cause? Changes to the Orwellian-named "Bank Secrecy Act" of 1970 (incorrectly called the "Bank Privacy Act" in the source article). ...

<http://web.morons.org/article.jsp?sectionid=1&id=6832>

Also see:

<http://www.prisonplanet.com/articles/march2006/030306paybills.htm>

## **State Matters**

### **New Jersey**

The following bill has been scheduled for a committee or a legislative session. A1876: 3/13/2006 10:00:00 AM Financial Institutions and Insurance, Committee Room 12, Fourth Floor, State House Annex

<http://www.njleg.state.nj.us/bills/BillView.asp?BillNumber=A1876>

### **SIA Opposes NY Banking Department's SAR Proposal**

February 27, 2006... Source: Compliance Reporter... Institutional Investor (subscription) - New York, NY, USA... The SIA is asking that the state's banking department coordinate with FinCEN rather than requiring firms to submit duplicate copies of the same report. ...

<http://www.institutionalinvestor.com/default.asp?page=1&SID=615747&ISS=21302&type=8>

## **Fallout from Federal and State Efforts to Crackdown on Undocumented Immigrants**

*According to one pundit, " Presumably, if working here illegally is criminalized, then it will be money laundering to process funds derived from such a criminal act. It will likely mean that 40% of remittances currently conducted will become subject to the money laundering prohibition." -ed.*

### **A New Cause -- and Call -- for Civil Disobedience**

March 06, 2006... By David Yount... Scripps Howard News Service - Washington, DC, USA... the workers. Georgia's legislature passed a law imposing a fee on alien workers' attempts to wire money to their families. On Capitol...

[http://www.shns.com/shns/g\\_index2.cfm?action=detail&pk=YOUNT-FAITH-03-06-06](http://www.shns.com/shns/g_index2.cfm?action=detail&pk=YOUNT-FAITH-03-06-06)

*First a proposed Georgia tax on remittances by undocumented immigrants, now a Republican Congressional candidate from San Diego proposes an all out ban on remittances by those undocumented workers from California.... dare I ask "What's next?" -ed.*

### **INVASION USA - Ban on Wire Transfers by Illegals Proposed**

March 6, 2006... James L. Lambert... WorldNetDaily - Grants Pass, OR, USA... proposal, if adopted by Congress, would require anyone wiring money to Mexico to provide identification to financial institutions or wire-transfer operators to...

[http://worldnetdaily.com/news/article.asp?ARTICLE\\_ID=49129](http://worldnetdaily.com/news/article.asp?ARTICLE_ID=49129)

### **US Plans to Tax Migrants' Money Angers Mexico**

March 02, 2006... By Greg Brosnan... Reuters - USA... health and education services without contributing to them, the bill would force anyone unable to prove their legal status to pay tax on their wire transfers. ...

[http://today.reuters.com/news/articlenews.aspx?type=domesticNews&storyID=2006-03-02T231053Z\\_01\\_N02242845\\_RTRUKOC\\_0\\_US-MEXICO-USA.xml&pageNumber=0&imageid=&cap=&sz=13](http://today.reuters.com/news/articlenews.aspx?type=domesticNews&storyID=2006-03-02T231053Z_01_N02242845_RTRUKOC_0_US-MEXICO-USA.xml&pageNumber=0&imageid=&cap=&sz=13)

### **Plans to Apply Fee on Wire Transfers Denounced**

March 04, 2006... Miami Herald - FL, USA... Georgia's "Illegal Immigrant Fee Act," which the state House passed last month and now goes to the Senate, requires wire-transfer customers to show proof...

<http://www.miami.com/mld/miamiherald/business/international/14013217.htm>

*Do you have your papers? No really. Do you? -ed.*

**Activists Push Immigration Restrictions, Hoping for Illegals' Self-Deportation**

February 26, 2006... Access North Georgia - Gainesville, GA, USA... The state House recently passed the first measure dealing with illegal immigration, which would tack a 5 percent surcharge on wire transfers from anyone who...

[http://www.accessnorthga.com/news/ap\\_newfullstory.asp?ID=71848](http://www.accessnorthga.com/news/ap_newfullstory.asp?ID=71848)

**Ga. Bill Aims to get Illegals Out of State**

February 26, 2006... United Press International - USA... The "Georgia Security and Immigration Compliance Act" would also make state and local government agencies responsible for verifying the immigration status of...

<http://www.upi.com/NewsTrack/view.php?StoryID=20060226-024600-4072r>

**Experts: Crackdown Might Not Work**

March 04, 2006... WSBtv.com - Atlanta, GA, USA... The "Georgia Security and Immigration Compliance Act, which is moving through the Legislature, relies on a pair of federal programs to crosscheck a potential...

<http://www.wsbtv.com/news/7696751/detail.html>

**GOP Forum Focuses on Immigration Bills**

March 05, 2006... By Harris Blackwood... Gainesville Times - Gainesville, GA, USA... legislative session. "The problem is at our borders," said Rep. James Mills, R-Chestnut Mountain. "The state becomes so frustrated that we can't do anything with the problem at the borders, so we're taking pot-shots to resolve it."

<http://www.gainesvilletimes.com/news/stories/20060305/localnews/73639.shtml>

**States Mull Bills on Aliens**

February 21, 2006... By Tom Baxter... Cox News Service... Washington Times - Washington, DC, USA... Tom Rice, a Republican, is the first they've seen that would impose a surcharge on wire transfers of money by those without proof of legal status.

<http://www.washtimes.com/national/20060220-113654-3781r.htm>

**Related Areas**

**Top US Spies Join The Fight**

March 09, 2006... Rejaul Karim Byron... The Daily Star - Bangladesh... US Treasury Department's Financial Crimes Enforcement Network (FinCEN) Senior Research Analyst Mary Jo Melancon and Senior Intelligence Research Specialist...

<http://www.thedailystar.net/2006/03/09/d6030901011.htm>

**Why Terror Financing is so Tough to Track Down**

March 08, 2006... By Mark Rice-Oxley... Christian Science Monitor - Boston, MA, USA... freezing assets, notification of suspicious transactions by financial institutions, and growing efforts to tackle the informal money transfer system, known as...

<http://www.csmonitor.com/2006/0308/p04s01-woeu.html>

**Regulator Deal Requires Big Change at City First Bank**

March 03, 2006...By Josh Drobynk... Staff Reporter... Washington Business Journal - Washington, DC, USA... New CEO Ed Furash, who replaced Cliff Kellogg in December, says the agreement with the Office of the Comptroller of the Currency requires the bank to make...

<http://washington.bizjournals.com/washington/stories/2006/03/06/story6.html>

***Money Laundering: Correspondent Bankers: How Much Is Enough?***

March 2006... By Glen Fest... Bank Technology News - USA... The US Treasury Department's new guidance on how financial services companies are to follow the anti-money laundering guidelines was supposed to codify the risk...

<http://www.banktechnews.com/article.html?id=20060301AOGLAT4M>

***Analysis of Future Millennium Challenge Corporation Obligations. GAO-06-466:***

February 21, 2006... "The Millennium Challenge Corporation (MCC)—intended to provide aid to developing countries that have demonstrated a commitment to ruling justly, encouraging economic freedom, and investing in people..."

<http://www.gao.gov/cgi-bin/getrpt?GAO-06-466R>

***Credit Unions Open Branch for Latinos***

February 25, 2006... By Krissah Williams... Washington Post Staff Writer... "Three local credit unions will open a joint branch tomorrow to serve the Latino community in Mount Pleasant in an effort to lower prices for financial transactions in the neighborhood."

<http://www.washingtonpost.com/wp-dyn/content/article/2006/02/24/AR2006022401881.html>

***MTA Postpones Sale of Bonds with a Beleaguered Dutch Bank (Free registration required)***

February 22, 2006... By Thomas J. Lueck... New York Times - United States... it had allowed people from the former Soviet republics to move billions of dollars to shell companies, and had participated in illegal wire transfers to Libya...

[http://www.nytimes.com/2006/02/22/nyregion/22mta.html?\\_r=1&oref=slogin](http://www.nytimes.com/2006/02/22/nyregion/22mta.html?_r=1&oref=slogin)

***FinCEN Gets New Chief***

February 22, 2006... FedNews-Online - Huntsville, AL, USA... of FinCEN," said Snow. FinCEN safeguards the financial system through the administration of the Bank Secrecy Act. In his career...

[http://www.fednews-online.com/view\\_publication.aspx?publicationId=8912](http://www.fednews-online.com/view_publication.aspx?publicationId=8912)

**Federal Issuances**

March 1, 2006

***US Senate Committee on Banking, Housing and Urban Affairs***

Printable Hearing not available at this time. To listen to the hearings, click on the following link. -ed.

<http://banking.senate.gov/index.cfm?Fuseaction=Hearings.Detail&HearingID=197>

***GAO-06-477T***

March 8, 2006... Paperwork Reduction Act: New Approaches Can Strengthen Information Collection and Reduce Burden, by Linda D. Koontz, director, information management, before the Subcommittee on Regulatory Affairs, House Committee on Government Reform.

<http://www.gao.gov/cgi-bin/getrpt?GAO-06-477T>

Highlights - <http://www.gao.gov/highlights/d06477thigh.pdf>

***OTS-776008, OTS 06-008:***

March 01, 2006... Director Reich Urges Congress to Move Forward on Regulatory Burden Relief (03/01/2006) 3 KB

<http://www.ots.treas.gov/docs/7/776008.html>

Also see:

**OTS-87113 TS-113:**

Oral Statement on Regulatory Burden Relief by John M. Reich, Director Office of Thrift Supervision before the Senate Committee on Banking, Housing and Urban Affairs March 1, 2006 - 5 pages (03/01/2006)

<http://www.ots.treas.gov/docs/r.cfm?87113.pdf>

**OTS-87112, TS-112:**

(Written) Statement of John M. Reich - 54 pages

<http://www.ots.treas.gov/docs/r.cfm?87112.pdf>

**OCC 2006-11:**

March 1, 2006... Bank Secrecy Act/Anti-Money Laundering: OFAC--Economic Sanctions Enforcement Procedures for Banking Institutions

<http://www.occ.treas.gov/ftp/bulletin/2006-11.doc>

Interim final rule: Office of Foreign Asset Control's procedures for evaluating a bank's apparent violation of OFAC regulation in the context of its OFAC compliance program.

<http://www.occ.treas.gov/fr/fedregister/71fr1971.pdf>

**OCC 2006-10:**

March 1, 2006... Bank Secrecy Act/Anti-Money Laundering: FinCEN; Final Rule and Proposed Rule for Special Due Diligence Programs for Certain Foreign Accounts

<http://www.occ.treas.gov/ftp/bulletin/2006-10.doc>

Final rule establishes policies to detect money laundering through U.S. financial institutions.

<http://www.occ.treas.gov/fr/fedregister/71fr496.pdf>

NPRM seeks to implement PATRIOT Act requirements to enhance due diligence of correspondent accounts.

<http://www.occ.treas.gov/fr/fedregister/71fr516.pdf>

**OCC Bulletin 2006-8:**

February 22, 2006... Bank Secrecy Act/Anti-Money Laundering: U.S. Money Laundering Threat Assessment

<http://www.occ.treas.gov/ftp/bulletin/2006-8.doc>

**FDIC PR-06-26:**

March 08, 2006... FDIC Makes Public January Enforcement Actions

<http://www.fdic.gov/news/news/press/2006/>

**FDIC - FIL-21-2006: 2005 Annual Report**

March 3, 2006... Annual Report Now Available on FDIC Web Site

<http://www.fdic.gov/news/news/financial/2006/fil06021.html>

**FRB-PR:**

Enforcement Actions 2006

<http://www.federalreserve.gov/boarddocs/press/enforcement/2006/>

**International News**

### ***Israel Faces Challenge Stopping Hamas Cash***

February 28, 2006... By Steven Gutkin... Associated Press Writer... Newsday - Long Island, NY, USA... Most of that money comes in through back channels, including cash-filled suitcases and wire transfers from "charities" used as fronts. ...

<http://www.newsday.com/news/nationworld/world/wire/sns-ap-palestinians-hamas-money-trail,0,757975.story?coll=sns-ap-world-headlines>

### ***Albania's Emigrant Remittances Reach Over \$1 Billion, Report Says***

March 08, 2006... People's Daily Online - Beijing, China... Albania's emigrants' remittances increased by 21 percent in 2005, amounting to over 1 billion US dollars, statistics made available by the Bank of Albania...

[http://english.people.com.cn/200603/06/eng20060306\\_248148.html](http://english.people.com.cn/200603/06/eng20060306_248148.html)

### ***IMF Tests Gibraltar's Resistance to Money Laundering***

March 09, 2006... By Jason Gorringer... Tax-news.com (subscription) - Buckinghamshire, UK... The object of the review is to measure Gibraltar's laws against 49 principles designed to protect financial centres against money laundering and terrorist...

[http://www.tax-news.com/asp/story/story\\_open.asp?storyname=22958](http://www.tax-news.com/asp/story/story_open.asp?storyname=22958)

### ***Islami Bank Staffs Ignored Norms***

March 10, 2006... Rezaul Karim Byron... The Daily Star - Bangladesh... Mary Jo Melancon and Kristen J King of US Treasury Department's Financial Crimes Enforcement Network (FinCEN), in Powerpoint presentations illustrated their...

<http://www.thedailystar.net/2006/03/10/d6031001033.htm>

### ***Remittance Grows 24pc in Eight Months***

March 08, 2006... By Monjur Mahmud... The Daily Star - Bangladesh... "Some of the PCBs are taking services of the globally renowned money transfer companies that have networks around the world and have extended their services to..."

<http://www.thedailystar.net/2006/03/08/d60308050153.htm>

### ***The Real Worth of Remittance***

March 06, 2006... By Shamsul Huq Zahid... Financial Express.bd - Bangladesh... What is more important is that the remittances are unrequited transfers. ... But more than expected flow of remittances has come to the rescue of the government. ...

[http://www.financialexpress-bd.com/index3.asp?cnd=3/6/2006&section\\_id=5&newsid=17714&spcl=no](http://www.financialexpress-bd.com/index3.asp?cnd=3/6/2006&section_id=5&newsid=17714&spcl=no)

### ***Drive Against Suspicious Transactions Intensifies***

March 09, 2006... Siddique Islam... Financial Express.bd - Bangladesh... The BB's Anti-Money Laundering Department (AMLDD) has assigned two more teams to conduct investigation into transactions of two branches of one commercial bank...

[http://www.financialexpress-bd.com/index3.asp?cnd=3/9/2006&section\\_id=1&newsid=18111&spcl=no](http://www.financialexpress-bd.com/index3.asp?cnd=3/9/2006&section_id=1&newsid=18111&spcl=no)

### ***Peso Breaks 51-to-\$1 Barrier***

March 08, 2006... Doris C. Dumlaog... Inquirer... INQ7.net - Philippines... to-the-dollar level Tuesday for the first time in over three years, with continued influx of foreign portfolio investments and money remittances from overseas...

[http://money.inq7.net/topstories/view\\_topstories.php?yyyy=2006&mon=03&dd=08&file=2](http://money.inq7.net/topstories/view_topstories.php?yyyy=2006&mon=03&dd=08&file=2)

### ***Brazil's Real Weakens as Companies Buy Dollars Near 5-Year Low***

March 06, 2006... Bloomberg - USA... demand for dollars from companies seeking to

repatriate profits, an outflow that may accelerate the coming days, said Helio Ozaki at Banco Rendimento SA. ...

[http://quote.bloomberg.com/apps/news?pid=10000086&sid=aTsDO2kFZLgQ&refer=news\\_index](http://quote.bloomberg.com/apps/news?pid=10000086&sid=aTsDO2kFZLgQ&refer=news_index)

### ***US State Department Report on Money Laundering and Financial...***

March 5 -18, 2006... Panama News - Panama... The UAF has signed more than 27 memoranda of understanding with FIUs, including the Financial Crimes Enforcement Network (FinCEN), the US FIU. ...

[http://www.thepanamanews.com/pn/v\\_12/issue\\_05/business\\_01.html](http://www.thepanamanews.com/pn/v_12/issue_05/business_01.html)

### ***Eighty-Eight Accounts Targeted in 2005 Money-Laundering Crackdown***

March 07, 2006... By Osama Habib... Daily Star staff... Daily Star - Lebanon - Beirut, Lebanon... Beirut: Lebanese authorities removed the banking-secrecy status of 88 individuals and groups who were suspected of money-laundering in 195 cases forwarded by...

[http://www.dailystar.com.lb/article.asp?edition\\_id=1&categ\\_id=3&article\\_id=22729](http://www.dailystar.com.lb/article.asp?edition_id=1&categ_id=3&article_id=22729)

### ***Banks Kick Off Cross-Border Transaction Services***

February 25, 2006 ... Thanh Nien Daily - Ho Chi Minh City, Vietnam... Source: Phnom Penh Post... "Time is money. This agreement will facilitate border trade payment services by making transactions immediate. It'll reduce waiting time," he said. ...

<http://www.thanhniennews.com/business/?catid=2&newsid=13000>

### ***China to Step Up Anti-Money Laundering***

March 1, 2006... Xinhua - China... Beijing (Xinhuanet) -- China will step up its anti-money laundering enforcement by bringing capital-intensive securities and insurance industries...

[http://news.xinhuanet.com/english/2006-03/01/content\\_4245308.htm](http://news.xinhuanet.com/english/2006-03/01/content_4245308.htm)

### ***Dubai is said to have long Aided the US***

February 23, 2006... New York Sun - New York, NY, USA... Baer retired from the agency, the security services for the Emirates were instrumental in shutting down money transfer operations known as Hawalas preferred by...

<http://www.nysun.com/article/28020>

### ***Anti-Money Laundering in Russia***

February 22, 2006... RIA Novosti - Moscow, Russia... penetrated the Russian economy and money started flowing out of the country, whose legislation was lagging far behind the world's anti-money laundering laws. ...

<http://en.rian.ru/analysis/20060222/43712490.html>

### ***Money Laundering Might Account For 40-60% of Economy -US Report***

March 2, 2006... Stabroek News - Georgetown, Guyana... The US State Department's 2006 International Narcotics Control Strategy suggests money laundering might account for as much as 40-60% of Guyana's economy, but...

[http://www.stabroeknews.com/index.pl/article\\_general\\_news?id=46400147](http://www.stabroeknews.com/index.pl/article_general_news?id=46400147)

### ***Nigeria, Myanmar Still on Money Laundering Black List***

March 06, 2006... By Stanley Nkwazema... This Day (subscription) - Apapa, Lagos, Nigeria... The war on money laundering in Nigeria is far from being won as the country and Myanmar are yet to be removed from the Financial Action Tasks Forces' (FATF ...

<http://www.thisdayonline.com/nview.php?id=42374>

### **Remittances Dwarf Aid, Investment in Kenya**

February 20 – 26, 2006.... By Philip Ngunjiri... East African - Nairobi, Kenya  
Kenyans in the diaspora are contributing an equivalent of 3.8 per cent of national income through remittances. ...

<http://www.nationmedia.com/eastafrican/current/Business/biz200220065.htm>

### **Govt. in Bid to Stem Money Laundering**

February 23, 2006... By Lindsay Dentlinger... Namibian - Windhoek, Namibia... Certain institutions, which may have the propensity to be used for money laundering purposes, would have to report to the central bank on their activities. ...

<http://www.namibian.com.na/2006/February/national/069E10354.html>

### **Migration and Remittances**

February 26, 2006... Diane Abbott... Jamaica Observer - Kingston, Jamaica... Some Jamaican commentators have emphasized the finding that the region as a whole loses more in emigration than it gains in remittances. ...

[http://www.jamaicaobserver.com/columns/html/20060225T150000-0500\\_99435\\_OBS\\_MIGRATION\\_AND\\_REMITTANCES\\_.asp](http://www.jamaicaobserver.com/columns/html/20060225T150000-0500_99435_OBS_MIGRATION_AND_REMITTANCES_.asp)

### **Netherlands is a Haven for Money Laundering: Study**

February 25, 2006... Gulf Times - Doha, Qatar... Amsterdam: A study has said that the Netherlands is a haven for money laundering with at least 18.5bn euros (\$21.95bn) processed every year, 20% of which stems...

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=74206&version=1&template\\_id=39&parent\\_id=21](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=74206&version=1&template_id=39&parent_id=21)

### **Iran, UAE Go Postal**

March 01, 2006... AME Info - United Arab Emirates... Iran Post and Emirates Post have signed a MoU for increased cooperation in IT, money transfer, parcel delivery and mail hub services. ...

<http://www.ameinfo.com/79114.html>

## **North Korea**

### **FSA Punishes Korea Exchange Bank for Illicit Remittances**

March 03, 2006... TMCnet - USA... Unlicensed money handlers often work for illegal aliens sending money to their home countries, or for drug traffickers or other criminals stashing illegally...

<http://www.tmcnet.com/usubmit/2006/03/03/1426659.htm>

Also see:

### **FSA Penalizes KEB for Illegal Remittances**

March 4, 2006... The Japan Times - Japan... Services Agency took disciplinary action Friday against the Japanese branches of the Seoul-based Korea Exchange Bank for its involvement in illegal remittances...

<http://search.japantimes.co.jp/cgi-bin/nb20060304a4.html>

### **North Korea Calls US Money Laundering Allegations `Childish`**

March 01, 2006... Bloomberg - USA... in South Korea. North Korea yesterday repeated its denial of involvement in money laundering or counterfeiting. Such illegal dealings...

<http://www.bloomberg.com/apps/news?pid=10000080&sid=agrDMryP1XUo&refer=asia>

### ***N. Korea Will Attend Briefing on Money Laundering, US Says***

February 23, 2006... Bloomberg - USA... North Korean officials will visit New York next month for a US government briefing involving its accusations of money laundering and counterfeiting by the...

[http://www.bloomberg.com/apps/news?pid=10000080&sid=a8hJurrOY\\_uA&refer=asia](http://www.bloomberg.com/apps/news?pid=10000080&sid=a8hJurrOY_uA&refer=asia)

### ***Fate of Nuke Talks in N. Korean Hands: Seoul Aide***

February 26, 2006... Korea Herald (subscription) - Seoul, South Korea... Kwok, a registered money remitter in Hong Kong according to court documents, had told investigators she had recently arrived in Hong Kong from mainland China...

[http://www.koreaherald.co.kr/SITE/data/html\\_dir/2006/02/27/200602270002.asp](http://www.koreaherald.co.kr/SITE/data/html_dir/2006/02/27/200602270002.asp)

### ***US Targets North Korea Money Laundering Operation***

February 23, 2006... By Shane McLeod... ABC Online - Australia... Mr. Phillips says the bank is also developing new procedures to avoid money laundering. It's also investigating past transactions. ...

<http://www.abc.net.au/pm/content/2006/s1577066.htm>

## **Crimes & Cases**

### ***Drop Houses a Key Link to Money Laundering***

March 2006... KOLD-TV - Tucson, AZ, USA... So they must launder the money. A Tribune investigation last year revealed that many coyotes move cash around through Western Union money transfer stores. ...

<http://www.kold.com/Global/story.asp?S=4606776>

### ***Feds Suspect Illegal Money Transfers via Travel Agency***

March 03, 2006... The Bay City Times - Bay City, MI, USA... The investigation by the Joint Terrorism Task Force investigation concerns whether Qasem, owner of Britt's Grocery in Tampa, structured wire transfers to the...

<http://www.mlive.com/newsflash/regional/index.ssf?/base/news-32/1141308550169290.xml&storylist=newsmichigan>

### ***Drug Dealer Sentenced***

February 25, 2006... Pittsburgh Post Gazette - Pittsburgh, PA, USA... According to the IRS, Mr. Williams was laundering money through Western Union wire transfers and by purchasing postal service money orders and sending them...

<http://www.post-gazette.com/pg/06056/661202.stm>

### ***Man Sentenced for 'Smurfing'***

February 23, 2006... By Michael Lee Pope... Alexandria Gazette Packet - Alexandria, VA, USA... The plea and sentencing were the result of a newly formed Northern Virginia task force that is scrutinizing unlicensed money transmitting businesses and...

<http://www.connectionnewspapers.com/article.asp?article=62332&paper=59&cat=104>

### ***FBI Arrests Man, Alleges Yemen Ties***

February 23, 2006... By Elaine Silvestrini... Tampa Tribune - Tampa, FL, USA... The affidavit lists nine wire transfers from 2002 to 2004 to Nablus in the West Bank and to Luxembourg, each for \$8,500 or \$9,500. ...

<http://news.tbo.com/news/metro/MGBX6GAL0KE.html>

### ***District Attorney - New York County***

February 22, 2006... "Manhattan District Attorney Robert M. Morgenthau announced today the indictment of three people – a married couple and their son -- on charges of operating an illegal check cashing and money transmittal business. The company through which they conducted business has also been indicted. In a four year period, a total of \$25 million flowed through the company's bank accounts, including four million dollars from illegally cashed checks."

<http://www.manhattanda.org/whatsnew/index.htm>

Also see:

*Yes Mr. Morganthau, these are the kind of unlicensed businesses you should be prosecuting. –ed.*

**Russian Couple Charged in New York Money-Transfer Scheme**

February 23, 2006... Pravda - Moscow, Russia... A couple and their adult son have been charged with using their Manhattan business to illegally transfer millions of dollars outside the United States to...

<http://english.pravda.ru/news/hotspots/23-02-2006/76385-money-0>

**Family Charged In Manhattan with Illegally Moving Money Overseas**

February 22, 2006... Newsday - Long Island, NY, USA... Morgenthau said Western Express was not a licensed check casher or money transmitter but from 2002 through 2005 some \$25 million almost all of it from cyber...

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--moneymovers0222feb22,0,2096286.story?coll=ny-region-apnewyork>

**Carson Couple Indicted for Illegal Money Transfers**

February 22, 2006... Reno Gazette Journal - Reno, NV, USA... The couple faces up to five years in prison and a \$250,000 fine if convicted of operating an unlicensed money transmitting business. ...

<http://news.rgj.com/apps/pbcs.dll/article?AID=/20060222/NEWS01/602220369/1004/NEWS>

**Funding of Militants through Hawala**

February 22, 2006... Press Information Bureau (press release) - New Delhi, India... agencies of the Central and State Governments are coordinating among themselves and taking necessary action for tackling the menace of terrorist funding in all...

<http://pib.nic.in/release/release.asp?relid=15711>

Also see:

**US Senator Urges Middle East to Act on Terror Finance**

February 22 2006... Financial Times - London, England, UK

<http://news.ft.com/cms/s/fddc784a-a3ba-11da-83cc-0000779e2340.html>

**Company Announcements**

**Thomas Cook to Book Return Leg to Financial Services**

March 09, 2006... BY DOMINIC WALSH... Times Online - UK... The business sold to Travelex included more than 300 foreign exchange bureaus, a traveller's cheque unit and the MoneyGram money transmission business.

<http://business.timesonline.co.uk/article/0,,9070-2076431,00.html>

**Feeling Lucky with Money**

March 08, 2006... By Dania Akkad... Herald Salinas Bureau... Monterey County Herald - Monterey, CA, USA... it's an emerging population.". There are other money transfer

companies in Salinas, such as Giromex, which send to Mexico and other parts of the United States. ...

<http://www.montereyherald.com/mld/montereyherald/business/14045762.htm>

### ***Fast Track for Cash Transfers***

March 7 2006... By Andrew Yeh in Beijing... Financial Times - London, England, UK... BBVA last week unveiled a money-transfer venture, one of the first of its kind for China, that will tie up its extensive US network with Bank of China, the...

<http://news.ft.com/cms/s/3af62b2e-ae04-11da-8ffb-0000779e2340.html>

### ***Pillsbury Winthrop Shaw Pittman has a New Partner Jeffrey...***

March 06, 2006... Sarbanes-Oxley Compliance Journal - Fairfield, NJ, USA... and investigative levels to play an important role in many areas of the firm -- national litigation work, regulatory and compliance counsel, white collar...

<http://www.s-ox.com/news/detail.cfm?articleID=1664>

### ***Wachovia Unit Rolls Out Automated Service***

February 27, 2006... Charlotte Business Journal - Charlotte, NC, USA... "International ACH also eliminated the need for expensive wire transfers for our Canadian members and gave them the ability to receive and make our payments...

[http://charlotte.bizjournals.com/charlotte/stories/2006/02/27/daily8.html?jst=b\\_in\\_hl](http://charlotte.bizjournals.com/charlotte/stories/2006/02/27/daily8.html?jst=b_in_hl)

### ***New Prepaid VISA-Red for Remittances***

February, 24, 2006... Dominican Today - Santo Domingo, Dominican Republic... to the Banco Hipotecario Dominicano (BHD) unveiled to the public its new prepaid VISA-Red card, that will facilitate reception of remittances and the use of...

<http://www.dominicantoday.com/app/article.aspx?id=10734>

### ***Bank One becomes Chase in March***

February, 24, 2006... By Nicole Young... Huntington Herald Dispatch - Huntington, WV, USA... JP Morgan Chase does business in more than 50 countries and across the nation, making wire transfers, currency conversions and deposits easier. ...

<http://www.herald-dispatch.com/apps/pbcs.dll/article?AID=/20060224/BUSINESS/602240337/1003>

### ***Western Union Gears Up for Split from First Data***

March 01, 2006... By Nisha Gopalan... Dow Jones Newswires... Denver Post - Denver, CO, USA... Hong Kong - Money-transfer company Western Union is working on setting up its own board of directors, as well as support and technology systems, prior to being...

[http://www.denverpost.com/business/ci\\_3556687](http://www.denverpost.com/business/ci_3556687)

### ***Western Union Partners with Mexican Government to Create ...***

February, 28, 2006... Business Wire (press release) - San Francisco, CA, USA... Western Union Financial Services, Inc., a worldwide leader in money transfer services, today announced a partnership with the Mexican government to...

[http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news\\_view&newsId=20060228005243&newsLang=en](http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060228005243&newsLang=en)

### ***Western Union Slashes Rates for Ukraine Again***

February 23, 2006... By Vlad Lavrov... Kyiv Post Staff Writer... Kyiv Post (subscription) - Kyiv, Ukraine... in March 2004 on the grounds that the company may have been abusing its monopoly position on the market to keep the cost of wire transfer services artificially...

<http://www.kyivpost.com/business/general/23925/>

***First Data Setting up Board Before Spinning off Western Union***

February 28, 2006... Rocky Mountain News - Denver, CO, USA... Hong Kong -- Money-transfer company Western Union is working on setting up its own board of directors, as well as support and technology systems, prior to...

[http://www.rockymountainnews.com/drmn/tech/article/0,2777,DRMN\\_23910\\_4502923,00.html](http://www.rockymountainnews.com/drmn/tech/article/0,2777,DRMN_23910_4502923,00.html)

***First Data to Provide Global Merchant Solutions to HSBC; Adding...***

February 22, 2006... Business Wire (press release) - San Francisco, CA, USA... Dublin, Ireland--(BUSINESS WIRE)--Feb. 22, 2006--First Data Corp. (NYSE: FDC), a global leader in electronic commerce and payment services, today announced...

[http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news\\_view&newsId=20060222005504&newsLang=en](http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060222005504&newsLang=en)

**Conferences**

***Money Laundering Alert's 11th Annual International Anti-Money Laundering Conference & Exhibition March 15 through 17<sup>th</sup>***

"Unparalleled learning and networking. Join 1,300 colleagues, regulators and enforcement agents from 60 countries. Fifty top experts guide you and share best practices in dozens of panels. Real-life guidance for your protection on new risks and duties."

Registration form can be found at:

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

Also see:

***US Officials to Attend Anti-Money Laundering Conference***

February 22, 2006... By Eric Green... Washington File Staff Writer... Washington File - Washington, DC, USA... Galli served on the US Treasury Department's Bank Secrecy Act Advisory Group. The US government uses the Bank Secrecy Act to fight...

<http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2006&m=February&x=20060222113957AEnerG0.750149&t=livefeeds/wf-latest.html>

***Conference on Remittances and Development March the 24th in Madrid, Spain.***

OEI, Madrid, Viernes 24 de Marzo de 2006

<http://www.remesas.org/seminario2.html>