

Anti-Money Laundering Literature Search

Control & Investigation

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This document prepared by Christian Eigen-Zucchi, with the assistance of Massimo Mastruzzi and Erin Farnand, under the guidance of Daniel Kaufmann. It draws from a number of sources, including bibliographical information from the International Money Laundering Information Network (IMOLIN) (available at: <http://www.imolin.org/bibliogr.htm#GENERAL>), the Financial Crimes Enforcement Network (FINCEN) (<http://www.fincen.gov/>), the Organization for Economic Cooperation and Development (OECD) (<http://www1.oecd.org/daf/nocorruptionweb/moneylaundering/bib.htm>), and other sources.

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Abstract

Blocking the financial assets of suspected terrorist organizations is a key component of the fight against terrorism, and the "executive order by Bush requires U.S. banks to seize the listed entities' funds or deny the owners access to them, and denies access to U.S. financial markets for overseas banks that do not do so" (p. 2).

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Summary (from the sales description on the website)

These reference materials consist of 5 volumes that are continuously updated.

More than 80 countries covered! How high is the cost of non-compliance? This handy reference guide gives you a country-by-country analysis of current Money Laundering Law -- Commentary, Treaties, Statutes and Cases for more than 100 jurisdictions. This essential reference source clearly shows financial institutions, regulators, investment bankers, and legal counsel how to prevent inadvertent non-compliance -- be clean and look clean! It provides everything you need to understand the issues and create effective legal responses in cases involving:

- Interpretation of bank reporting and structuring requirements
- Complex money laundering schemes that use multiple jurisdictions, wire transfers, and integration with legitimate business

- Forfeiture procedure under U.S., international and foreign law "Sting" operations
- The relevant law of more than 100 foreign countries, the EC, UN, OAS, Council of Europe, Interpol and FATF

The authoritative coverage is of value not only to lawyers and bankers, but also to law enforcement agents and other professionals concerned with money laundering and its economic effects.

The world's money laundering and forfeiture law, all in this easy-to-use resource. Speed through any case involving international financial crime with this set's primary documents and source materials on U.S. Federal statutes with regulations and major cases and Multilateral and Bilateral endeavors, including initiatives, mutual legal assistance treaties, and model legislation. Plus! You'll receive case law, relevant tax and customs forms, proposed legislation, a ready-to-use compliance program, an 80-page bibliography, and much more. With quarterly supplementation including monitored data from media sources and government documents worldwide, this one-stop source is your indispensable guide to successfully practicing in today's explosive and unpredictable field of international law. Recent topics include:

- Compliance for International Bankers
- U.S. Case Law
- The U.S. and Money Laundering
- U.S. Legislation
- Wire Transfers
- Overview of International and American Responses
- The British Commonwealth
- Forfeitures and Asset Freezes
- U.S. Procedures: Civil vs. Criminal A must for international bankers, investors, lawyers and government regulators facing the issues of international financial crimes.

A must for international bankers, investors, lawyers and government regulators facing the issues of international financial crimes.

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Abstract (from the paper)

Switzerland's banking institutions have historically been recognized as facilitators of the movement and the repositories of capital from other countries. In January of 1998, Switzerland adopted new and very stringent anti-money laundering statutes. Bankers and other financial institutions must now report suspicious transactions to Swiss banking authorities and block the funds from these transactions. Charles Intriago, Publisher of Money Laundering Alert stated, "The Swiss have now set the world standard for money laundering controls, and they're more advanced than the U.S." Although a vast amount of illegal and suspicious capital flows are conducted in the financial service industry, there are alternative methods of moving money and avoiding detection by government agencies.

One such technique is through the manipulation of import and export prices in international trade transactions. The objective of this research is to determine the impact of Switzerland's money laundering law on the movement of money through false invoicing in international trade. This study evaluates every reported import and export transaction between the United States and Switzerland during the period from 1995 to 2000. The study indicates that there were significant changes in the degree of abnormal international trade pricing subsequent to the enactment of Switzerland's anti-money laundering law. The study supports the view that individuals and companies will find substitute techniques and channels to launder money when central banking authorities enact legislation that only focuses on financial institutions.

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Financial Action Task Force on Money Laundering. 1996. The Forty Recommendations. (Available at: http://www1.oecd.org/fatf/pdf/40Rec_en.pdf).

Abstract

Drafted by the FATF in 1990 and revised in 1996, the Forty Recommendations are a comprehensive blueprint for action against money laundering. They encompass the financial system and regulation, the criminal justice system, law enforcement, and international co-operation. Each FATF member has made a firm political commitment to combat money laundering based on them. The Forty Recommendations have come to be recognized as the international standard for anti-money laundering programs. A number of non-FATF Member countries have also used them in developing their efforts to address money laundering.

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Gilmore, William C. 1999. Dirty Money: The evolution of money laundering counter-measures. Council of Europe Press, Strasbourg, 2nd ed. Rev. and expanded. (Available for purchase at: <http://book.coe.int/GB/CAT/LIV/HTM/I1440.htm>)

Abstract (from the above website)

The links between money-laundering, organized crime, drug-trafficking and terrorism are not new and continue to threaten the stability of financial institutions and, ultimately, democracy and the rule of law.

This second revised and expanded edition of Dirty money describes money-laundering activities and analyses initiatives taken in a variety of international fora, including the FATF, the Council of Europe and the European Union which aim to enhance the effectiveness of existing counter-measures. It also presents the new measures put in place to meet the fresh challenges that have arisen, ranging from Internet banking to the introduction of the euro.

Money-laundering uses new methods which make full use of the new technologies. The author describes how the laundering of criminal proceeds through the abuse of Internet banking and gambling, and the potential for abuse presented by the development of "smart cards" and cyberwallets. To combat these advances in criminal activity, existing money-laundering measures have been revised and new ones have been elaborated.

In the few years since publication of the first edition of this book (1995), there have been significant improvements in understanding the nature and extent of the money-laundering problem and important changes in international and national strategies to combat it. This work describes the various international measures being taken, such as Project Octopus and the work of individual countries, with specific updating of the situation in the Caribbean, Latin America and Asia.

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Summary (from the Introduction)

The International Monetary and Financial Committee (IMFC), at its September 2000, meeting, requested "the Fund to prepare a joint paper with the Bank on their respective roles in combating money laundering and financial crime, and in protecting the international financial system." Moreover, the two institutions were asked to explore incorporating work on financial system abuse, particularly with respect to international efforts to fight against money laundering into its various activities, as relevant and appropriate.

An informal question and answer session with the Fund Board was held in February 2001 on the basis of the staff paper Financial System Abuse, Financial Crime and Money Laundering-Background Paper (SM/01/46); in September 2000, Bank staff prepared an information note for the Bank Board on The Role of the World Bank Group in Promoting the Integrity of Financial Markets (September 21, 2000). These documents provide relevant background material for this paper. A joint Fund/Bank workshop on financial abuse, with seven outside speakers (including the current President of the Financial Action Task Force (FATF)), was held at the Fund on February 27, 2001.

Although no formal conclusions were drawn from these meetings, the following propositions seemed to gain some acceptance:

- (i) while financial abuse covers a variety of activities, it would be productive at the present time to concentrate on the role of the Fund and Bank in efforts to combat money laundering;
- (ii) the Fund and the Bank are already helping countries strengthen their financial supervision and regulation, as well as legal and governance structures, contributing to the prevention of financial sector crime and money laundering;
- (iii) substantial efforts relevant to countering money laundering are undertaken by other bodies and closer international cooperation would benefit all; and
- (iv) the Fund's and the Bank's work on strengthening financial supervision through the application of financial standards, including the preparation of relevant Report on the Observance of Standards and Codes (ROSC), overlaps with the financial/supervisory aspects of the Financial Action Task Force 40 Recommendations (FATF 40).

This paper proposes that the Fund and the Bank strengthen their role in the global fight against financial sector abuse, and money laundering specifically, by:

- (i) publicizing, through official statements and other forms of outreach, both the need to put in place the necessary economic, financial, and legal systems designed to protect against money laundering and the role that the Bank and the Fund are playing in helping to meet this need;
- (ii) recognizing the FATF 40 as a standard for anti-money laundering useful for Fund/Bank operational work;
- (iii) when undertaking Financial Sector Assessment Program (FSAP), ROSCs and Offshore Financial Center (OFC) assessments, intensifying the focus on anti-money laundering elements in the assessment of supervisory standards-Basel Committee Principles (BCPs), International Organization of Securities Commissions' Objectives and Principles for Securities Regulation (IOSCO Principles), and the International Association of Insurance Supervisors Insurance Supervisory Principles (IAIS Principles)-and producing a detailed assessment which, with the concerned country's permission, could be published or shared with the FATF and/or the appropriate regional anti-money laundering task forces;
- (iv) working more closely with the major international anti-money laundering groups;
- (v) increasing the provision of technical assistance (TA) from the Bank and Fund in this area.

Section II discusses work currently undertaken by the Fund and Bank that is relevant to countering financial abuse, especially with respect to helping national authorities improve their systems of financial regulation and supervision so as to create the environment within financial institutions to deter financial crime and money laundering. The paper then reports in Section III on the wider international efforts, including the work of the FATF and regional anti-money laundering task forces, in combating money laundering.

Steps to enhance the Fund and Bank contributions to anti-money laundering efforts are proposed in Section IV. Section V discusses the resource implications. The key questions before Executive Directors (Section VI) are (a) whether the FATF 40 should be recognized as a standard for Fund and Bank operational work; and (b) how to enhance work on money laundering issues in Fund and Bank activities, in particular in technical assistance, including with respect to FSAP, ROSCs and OFC assessments, as well as in the context of technical assistance.

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Abstract

Although money laundering is impossible to measure with precision, it is estimated that US\$300 billion to US\$500 billion in proceeds from serious crime (not tax evasion) is laundered each year. Measures in major financial markets to detect and prosecute laundering are driving it toward less developed markets linked to the global financial system. If left unchecked, money laundering could criminalize the financial system and undermine development efforts in emerging markets. This Note surveys efforts by international bodies to combat money laundering. It looks in particular at the Financial Action Task Force based at the OECD, which has made the most continuous effort.

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Abstract (from the Book description from Amazon.com and the publisher)

This book gives a broad analysis of the legal issues raised by the international fight against money laundering. It offers extensive comparative research of the criminal and preventive law aspects from an international perspective. Most of this volume is devoted to specific legal problems that spring from the international nature of the money laundering phenomenon. It contains the most detailed overview yet published on the rules and practices of international cooperation in the fight against money laundering, and the jurisdictional questions that inevitably arise in this context. The author portrays money laundering as a new criminal trend threatening both national and international societies which must be addressed multilaterally through banking practice, international conventions, and with respect for human rights.

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Abstract (from the publisher's book description (at: <http://www.securities-institute.org.uk/web/Infopool.nsf/HTML/7E26C8454B43434E80256C230031C319>))

This quick guide looks at the scale of the problem and efforts taken to overcome it: an essential reference for all who are concerned to identify attempts at money laundering within their organization.

What is money laundering?

Money laundering and the law

How do you spot it in process, and what do you do?

A quick guide about how to prevent your organization being used by money launderers.

The Essential Elements of the Prevention of Money Laundering contains information on one of the hottest topics in the securities and investment industry.

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