United States Department of State

Bureau for International Narcotics and Law Enforcement Affairs

International Narcotics Control Strategy Report

Volume II

Money Laundering and Financial Crimes

March 2008

Embargoed until
February 29, 2008
12:00 p.m.

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Common Abbreviations

AML	Anti-Money Laundering
APG	Asia/Pacific Group on Money Laundering
ARS	Alternative Remittance System
CFATF	Caribbean Financial Action Task Force
CTF	Counter-Terrorist Financing
CTR	Currency Transaction Report
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOJ	Department of Justice
DOS	Department of State
EAG	Eurasian Group to Combat Money Laundering and Terrorist Financing
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EU	European Union
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FinCEN	Financial Crimes Enforcement Network
FIU	Financial Intelligence Unit
GAFISUD	Financial Action Task Force on Money Laundering in South America
GIABA	Inter-Governmental Action Group against Money Laundering
IBC	International Business Company
ICE	U.S. Immigration and Customs Enforcement
IFI	International Financial Institution
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report
INL	Bureau for International Narcotics and Law Enforcement Affairs
IRS	Internal Revenue Service
IRS-CID	Internal Revenue Service, Criminal Investigative Division
MENAFATF	Middle East and North Africa Financial Action Task Force
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
NCCT	Non-Cooperative Countries or Territories
OAS	Organization of American States
OAS/CICAD	OAS Inter-American Drug Abuse Control Commission
OFC	Offshore Financial Center
PIF	Pacific Islands Forum
SAR	Suspicious Activity Report
STR	Suspicious Transaction Report
UN Drug Convention	1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
UNGPML	United Nations Global Programme against Money Laundering
UNODC	United Nations Office for Drug Control and Crime Prevention
UNSCR	United Nations Security Council Resolution
USAID	Agency for International Development
USG	United States Government

MONEY LAUNDERING AND FINANCIAL CRIMES

Legislative Basis for the INCSR

The Money Laundering and Financial Crimes section of the Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2008 INCSR is the 25th annual report prepared pursuant to the FAA.[1]

The FAA requires a report on the extent to which each country or entity that received assistance under chapter 8 of Part I of the Foreign Assistance Act in the past two fiscal years has "met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (the "1988 UN Drug Convention")(FAA § 489(a)(1)(A)).

Although the Convention does not contain a list of goals and objectives, it does set forth a number of obligations that the parties agree to undertake. Generally speaking, it requires the parties to take legal measures to outlaw and punish all forms of illicit drug production, trafficking, and drug money laundering: to control chemicals that can be used to process illicit drugs; and to cooperate in international efforts to these ends. The statute lists action by foreign countries on the following issues as relevant to evaluating performance under the 1988 UN Drug Convention: illicit cultivation, production, distribution, sale, transport and financing, money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction.

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2008 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. In addition to identifying countries as major sources of precursor chemicals used in the production of illicit narcotics, the INCSR is mandated to identify major money laundering countries (FAA §489(a)(3)(C)). The INCSR is also required to report findings on each country's adoption of laws and regulations to prevent narcotics-related money laundering (FAA §489(a)(7)(c). This report is the section of the INCSR that reports on money laundering and financial crimes.

A major money laundering country is defined by statute as one "whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking" (FAA § 481(e)(7)). However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. This

[1] The 2008 report on Money Laundering and Financial Crimes is a legislatively mandated section of the U.S. Department of State's annual International Narcotics Control Strategy Report. This 2008 report on Money Laundering and Financial Crimes is based upon the contributions of numerous U.S. Government agencies and international sources. A principal contributor is the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN), which, as a member of the international Egmont Group of Financial Intelligence Units, has unique strategic and tactical perspective on international anti-money laundering developments. FinCEN is the primary contributor to the individual country reports. Another key contributor is the U.S. Department of Justice's Asset Forfeiture and Money Laundering Section (AFMLS) of Justice's Criminal Division, which plays a central role in constructing the Money Laundering and Financial Crimes Comparative Table and provides international training. Many other agencies also provided information on international training as well as technical and other assistance, including the following: Department of Homeland Security's Bureau of Immigration and Customs Enforcement; Department of Justice's Drug Enforcement Administration, Federal Bureau of Investigation, and Office for Overseas Prosecutorial Development Assistance; and Treasury's Internal Revenue Service, the Office of the Comptroller of the Currency, and the Office of Technical Assistance. Also providing information on training and technical assistance are the independent regulatory agencies, Federal Deposit Insurance Corporation, and the Federal Reserve Board.

year's list of major money laundering countries recognizes this relationship by including all countries and other jurisdictions whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. The following countries/jurisdictions have been identified this year in this category:

Major Money Laundering Countries in 2008

Afghanistan, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Brazil, Burma, Cambodia, Canada, Cayman Islands, China, Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Haiti, Hong Kong, India, Indonesia, Iran, Isle of Man, Israel, Italy, Japan, Jersey, Kenya, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Spain, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, and Venezuela.

The Money Laundering and Financial Crimes section provides further information on these countries/entities and United States money laundering policies, as required by section 489 of the FAA.

Introduction

This year's Volume II of the INCSR on Money Laundering highlights continuing threats and vulnerabilities posed by money laundering and terrorist financing to U.S. national security and to the stability of the global financial system. The 2008 Volume II also reflects the current and latest trends used by criminals and terrorists to launder, move, and store the fruits of their illicit activities. Some of these methodologies include: the continuing use of banks and money service businesses as gateways to the global financial system; bulk cash smuggling; trade-based money laundering and value transfer; legal entities such off-shore financial centers and international business centers; casinos and "virtual" casinos; and new payment methods sometimes also identified as "e-money."

Twenty-five years ago, the Department of State was mandated by Congress to examine the challenges and threats from narcotics-related money laundering. Although it is sometimes difficult to obtain data on money laundering systems and trends, via reporting reflected in this edition from our worldwide diplomatic posts and the domestic law enforcement and regulatory communities, we are able to glean increasingly greater insights. We can say with certainty that the use of offshore financial centers, casinos, and the Internet is demonstrably growing at alarming rates. Virtual money laundering is a reality and at this time is immune to traditional money laundering countermeasures. If ignored, 'virtual' money laundering will pose a threat to our financial sector. In the following section, we expand on one facet of the virtual threat: "mobile payments." Similarly, in years past, Volume II has taken a leading role in early-on highlighting other typologies of concern such as the Black Market Peso Exchange (BMPE), bulk cash smuggling, and trade-based money laundering. These laundering systems are now widely recognized by many governments around the world, the Financial Action Task Force (FATF), and other international organizations.

In 2007, we continue to see that increasingly sophisticated criminal organizations, terrorists, kleptocrats and other illicit actors seek out the weak links in global anti-money laundering and counter-terrorist finance countermeasures. This report also gives numerous examples of the determination of law enforcement to dismantle these illicit activities. As of year-end 2007, nine more jurisdictions have criminalized money laundering beyond drugs, bringing the total to 180 jurisdictions that have done so. Similarly, 19 more jurisdictions have criminalized terrorist financing, bringing the total to 137.

In assessing progress in both domestic and global anti-money laundering/counter-terrorist finance efforts, historical perspective is sometimes useful. We can measure incremental steps of progress, highlight continuing areas of concern, and learn how to better focus scarce training and assistance resources. A review also reinforces the importance of these efforts. For example, the International Monetary Fund (IMF) estimates the magnitude of money laundering is about 3-5 percent of the world's Gross Domestic Product (GDP). Using 2007 World Bank data, global GDP is approximately $72.3 trillion. In other words, international money laundering can be estimated at between approximately $2.17 and $3.61 trillion a year, which is larger than the current U.S. budget. Ten years ago, the generally accepted estimate of international money laundering was in the range of $300-$500 billion. Although international economic growth accounts for a large percentage of the increase in international money laundering, there is also a greater understanding of new threats, methodologies, and diverse laundering systems. Throughout the 25 successive editions of this report, we have continued to see how, outside of crimes of passion, criminals are still primarily motivated by greed.

Volume II of the INCSR is a valuable tool to assist in our "look back." For example, a number of worrisome laundering "trends and typologies" were included in the 1997 and 1998 editions of the Money Laundering and Financial Crimes Section. The entries make familiar reading today, particularly if compared to threats articulated in the U.S. interagency 2007 National Money Laundering Strategy.

Ten years ago, one of the primary money laundering concerns was the Black Market Peso Exchange (BMPE). Earlier editions of this report have described how the Colombian cartels sell U.S. currency derived from drug trafficking to black market peso brokers in Colombia, who, with their U.S.-based agents, place the currency into U.S. bank accounts while trying to circumvent Bank Secrecy Act reporting requirements. The exchangers then sell monetary instruments drawn on their bank accounts in the United States to Colombian importers who use these instruments to purchase foreign trade goods. The 1998 report stated that the BMPE "is the single most efficient and extensive money laundering scheme in the Western Hemisphere." A review of this year's country reports shows that the BMPE is alive and well. In fact, there is increasing realization that similar black market exchange systems are found in diverse locales such as the Tri-Border region of Argentina, Brazil, and Paraguay; trade goods in Dubai and elsewhere are being purchased with Afghan drug proceeds; and Chinese and European manufactured trade items are being purchased through narcotics-driven systems similar to the BMPE.

The 1998 edition of this report stated that bulk cash smuggling is "one of the most utilized" money laundering techniques in the United States and around the world. Almost ten years later, this assessment still holds true. In 2007, the National Money Laundering Strategy stated that,

> "The smuggling of bulk currency out of the United States is the largest and most significant drug-money laundering threat facing law enforcement. Deterring direct access to U.S. financial institutions by criminals does not prevent money laundering if illicit proceeds can still reach U.S. accounts through indirect means."

As if to illustrate these observations, in January 2007, a Colombian National Police Money-Laundering Unit, trained by U.S. law enforcement authorities, seized a record $80 million worth of drug proceeds in cash and gold in one law enforcement operation in Cali, Colombia. At the time, this was the largest cash seizure in the Western Hemisphere. The record was short lived. Two months later, Mexican law enforcement authorities, working with U.S. law enforcement, raided a Mexico City residence and discovered over two tons of currency, mostly in $100 banknotes, totaling $205 million, as well an additional $2 million equivalent in other currencies. These high-profile seizures give added impetus to efforts taking place around the world to implement the FATF's Special Recommendation IX on bulk cash smuggling. The dollars, euros, pesos, various other currencies, and gold seized in the two raids constitute the face of modern day crime transactions. The seizures also highlight the global

nature of the international narcotics industry, the enormous sums of money involved, and the complexity of the money laundering challenge.

The 1998 edition of the Money Laundering and Financial Crimes section discussed how the international gold trade is being used to launder significant amounts of criminally derived funds. The report stated, "There is an obvious need for countries to have better tools to combat this problem and to monitor the international movement of gold." Ten years after this statement, it has become increasingly apparent that precious metals and stones are used to launder money, transfer value, and finance terror. (Both al Qaeda and the Taliban have publicly announced various "rewards" offered in gold for acts of terror carried out by jihadists.) Gold is both a commodity and, depending on the form, a *de facto* bearer instrument. A review of this year's edition shows that Vietnam, Saudi Arabia, Taiwan, Japan and other countries all have various forms of reporting requirements on the international transportation of gold. For example, in May 2007, the Saudi Ministry of Finance announced that people coming into and going out of the Kingdom of Saudi Arabia are required to declare to customs officials at exit and entry points the amount of cash, precious stones, jewelry, and metals such as gold that they carry with them exceeding 60,000 Saudi riyals (approximately $16,000).

More than a decade ago, U.S. criminal investigators first became concerned about trade-based money laundering by examining glaring anomalies in the international gold trade. It took the intelligence and law enforcement communities far too long to understand that historically and culturally trade is used in various forms of value transfer and to provide counter valuation in alternative remittance systems such as hawala. Shortly after September 11, the Department of State, in collaboration with the Departments of Homeland Security (DHS) and Treasury, made the combating of trade-based money laundering a key part of our anti-money laundering efforts. Since then, others have recognized this urgency, including the FATF.

Trade fraud is found around the world. It is particularly damaging in those developing countries hard-pressed for revenue. For example, according to this year's submission on Bangladesh, customs duties account for approximately 40-50 percent of annual government income. To help address these vulnerabilities, the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) provided funding to DHS to establish prototype Trade Transparency Units (TTUs) in the South American Tri-Border countries of Argentina, Brazil, and Paraguay. TTUs examine import and export data to identify anomalies that could be indicative of customs fraud, trade-based money laundering, and/or underground finance. The concept is simple, efficient, and expanding. It was specifically endorsed in the 2007 National Money Laundering Strategy where it was noted that, "Often the most complex money laundering methods involve the use of international trade to disguise funds transfers."

Ten years ago, this report also noted that,

> "Nonbank financial institutions (NBFIs) continue to be used as sites for money laundering in the United States despite a number of efforts at both federal and state levels, with over 200,000 NBFIs in the United States, monitoring of these businesses for money laundering is a complicated matter."

The 2007 National Money Laundering Strategy acknowledged the continuing problem and called for the enhancement of financial transparency in what is now generally called money services businesses (MSBs). MSBs include money transmitters, check cashers, currency exchangers, hawaladars, as well as issuers, sellers, and redeemers of money orders, traveler's checks, and stored value. According to the report, less than 20 percent of MSBs are registered with Treasury's Financial Crimes Enforcement Network (FinCEN), as is required. A review of FATF mutual evaluations and current country reports in this year's edition reveal that most jurisdictions are similarly struggling with issues of registration, transparency, and reporting in the MSB industry. This should come as no surprise. The 1997 INCSR discussed the challenges of regulating exchange houses and remittance systems such as "hawala in the

Middle East, cambios in Latin America, and NBFIs of all types in the Western financial community." The report prophetically added, "Systems for regulating them to discourage their use to launder the proceeds of crime are essential, but will fail unless they take into account the very informality that makes them effective and desirable."

Ten years ago, new payment technologies were in their infancy. The 1998 INCSR predicted that,

> "Electronic money (e-money) has the potential to make it easier for criminals to hide the source of their proceeds and move those proceeds without detection. While the application of new technologies to electronic or cyber-payments is still in its infancy, it is prudent to recognize their potentially broader impact. The technology exists which could permit these systems to combine the speed of the present bank-based wire transfer systems with the anonymity of currency."

The envisioned era is here. The rapid growth of global mobile payments (m-payments) demands particular attention. There are less than one billion bank accounts worldwide but approximately three billion cell phones. In some areas of the world, sending and receiving money or credit by phone is now commonplace. While m-payments have enormous potential for good, the risk that criminal and terrorist organizations will co-opt m-payment services is real. Financial transparency is problematic. Regulators and law enforcement are finding themselves hard-pressed to respond to rapid development in e-payment methodologies.

The 2007 National Money Laundering Strategy report discusses the promotion of transparency in the ownership of legal entities, particularly corporations, limited liability companies (LLCs), and trusts. This issue was elaborated on nearly a decade ago in earlier editions of the INCSR, which highlighted the growing threat posed to global financial stability by the 60 offshore financial centers (OFCs), whose defining characteristic is to a lesser or greater degree, the lack of transparency. An OFC is a jurisdiction where an intentional effort has been made to attract foreign business by deliberate government policies such as the enactment of tax and other fiscal incentives: "business friendly," lax or nonexistent supervisory regimes; freedom from common regulatory constraints, such as exchange controls and disclosure requirements; and secrecy enforced by law. OFCs also enable the formation of international business companies (IBCs), banks, trusts (some with "flee clauses"), and other vehicles formed by management and trust companies, or by intermediaries such as lawyers or accountants. Particularly troublesome are "off-the shelf" IBCs, purchased via the Internet, with nominee directors from a different country that effectively provide anonymity to the true beneficial owners.

Although 13 of the 15 jurisdictions listed by the Financial Action Task Force on its initial 2000 list of Non-Cooperative Countries and Territories (NCCTs) had OFCs or were themselves offshore financial jurisdictions, a ten-year review shows that the FATF exercise has done little to stop the growth of the offshore financial sector. In fact, the opposite appears to be true. For example, in 1998, the British Virgin Islands licensed 300,000 IBCs; today more than 800,000 are registered. Similarly, after the U.S. and the international community forced the closing of Nauru's nearly 400 shell banks, 300 banks, nearly all thought to be "shell banks," were found to be registered in the Comoros. The government of Moldova, in spite of being advised of the risk of doing so, recently considered developing its own OFC. Likewise, Jamaica is considering opening an OFC in 2009. Recently, the Government of Ghana has established an offshore financial sector, mandating that the Bank of Ghana authorize offshore banks.

The 2007 National Money Laundering Strategy stated that casinos are cash-intensive businesses that often provide financial services and money laundering opportunities. In fact, the concern that the exchange of cash for casino chips and related money transfer and account services make casinos vulnerable to money laundering has been with us for many years. Today, the number of gaming establishments in the U.S. is growing, driven by Native American tribes. Casinos on Native American

reservations bring in more money than Las Vegas and Atlantic City combined. Money laundering schemes using casinos have been reported by both domestic and foreign law enforcement.

In most parts of the world there is extensive casino development. Countries hope that gaming will provide added revenue and employment. However, particularly in the developing world, there are few anti-money laundering regulations and little oversight or control. For example, in Latin America, there is rapid casino development, but only Panama and Chile have viable AML programs in the gaming industry. Peru recently passed a new gaming law, aimed at identifying the owners of hundreds of currently unregulated gambling establishments. In the Caribbean, the industry is largely unregulated, except for in the Bahamas and the Grenadines. Casinos exist in most of sub-Saharan Africa, but only South Africa has a regulatory structure that deals with casinos. Most countries in Asia have gaming industries and observers have expressed concerns about money laundering vulnerabilities. According to the Macau country report, gaming revenue in the first nine months of 2007 exceeded the 2006 total and accounts for well over 50 percent of Macau's gross domestic product (GDP). Macau is fast approaching Las Vegas as an international gambling destination. Eastern European and Central Asian countries also face AML challenges with the industry. Diverse jurisdictions need to take their "first steps" in addressing the very real anti-money laundering threats related to casinos. It is only developed countries such as Australia, the United States, and those in Western Europe that regularly incorporate money laundering countermeasures that meet international standards in their gaming industry. However, even those countries with relatively strong oversight, the money laundering threat posed by casinos continues to grow.

So, too does the threat of "virtual casinos"—gambling via the Internet. A decade ago, 15 of the 60 offshore jurisdictions were known to have registered "virtual casinos" in their jurisdiction. Although a few such sites were located in the OFCs in the Pacific, the vast majority were located in the Caribbean Basin, with Costa Rica and Antigua and Barbuda, each reportedly having licensed hundreds of virtual casinos, with typical fees a decade ago reportedly ranging from $75,000 (for a sports betting shop) to $100,000 (for a virtual casino license.) As reported in the 1999 INCSR, the Pacific island jurisdictions were thought to generate nearly $1.2 million a month from these license fees. Internet gambling executed via the use of credit cards, Internet payment service providers, and offshore banks represents yet another powerful vehicle for criminals to launder funds from their illicit sources and to evade taxes. These Internet gaming sites are a particularly difficult problem for law enforcement, as the beneficial owner may live in one country, with the anonymous corporation registered in another country, and the server located in yet a third country. Although illegal for use by U.S. citizens, thousands of U.S. individuals have Internet gaming accounts with Internet gaming providers in foreign jurisdictions. Current estimates are that these gaming sites earn between $6 to $8 billion dollars annually from U.S. citizens alone. As such, Internet gaming has the potential of becoming a greater money laundering threat than actual physical casinos.

In spite of the continued threats by money launderers and terrorist financiers, a brief historical review of countries' AML/CTF efforts does demonstrate success stories. For example, the following is a small sampling from the country reports of miscellaneous "steps" towards progress in 2007:

- Argentina and Mexico criminalized terrorist financing.
- Italy had over 600 money laundering convictions.
- Ghana has a new anti-money laundering law.
- There has been a decline in offshore banks and trusts in the Bahamas.
- Brazil had 190 money laundering convictions.

- Israel, formerly labeled "noncooperative" under FATF's NCCT guidelines, has systematically established an AML/CTF regime that adheres to world standards, and has several on-going money laundering cases.
- Chile had four money laundering convictions, the first under its new penal system.
- Currently, Antigua and Barbuda does a very good job of regulating the Internet casinos and is probably the world leader in dealing with AML issues with the Internet gaming industry. In fact, their regulations in this area have been copied by other highly regulated Internet gaming jurisdictions such as the Isle of Man.
- The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and the West African Groupe Inter-gouvernemental d'Action Contre le Blanchiment d'Argent et Le Financement du Terrorisme en Afrique de l"Oueste (GIABA) conducted their first mutual evaluations.
- Colombia had 47 money laundering convictions.
- The Republic of Korea Financial Intelligence Unit has analyzed 79,325 suspicious transaction reports and referred 7,184 cases to law enforcement, resulting in 3,661 investigations, with 1,402 cases resulting in indictments and prosecutions for money laundering.
- Armenia, Bangladesh, Bahamas, Cambodia, Canada, Costa Rica, Cuba, Gabon, Ghana, Guinea-Bissau, Kuwait, Luxembourg, Maldives, Moldova, Morocco, Pakistan, Papua New Guinea, Portugal, Qatar, Sweden, Macedonia, Uruguay, Zambia, Zimbabwe all became parties to the United Nations Convention against Corruption.
- Bosnia-Herzegovina obtained seven convictions for money laundering in the first seven months of 2007.
- China became a member of the FATF.
- The Egmont Group established a formal Secretariat and the FIUs of Armenia, Belarus, India, Nigeria, Niue and Syria became Egmont members.

Unfortunately, the review also highlights countries that are regressing, such as Uzbekistan, which suspended its AML law for the next six years, as well as continuing global AML/CTF pariahs: particularly North Korea and Iran. U.S. Treasury press releases and a 2007 entry in the U.S. Federal Register cited "the involvement of North Korean Government agencies and front companies in a wide variety of illegal activities, including drug trafficking and the counterfeiting of goods and currency." In October 2007, the FATF released a statement of concern noting that:

> "Iran's lack of a comprehensive AML/CTF regime represents a significant vulnerability within the international financial system. FATF calls upon Iran to address on an urgent basis its AML/CTF deficiencies. FATF members are advising their financial institutions to take the risk arising from the deficiencies in Iran's AML/CTF regime into account for enhanced due diligence."

Iran is currently the only country for which FATF has publicly identified such a significant AML/CTF vulnerability. Both North Korea and Iran are still designated by the U.S. State Department as state sponsors of terrorism.

The "year in review" summary of the 1997 edition asked a question in bold type face that is just as pertinent today: "**Are the laws being implemented?**" A review of the 2008 country reports prompts the following question: "**Are the laws being enforced?**" Unfortunately, the ten-year time frame

shows that far too many countries that boast solid AML/CTF standards and infrastructures are still simply not enforcing their laws. This is true in all corners of the world and for both developed and developing countries alike.

A review of recent data demonstrates that some jurisdictions are having trouble converting their anti-money laundering policies and programs into investigations, prosecutions, and convictions. In some cases, the lack of enforcement is due to lack of capacity, but in far too many others it is due to a lack of political will. In addition, too many jurisdictions are getting caught up in the AML/CTF process and losing sight of the objective.

Over the last ten years, we have made substantial progress collecting financial intelligence. In the United States alone, approximately 18 million pieces of financial intelligence are collected every year. Countless million more financial intelligence reports are produced overseas. We have nearly succeeded in creating global financial transparency in traditional financial institutions. During the past decade, the Egmont Group of financial intelligence Units has grown almost exponentially and now has 106 members. However, success should not be measured by the number of suspicious transaction reports received, analyzed, and disseminated—although undoubtedly the reporting of financial intelligence has a deterrent effect. Financial intelligence is simply the process; the means to an end. Rather, the objective continues to be anti-money laundering and counter-terrorism finance convictions. Convictions, combined with asset seizure and forfeiture are the true deterrents, the most meaningful "measurable," and the bottom line. Far too many jurisdictions continue to fall short in this regard.

Almost twenty years ago, in an early experiment in international anti-money laundering cooperation, the U.S. Customs Service and the Italian Guardia di Finanza (fiscal police) jointly combated Italian/American organized crime—the mafia—by examining illicit money flows between Italy and the United States. Appropriately enough, the task force was called Operation Primo Passo or "first step." At the time, Italy's anti-money laundering infrastructure was in its infancy and prosecutions and convictions were problematic. Today, a review of the 2008 Money Laundering and Financial Crimes section of the INCSR shows that Italy's anti-money laundering/ counter-terrorist financing system is now called "comprehensive" by the International Monetary Fund. With approximately 600 money laundering convictions a year, Italy has one of the highest rates of successful prosecutions in the world. Countries that are currently taking their "first steps" in constructing viable AML/CTF regimes together with countries that continue to struggle to implement policies, procedures and norms should be heartened by the 20 year Italian example, and of more recent successes in Chile, Colombia, Poland, Slovenia, Serbia, and South Korea. With skill, dedication, courage, training, equipment, and political will, much can be accomplished, although a review of continuing money laundering threats demonstrates that much remains to be done. Most importantly, a renewed focus on money laundering enforcement measured by successful investigations and prosecutions is required.

The USG training and technical assistance program has been very effective in helping countries take the necessary steps to combat money laundering and the financing of terrorism. Primarily coordinated and funded by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) and the Office of the Coordinator of Counterterrorism (S/CT), our continuing goal is to simultaneously strengthen regional anti-money laundering organizations, and build comprehensive AML/CTF regimes in individual countries. Working with the USG interagency legal, law enforcement, and financial regulatory communities, as well as with multi-lateral organizations and partner countries, we seek to maximize the institution-building benefits of our assistance by delivering it in both sequential and parallel steps. The steps are tailored to each country's unique needs as determined by threat assessments and concentrate on the following core areas: legal, regulatory, financial intelligence, and enforcement.

The experience of nearly two decades has demonstrated that generally, regional training, while more expensive than bilateral training, is ultimately more effective. Regional training greatly enhances the

probability of neighboring countries cooperating and sharing information with one another. Likewise, long-term training, whether regional or bilateral, is considerably more expensive but infinitely more effective than the usual one-week seminars and short-term training courses that characterize USG efforts. Long-term training and resident advisors enable trainees to take "ownership" of the process, which enhances implementation and sustainability. Unfortunately, primarily due to demands of daily work requirements, the number of USG expert long-term trainers is insufficient to meet global demand. During the past decade, a significant portion of INL's anti-money laundering budget has been used to fund long-term mentors from the UNODC Global Program against Money Laundering as well as through large regional programs with residential mentors in the Caribbean and Pacific. The overriding challenge in our global efforts to provide continued expert effective training and technical assistance is the continued dilemma of there not being enough resources to meet increasing demand for our programs particularly to fund a sufficient number of long-term resident mentors where they are desperately needed. To partially offset our inadequate budget, we have also co-funded mentors in the Mekong Delta and Central Asia regions with the World Bank.

A periodic review of our training and assistance efforts sometimes highlights disappointments and frustrations, but also demonstrates hard-won success. We believe such review is essential to sustain and strengthen gains. Moreover, we are focusing increasingly scarce financial resources and quality trainers in areas that demonstrate the greatest need and the political commitment necessary to develop viable, sustainable anti-money laundering/terrorist financing regimes.

Our review also underscores the truisms that money is the lifeblood of terrorism and that focusing adequate resources on the money trail is still one of the most valuable tools law enforcement has to combat international crime. Similarly, international criminals have tremendous financial resources and spare no expense to corrupt government and law enforcement officials. They also have extensive worldwide networks to support their operations and are inherently nimble, adapting quickly to change. To effectively address this serious threat, we know that we must use our best efforts to apply and coordinate all of the available resources of the federal government and work closely with our foreign counterparts. Sustained global cooperation and support is the surest path to success as we drain the money supply that the criminal networks need to stay in business. To accomplish this, we must continue to support the international community with the tools, capabilities, and resources needed to reduce the growing threats posed by transnational crime, money laundering, and illicit activities.

Mobile Payments—A Growing Threat

In the United States and around the world, law enforcement continues to struggle with the many low-tech but highly effective ways criminals launder money and finance terrorism. Over the last several years, the INCSR Volume II has brought attention to some of these methods and has chronicled progress in developing countermeasures. Two prominent examples are bulk cash smuggling and trade-based money laundering. Unfortunately, while fighting the twin threats of money laundering and terrorist financing, we are also witnessing a plethora of new, high-tech value transfer systems that can be abused. Some of the most innovative are electronic payment products. FATF calls them "new payment methods" or NPMs. They are also sometimes called "e-money" or "digital cash." Examples include Internet payment services, prepaid calling and credit cards, digital precious metals, electronic purses, and mobile payments or "m-payments." Driven by a remarkable convergence of the financial and telecommunications sectors, the rapid global growth of m-payments demands particular attention. M-payments can take many forms but are commonly point of sale payments made through a mobile device such as a cellular phone, a smart phone, or a personal digital assistant (PDA).

Worldwide, there are fewer than one billion bank accounts, but approximately three billion cell phones. In developing countries and often cash based societies in South Asia, Latin America, and

Africa, mobile communications proliferate, leapfrogging old landline technology. At the same time, there is a growing worldwide trend away from paper and towards electronic payments. It is only logical that the startling advances in communications are followed by innovations in m-payments. There are already indications that money launderers and those that finance terrorism will avail themselves of the new m-payment systems. Responsible jurisdictions must find a balance between the expediency of m-payments, particularly in the developing world, and the need to guard against abuse.

According to the International Monetary Fund, Africa is enjoying its best period of economic expansion since the era of independence. In efforts to sustain growth, many donor governments and nongovernmental organizations agree that promoting financial services in Africa, where only an estimated 20 percent of families have bank accounts, should be encouraged. Ethiopia, Uganda, and Tanzania have less than one bank branch per 100,000 people. As a result, millions of Africans, primarily in rural areas, store money at home or keep savings in the form of cattle or gold. High inflation, currency devaluations, and scarce resources mean many turn to purchases of high value goods to retain the value of their money. As a result of these and other conditions, many Africans use informal savings clubs or underground financial systems. The rapid spread of cell phones may be a major contributor to developing much-needed access to financial services. South Africa, Congo, and Kenya, are examples of countries where financial services are now being offered via cell phones. Subscribers can pay bills, transfer money, receive credits, open accounts, and check balances. Workers can be paid by phone. Before leaving on a trip, a subscriber can deposit money and then withdraw funds at the other end, which has many advantages over carrying a significant amount of cash. Cell phone money and credit transfers allow communities to bypass both brick-and-mortar banks and ATMs. The new mobile technology potentially provides a "virtual ATM" to every bearer of a mobile phone.

The World Bank estimates that global remittances exceed one quarter of a trillion dollars annually. Increasingly, in many areas, m-payments provide a new option to expatriates and "guest workers" that wish to send part of their wages home to support their families. M-payment transfers are replacing the use of traditional banks and money service businesses that historically have charged high fees for small transfers. M-payments also provide fast, safe, efficient value transfer service, which will encourage some users to bypass the use of underground remittance systems such as hawala.

The following is an example of how money can be moved via cell phones:

- The sender gives cash for transfer to a remittance center, plus a fee of approximately 3-5 percent (fees generally depend on the amount transferred, and there are generally limits on the amount that can be transferred at one time).
- The remittance center transfers the amount electronically through the phone company to the receiver's cell phone account.
- The recipient receives a text message with notice of the transfer of credit to his or her "electronic wallet."
- The recipient goes to a licensed outlet, retail store, or even a fast-food restaurant to pick up the cash or use the credit. For example, in a restaurant the patron connects to the cash register with his or her cell phone, enters a personal identification number (PIN), and authorizes payment. The entire transaction takes just a few seconds. The entity that provides the goods, services or disburses the cash may also charge a small fee.

Unfortunately, these same promising m-payment developments in Africa, Asia, and elsewhere will assuredly bring abuse of the m-payments systems as well. There are numerous money laundering and terrorist financing implications and many potential scenarios, but "digital value smurfing"—a term coined by the Asian Development Bank—represents a very clear threat. In traditional money laundering, "smurfs" or "runners" deposit or place small amounts of illicit or "dirty" money into

financial institutions in ways that do not trigger financial transparency reporting requirements. Today, digital smurfs are able to bypass regulated banks and their financial reporting requirements and exchange dirty money for digital value in the form of stored value cards or mobile payment credits. Proceeds of crime or contributions to terrorist organizations can now be transferred via cell phones. With such transfers, criminals avoid the risk of physical cash movement, bypass financial transparency reporting requirements, and rapidly send digital value across a country or around the world. Further advantages for money launderers employing digital value smurfing instead of traditional money brokers include the quick conversion of cash to digital value, and the potential to integrate different digital value pools such as SMART cards, on-line accounts, and Internet payment clearing services.

Unfortunately, there is little financial intelligence on most forms of NPMs, including m-payments. Many law enforcement and intelligence agencies currently have little expertise in m-payment methodologies and technology. This gap in expertise is often coupled with a lack of codified authority to examine abuses in the communications systems. Moreover, most m-payment networks have security features that hinder law enforcement and intelligence services in their efforts to detect suspect transactions.

A lack of physical evidence further handicaps law enforcement investigations, as there may not be any cash or cash equivalents to monitor or seize. If value is transferred electronically and the conveyor or recipient phone is destroyed, it may be impossible to reconstruct or determine the information that was on the phone. If both a mobile phone service and the funds used to facilitate m-payments are prepaid, the service provider may not fully identify its customers due to the absence of credit risk. The problems could be compounded by the use of false identification to obtain subscriber status or to purchase or rent m-payment services. Using prepaid cellular phones could allow criminals to buy handsets incognito and use their minutes without leaving a trace of their calling records.

Some countries, such as the Philippines, embrace m-payment innovations. According to the Asian Development Bank, 35 percent of the people in the Philippines have cell phones, while 95 percent of the rest have access to cell phones via friends or family. Even traditionally inaccessible areas increasingly have cell phone coverage. As a result, m-payments are rapidly growing in popularity and are commonly used to pay bills, buy goods, and transfer cash. In addition, Philippine workers in approximately 18 countries, including the United States, can use their cell phones to send money home.

The Philippines is one of the few countries proactively taking steps to monitor and regulate m-payments. Service providers have worked closely with the Central Bank and the financial intelligence unit to comply with anti-money laundering laws and regulations. Carriers are regulated as money service businesses. Following “know-your-customer” policies, the authorized subscriber must register in person with the service provider and present a valid photo identification document to either put cash in or take cash out of the system. There are also limits on the size of the customer’s “electronic wallet.” For example, the maximum a subscriber can transfer at one time is 10,000 pesos (approximately $247), or a maximum of 40,000 pesos (approximately $990) a day and 100,000 pesos (approximately $2,475) per month. However, the regulations and limits do not eliminate the vulnerabilities that false identification and networks of “digital smurfs” pose.

The United States currently has few safeguards against abuse of m-payments. M-payment service providers in the United States are classified as money service businesses and, in theory, must register with the United States FIU, the Financial Crimes Enforcement Network (FinCEN). However, most money service businesses do not comply with registration requirements and there is little enforcement of the regulations.

The NPM issue is briefly mentioned in the 2007 National Money Laundering Strategy:

"FinCEN, in coordination with the federal banking regulators and the industry, will issue guidance and develop regulatory definitions and requirements under the BSA for stored value products and payment systems." Unfortunately, there has been little progress in formulating and disseminating guidance and our traditional money laundering countermeasures are not adequate to address the looming threat posed by abuse of m-payments to today's e-banking and cashless system.

In the digital age, it is increasingly difficult to "follow the money." The FATF and numerous organizations and governments worldwide recognize the use of NPMs, including m-payments, as a growing threat. Much work and creative thinking will be required to maintain the advantages NPMs, including m-payments offer, while at the same time preventing exploitation and misuse by money launderers and terrorist financiers and simultaneously protecting user privacy and the integrity of the global financial systems.

Bilateral Activities

Training and Technical Assistance

During 2007, a number of U.S. law enforcement and regulatory agencies provided training and technical assistance on money laundering countermeasures and financial investigations to their counterparts around the globe. These courses have been designed to give financial investigators, bank regulators, and prosecutors the necessary tools to recognize, investigate, and prosecute money laundering, financial crimes, terrorist financing, and related criminal activity. Courses have been provided in the United States as well as in the jurisdictions where the programs are targeted.

Department of State

The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) Crime Programs Division teams help to strengthen criminal justice systems and the abilities of law enforcement agencies around the world to combat transnational criminal threats before they extend beyond their borders and impact our homeland. Through its international programs, as well as in coordination with other INL offices and U.S. government agencies, the INL Crime Programs Division addresses a broad cross-section of law enforcement and criminal justice sector areas including: counternarcotics; demand reduction; money laundering, financial crime, and terrorist financing; corruption, smuggling of goods; illegal migration; trafficking in persons; domestic violence; border controls; document security; cybercrime; intellectual property rights; law enforcement; police academy development; and assistance to judiciaries and prosecutors. While this report is limited to training and assistance to combat money laundering and the financing of terrorism, anticorruption training is closely related to USG anti-money laundering/counter-terrorist financing training, and frequently mirrors it: For example, INL's anticorruption initiatives help to 1) establish shared global anticorruption standards such as the United Nations Convention against Corruption, subscribed to by 107 countries; 2) strengthen global political will to fight corruption and to implement multilateral anti-corruption commitments; 3) increase international cooperation to prosecute corruption, identify and prevent access by kleptocrats to financial systems, deny safe haven to corrupt officials, and identify, recover, and return proceeds of corruption; and 4) provide anticorruption assistance that strengthens legal frameworks and builds capacity of critical law enforcement and rule of law institutions, such as police, investigators, prosecutors, judges, ethics offices, auditors, inspectors general, and other oversight, regulatory and law enforcement officials.

INL and the Department's Office of the Coordinator for Counterterrorism (S/CT) co-chair the interagency Terrorist Finance Working Group (TFWG) and together implement a multimillion dollar

training and technical assistance program designed to develop or enhance the capacity of a selected group of more than two dozen countries that have been used or are vulnerable to being used to finance terrorism. As is the case with the more than 100 other countries to which INL-funded training was delivered in 2007, the capacity to thwart the funding of terrorism is dependent on the development of a robust anti-money laundering regime. Supported by and in coordination with the Department of State, the Department of Justice, Department of Homeland Security, Department of Treasury, the Federal Deposit Insurance Corporation, and various nongovernmental organizations, the TFWG member agencies offer law enforcement, regulatory and criminal justice programs worldwide. This integrated approach includes assistance with the drafting of legislation and regulations that comport with international standards, and the training of law enforcement, the judiciary and bank regulators, as well as the development of financial intelligence units capable of collecting, analyzing and disseminating financial information to foreign analogs. Courses have been provided in the United States as well as in the jurisdictions to which the programs are targeted.

Nearly every federal law enforcement agency assisted in this effort by providing basic and advanced training courses in all aspects of financial criminal investigation. Likewise, bank regulatory agencies participated in providing advanced anti-money laundering/counterterrorist financing training to supervisory entities. In addition, INL made funds available for the intermittent or full-time posting of legal and financial mentors at selected overseas locations. These advisors work directly with host governments to assist in the creation, implementation, and enforcement of anti-money laundering and financial crime legislation. INL also provided several federal agencies funding to conduct multi-agency financial crime training assessments and develop specialized training in specific jurisdictions to combat money laundering.

The success of the Brazilian Trade Transparency Unit (TTU), less than nine months after being established in late 2005, augurs well for the newer TTUs of Argentina and Paraguay. The Argentine TTU has uncovered a major trade-based anomaly that law enforcement is currently investigating. In 2006, INL obligated funds to the Department of Homeland Security to establish a TTU in Southeast Asia and, in 2007, to develop a TTU in Mexico. Similar to the Egmont Group of financial intelligence units that examines and exchanges information gathered through financial transparency reporting requirements, an international network of TTUs will foster the sharing of disparities in trade data between countries and be a potent weapon in combating customs fraud and trade-based money laundering. Trade is the common denominator in most of the world's alternative remittance systems and underground banking systems. Trade-based value transfer systems have also been used in terrorist finance.

The success of the Caribbean Anti-Money Laundering Program (CALP) convinced INL that a similar type of program for small Pacific island jurisdictions had the potential of developing viable anti-money laundering/counterterrorist regimes. Accordingly, INL contributed $1.5 million to the Pacific Islands Forum to develop the Pacific Island Anti-Money Laundering Program (PALP). The objectives of the PALP are to reduce the laundering of the proceeds of all serious crime and the financing of terrorist financing by facilitating the prevention, investigation, and prosecution of money laundering. The PALP's staff of resident mentors provides regional and bilateral mentoring, training and technical assistance to the Pacific Islands Forum's 14 non-FATF member states for the purpose of developing viable regimes that comport with international standards. The PALP is now in its second year. INL will contribute a total of $6 million to the Pacific Islands Forum for the four-year PALP project.

In FY07, INL obligated $1.7 million for the United Nations Global Program against Money Laundering (GPML). In addition to sponsoring money laundering conferences and providing short-term training courses, the GPML instituted a unique longer-term technical assistance initiative through its mentoring program. The mentoring program provides advisors on a year-long basis to specific countries or regions. GPML mentors provided assistance to the Secretariat of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and to the Horn of Africa countries targeted by

the President's East Africa Counterterrorism Initiative. GPML resident mentors provided country-specific assistance to the Philippines' FIU, and asset forfeiture assistance to Namibia, Botswana, and Zambia. The mentor provided legal inputs to amend relevant legislation in each country, and initiated and monitored the Prosecutor Placement Program, an initiative aimed at placing prosecutors from the region for a certain period of time within the Asset Forfeiture Unit of the National Prosecuting Authority (NPA) in South Africa. The GPML mentors in Central Asia and the Mekong Delta are assisting the countries in those regions to develop viable anti-money laundering/counterterrorist financing regimes. The GPML continues to develop interactive computer-based programs that are translated into several languages and distributed globally.

INL continues to provide significant financial support for many of the anti-money laundering bodies around the globe. During 2007, INL supported the Financial Action Task Force (FATF), the international standard setting organization. INL continued to be the sole U.S. Government financial supporter of the FATF-style regional bodies, including the Asia/Pacific Group on Money Laundering (APG), the Council of Europe's MONEYVAL, the Caribbean Financial Action Task Force (CFATF), the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and the South American Financial Action Task Force (GAFISUD). INL also financially supported the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Experts Group to Control Money Laundering and the OAS Inter-American Counter-Terrorism Committee.

As in previous years, INL training programs continue to focus on an interagency and multilateral approach and on bringing together, where possible, foreign law enforcement, judicial and financial supervisory and regulatory authorities. This approach encourages an extensive dialogue and exchange of information. This approach has been used successfully in Asia, Central and South America, Central Asia, and Central and Eastern Europe. INL also provides funding for many of the regional training and technical assistance programs offered by the various law enforcement agencies, including assistance to the International Law Enforcement Academies.

International Law Enforcement Academies (ILEAs)

The mission of the regional ILEAs has been to support emerging democracies, help protect U.S. interests through international cooperation, and promote social, political and economic stability by combating crime. To achieve these goals, the ILEA program has provided high-quality training and technical assistance, supported institution building and enforcement capability, and fostered relationships of American law enforcement agencies with their counterparts in each region. ILEAs have also encouraged strong partnerships among regional countries, to address common problems associated with criminal activity.

The ILEA concept and philosophy is the result of a united effort by all participants—government agencies and ministries, trainers, managers, and students—to achieve the common foreign policy goal of international law enforcement. The goal is to train professionals who will craft the future of the rule of law, human dignity, personal safety and global security.

The ILEAs are a progressive concept in the area of international assistance programs. The regional ILEAs offer three different types of programs. The Core program, a series of specialized training courses and regional seminars tailored to region-specific needs and emerging global threats, typically includes 50 participants, normally from three or more countries. The specialized courses, comprised of about 30 participants, are normally one or two weeks long and often run simultaneously with the Core program. Lastly, there are regional seminars with different topical foci; these have included transnational crimes, financial crimes, and counterterrorism.

The ILEAs help to develop an extensive network of alumni who exchange information with their U.S. counterparts and assist in transnational investigations. These graduates are also expected to become

the leaders and decision-makers in their respective societies. The Department of State works with the Departments of Justice (DOJ), Homeland Security (DHS) and Treasury, and with foreign governments to implement the ILEA programs. To date, the combined ILEAs have trained over 20,000 officials from over 75 countries in Africa, Asia, Europe and Latin America. The ILEA budget averages approximately $16 to 18 million annually.

Africa. ILEA Gaborone (Botswana) opened in 2001. The main feature of this ILEA is a six-week intensive personal and professional development program, called the Law Enforcement Executive Development Program (LEEDP), for law enforcement mid-level managers. The LEEDP brings together approximately 42 participants from several nations for training on topics such as combating transnational criminal activity, supporting democracy by stressing the rule of law in international and domestic police operations, and by raising the professionalism of officers involved in the fight against crime. ILEA Gaborone also offers specialized courses for police and other criminal justice officials to enhance their capacity to work with U.S. and regional officials to combat international criminal activities. These courses concentrate on specific methods and techniques in a variety of subjects, such as counterterrorism, anti-corruption, financial crimes, border security, drug enforcement, firearms and many others.

Instruction is provided to participants from Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Djibouti, Ethiopia, Kenya, Uganda, Nigeria, Cameroon, Comoros, Congo, the Democratic Republic of Congo, Gabon and Madagascar. Burundi, Rwanda, Sierra Leone, Ghana, Guinea and Senegal are projected to join the program during the latter part of 2008.

United States and Botswana trainers provide instruction. ILEA Gaborone has offered specialized courses on money laundering/terrorist financing-related topics such as Criminal Investigation (presented by FBI) and International Banking & Financial Forensic Program (presented by DHS and the Federal Law Enforcement Training Center), and International Money Laundering Scheme (presented by ICE). ILEA Gaborone trains approximately 500 students annually.

Asia. ILEA Bangkok (Thailand) opened in March 1999. This ILEA focuses on enhancing the effectiveness of regional cooperation against the principal transnational crime threats in Southeast Asia—illicit drug trafficking, financial crimes, and alien smuggling. The ILEA provides a Core course (the Supervisory Criminal Investigator Course or SCIC) of management and technical instruction for supervisory criminal investigators and other criminal justice managers. In addition, this ILEA presents one Senior Executive program and about 18 specialized courses—each lasting one to two weeks—in a variety of criminal justice topics. The principal objectives of the ILEA are the development of effective law enforcement cooperation within the member countries of the Association of Southeast Asian Nations (ASEAN), East Timor and China (including Hong Kong and Macau), and the strengthening of each country's criminal justice institutions to increase its abilities to cooperate in the suppression of transnational crime.

Instruction is provided to participants from Brunei, Cambodia, East Timor, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand and Vietnam. Subject matter experts from the United States, Thailand, Japan, Netherlands, Philippines and Hong Kong provide instruction. ILEA Bangkok has offered specialized courses on money laundering/terrorist financing-related topics such as Computer Crime Investigations (presented by FBI and DHS) and Complex Financial Investigations (presented by IRS, FBI and DEA). Total annual student participation is approximately 800.

Europe. ILEA Budapest (Hungary) opened in 1995. Its mission has been to support the region's emerging democracies by combating an increase in criminal activity that emerged against the backdrop of economic and political restructuring following the collapse of the Soviet Union. ILEA Budapest offers three different types of programs: an eight-week Core course, Regional Seminars and

Specialized courses in a variety of criminal justice topics. Instruction is provided to participants from Albania, Armenia, Azerbaijan, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Trainers from 17 federal agencies and local jurisdictions from the United States, Hungary, Canada, Germany, United Kingdom, Netherlands, Ireland, Italy, Russia, Interpol and the Council of Europe provide instruction. ILEA Budapest has offered specialized courses on money laundering/terrorist financing-related topics such as Investigating/Prosecuting Organized Crime and Transnational Money Laundering (both presented by DOJ/OPDAT). ILEA Budapest trains approximately 800 students annually.

Global. ILEA Roswell (New Mexico) opened in September 2001. This ILEA offers a curriculum comprised of courses similar to those provided at a typical Criminal Justice university/college. These three-week courses have been designed and are taught by academicians for foreign law enforcement officials. This Academy is unique in its format and composition with a strictly academic focus and a worldwide student body. The participants are middle to senior level law enforcement and criminal justice officials from Eastern Europe; Russia, the states of the former Soviet Union; Association of Southeast Asian Nations (ASEAN) member countries; and the People's Republic of China (including the Special Autonomous Regions of Hong Kong and Macau); and member countries of the Southern African Development Community (SADC) plus other East and West African countries; the Caribbean, Central and South American countries. The students are drawn from pools of ILEA graduates from the Academies in Bangkok, Budapest, Gaborone and San Salvador. ILEA Roswell trains approximately 350 students annually.

Latin America. ILEA San Salvador was established in 2005. The training program for the newest ILEA is similar to the ILEAs in Bangkok, Budapest and Gaborone and will offer a six-week Law Enforcement Management Development Program (LEMDP) for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. In 2008, ILEA San Salvador will deliver four LEMDP sessions and approximately 16 Specialized courses that will concentrate on attacking international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing, financial crimes, culture of lawfulness and accountability in government. Components of the six-week LEMDP training session will focus on terrorist financing (presented by the FBI), international money laundering (presented by ICE) and financial evidence/money laundering application (presented by DHS/FLETC and IRS). The Specialized course schedule will include courses on financial crimes investigations (presented by DHS/ICE) and money laundering training (presented by IRS). Instruction is provided to participants from: Argentina, Bardados, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panamá, Paraguay, Perú, Trinidad and Tobago, Uruguay and Venezuela. ILEA San Salvador trains approximately 800 students per year

The ILEA Regional Training Center located in Peru opened in 2007. The center will augment the delivery of region-specific training for Latin America and will concentrate on specialized courses on critical topics for countries in the Southern Cone and Andean Regions. The RTC is projected to train approximately 240 students per year.

Board of Governors of the Federal Reserve System (FRB)

An important component in the United States' efforts to combat and deter money laundering and terrorist financing is to verify that supervised organizations comply with the Bank Secrecy Act (BSA) and have programs in place to comply with the Office of Foreign Assets Control (OFAC) sanctions. Under the auspices of the Federal Financial Institutions Examination Council's (FFIEC) BSA/Anti-Money Laundering (AML) Working Group, the federal bank regulatory agencies, Financial Crimes

Enforcement Network (FinCEN), OFAC, and the Conference of State Banking Supervisors collaborated in the development of the FFIEC's BSA/AML Examination Manual, released in 2005 and updated in 2006. In 2007, the manual was updated again to further clarify supervisory expectations, incorporate new regulatory issuances, and respond to industry requests for additional guidance.

Internationally, the FRB conducted training and provided technical assistance to bank supervisors and law enforcement officials in AML and counterterrorist financing (CTF) tactics in partnership with regional supervisory groups or multilateral institutions, including the South East Asian Central Banks, and the Caribbean Association of Indigenous Bankers. In 2007, the FRB provided training and/or technical assistance to regulators and bankers in Russia and Mexico. In addition, the FRB sponsored an AML examination seminar in Chicago for bank supervisors from 25 different countries.

Due to the importance that the FRB places on international standards, the FRB's AML experts participate regularly in the U.S. delegation to the Financial Action Task Force (FATF) and the Basel Committee's AML/CTF expert group. The FRB is also an active participant in the U.S. Treasury Department's ongoing Private Sector Dialogue conferences, attending the Latin American session in Bogotá and the Middle East and North Africa meeting in Dubai this year. Staff also meets frequently with industry groups and foreign supervisors to support industry best practices in this area.

The FRB presented training courses on 'International Money Movement' to domestic law enforcement agencies, including the Department of Homeland Security's Bureau for Immigration and Customs Enforcement (DHS/ICE), as well as at the Federal Law Enforcement Training Center (FLETC) during 2007.

Drug Enforcement Administration (DEA), Department of Justice

The Office of Financial Operations provided anti-money laundering and/or asset forfeiture training in 2007 to officials from Thailand, Australia, Belgium, Aruba, Peru, Canada, Indonesia, and Mexico.

The DEA Office of International Training facilitated three Department of Justice (DOJ)/Asset Forfeiture Money Laundering Seminars to foreign audiences: (1) International Asset Forfeiture Seminar, (2) Advanced International Asset Forfeiture Seminar, and (3) Money Laundering Seminar. During fiscal year 2007, a total of 214 participants were trained at Basic and Advanced Asset Forfeiture/Money Laundering Seminars from the following countries: Cyprus, Indonesia, Mexico, Israel, and New Zealand. The core topics in the International Asset Forfeiture Seminar include: financial investigations; case study; tracing hidden assets; DEA asset forfeiture procedures and U.S. forfeiture law; international asset forfeiture sharing and cooperation; debriefing of financial sources of information. Elective topics include: the business of asset forfeiture (processing and managing seized assets); document exploitation; operational management of an asset forfeiture unit; operation and utilization of FinCEN resources; ethical considerations in the use of asset forfeiture funds; analysis of net worth income and practical application and use of undercover bank accounts. The Advanced Course includes core topics of: international case studies; the use of the Internet in money laundering; international banking; international issues in money laundering and forfeiture; DEA asset forfeiture procedures and practical applications. Elective topics include: reverse undercover sting operations; use of undercover bank accounts; ethical considerations in the use of asset forfeiture funds; tracing the origins of financial assets; document exploitation; use of suspicious activity reports to initiate and pursue investigations; and terrorist financing. Course topics are determined by the investigative capacity and experience level of the participants and the money laundering laws of the host nation. The International Asset Forfeiture and Money Laundering program is coordinated by the International Training Section of DEA in a joint effort with the Department of Justice.

Federal Bureau of Investigation (FBI), Department of Justice

During 2007, with the assistance of State Department funding, Special Agents and other subject matter experts of the Federal Bureau of Investigation (FBI) continued their extensive international training in terrorist financing, money laundering, financial fraud, racketeering enterprise investigations, and complex financial crimes. The FBI's International Training and Assistance Unit (ITAU), is located at the FBI Academy in Quantico, Virginia. ITAU coordinates with the Terrorist Financing and Operations Section of the FBI's Counterterrorism Division, as well as other divisions within FBI Headquarters and in the field, to provide instructors for these international initiatives. FBI instructors, who are most often intelligence analysts, operational Special Agents or Supervisory Special Agents from headquarters or the field, rely on their experience to relate to the international law enforcement students as peers and partners in the training courses.

The FBI regularly conducts training through the International Law Enforcement Academies (ILEA) in Bangkok, Thailand; Budapest, Hungary; Gaborone, Botswana; and San Salvador, El Salvador. In 2007, the FBI delivered training in white collar crime investigations to 240 students from ten countries at ILEA Budapest. At the ILEA Bangkok, the FBI provided training to 50 students from Thailand in the Supervisory Criminal Investigators course and 50 students from Thailand in a Complex Financial Investigations course. Similarly, at the ILEA Gaborone, the FBI provided terrorist financing training to 161 students from 23 African countries and at the ILEA San Salvador, training was provided to 151 students from El Salvador, Guatemala, Nicaragua, and Honduras.

The FBI also provided training to officials in Jordan, Pakistan, Qatar, Bosnia-Herzegovina, South Africa, Latvia, Bangladesh, and Kuwait. This training includes FBI participation in a Combating Money Laundering & Terrorism Financing Seminar that the Department of Justice's Office of Overseas Prosecutorial Development delivered to 45 students in Jordan. It also includes the one-week Terrorism Financing and Money Laundering initiatives that the FBI regularly conducts jointly with the Internal Revenue Service, Criminal Investigative Division, and which included 136 international students in 2007. In its other training programs, held at the FBI Academy, the FBI included blocks or instruction on terrorist financing and/or money laundering for 39 students from 16 Latin American countries participating in the Latin American Law Enforcement Executive Development Seminar, and for 28 students from 11 Middle Eastern and Northern African countries participating in the second Arabic Language Law Enforcement Executive Development Seminar, and 40 students from Mexico for a special Mexican Law Enforcement Executive Development Seminar. Terrorist financing instruction was also included in the FBI's Pacific Training Initiative, which served 55 participants from ten countries: Australia, Cambodia, China, Hong Kong, India, Japan, Korea, Malaysia, Philippines, and Thailand. The FBI provided training to 50 students from Malaysia in a Forensic Accounting course.

Federal Deposit Insurance Corporation (FDIC)

In 2007, the FDIC continued to work in partnership with several federal agencies to combat money laundering and the global flow of terrorist funds. Additionally, the FDIC planned and participated in missions to assess vulnerabilities to terrorist financing activity worldwide, including developing and implementing plans to assist foreign governments in their efforts. To accomplish this objective, the FDIC has 32 individuals available to participate in foreign anti-money laundering and counter-terrorist financing (AML/CTF) missions. Periodically, FDIC management and staff meet with supervisory and law enforcement representatives from various countries to discuss AML issues, including examination policies and procedures, the USA PATRIOT Act requirements, suspicious activity reporting

requirements, and interagency information sharing mechanisms. In 2007, the FDIC gave such presentations to representatives from Japan, Korea, Lebanon, Morocco and Uruguay.

In 2007, in partnership with the Department of State, the FDIC hosted three sessions on AML/CTF to 57 individuals from Algeria, Bosnia and Herzegovina, Egypt, Indonesia, Jordan, Kuwait, Morocco, Pakistan, Paraguay, Philippines, Tanzania, and Turkey. The sessions included the AML examination process, customer due diligence, and foreign correspondent banking. In February and November 2007, the FDIC participated in interagency Financial Systems Assessment Teams (FSAT) to Yemen and Senegal, respectively. The FSAT reviewed the countries' AML laws and provided information in the areas of customer identification programs, financial intelligence units and the monitoring of nonbank financial institutions.

In December 2007, the FDIC participated in the third annual U.S.-Middle East/North Africa Private Sector Dialogue in Dubai, United Arab Emirates. The focus of the conference was to raise awareness of terrorist financing and money laundering risks, facilitate a better understanding of effective practices and programs to combat such risks, and strengthen implementation of effective AML/CTF controls.

Financial Crimes Enforcement Network (FinCEN), Department of Treasury

FinCEN, a bureau of the U.S. Department of the Treasury and the U.S. financial intelligence unit (FIU), coordinates and provides training and technical assistance to foreign nations seeking to improve their capabilities to combat money laundering, terrorist financing, and other financial crimes. A specific focus of FinCEN is the creation and strengthening of FIUs, a valuable component of a country's anti-money laundering/counter-terrorist financing (AML/CTF) regime. FinCEN's international training program has two primary focuses: (1) instruction and presentations to a broad range of government officials, financial regulators, law enforcement officers, and others on the subjects of money laundering, terrorist financing, financial crime, and on FinCEN's mission and operation; and (2) individualized training to FIU counterparts regarding FIU operations and analysis training via personnel exchanges and FIU development seminars. Much of FinCEN's work involves strengthening existing FIUs and the channels of communication used to share information to support anti-money laundering investigations. Participation in personnel exchanges (from the foreign FIU to FinCEN and vice versa), delegation visits to/from foreign FIUs, and coordinating regional workshops are just a few examples of FinCEN activities designed to assist and support FIUs.

In 2007, FinCEN hosted representatives from approximately 29 countries. These visits, typically lasting one to three days, focused on topics such as money laundering trends and patterns, the Bank Secrecy Act, USA PATRIOT ACT, communications systems and databases, case processing, and the goals and mission of FinCEN. Representatives from foreign financial and law enforcement sectors generally spend one to two days at FinCEN learning about money laundering, the U.S. AML regime and reporting requirements, the national and international roles of a financial intelligence unit, and various other topics.

FinCEN gives assistance to new or developing FIUs that are not yet members of the Egmont Group of FIUs. Comprised of FIUs that cooperatively agree to share financial intelligence, Egmont has become the standard-setting body for FIUs. FinCEN hosts FIU orientation visits and provides training and mentoring on FIU development. In 2007, FinCEN hosted a representative from Namibia's nascent FIU for an orientation visit that included an overview on various aspects of developing a newly formed FIU. Also, at the invitation of FinCEN's Director, a delegation from Saudi Arabia's FIU was hosted by FinCEN for a weeklong seminar that included an overview of FinCEN's operations and programs,

as well as briefings from other U.S. agencies selected by FinCEN (OCC, IRS, ICE, FBI and DOJ) to discuss their part in the U.S. AML/CTF regime.

For those FIUs that are fully operational, FinCEN's goal is to assist the unit in increasing effectiveness, improving information sharing capabilities, and better understanding the phenomena of money laundering and terrorist financing. As a member of the Egmont Group, FinCEN works closely with other member FIUs to provide training and technical assistance to countries and jurisdictions interested in establishing their own FIUs and obtaining candidacy for membership in the Egmont Group. Additionally, FinCEN works multilaterally through its representative on the Egmont Training Working Group to design, implement, and co-teach Egmont-sponsored regional training programs to both Egmont member and Egmont candidate FIUs.

In addition to hosting delegations for training on FinCEN premises, FinCEN conducts training courses and seminars abroad, both independently and in conjunction with other domestic and foreign agencies, counterpart FIUs, and international organizations. Occasionally, FinCEN's training and technical assistance programming is developed jointly with these other agencies to address specific needs of the jurisdiction/country receiving assistance. Topics such as FIU primary and secondary functions; regulatory issues; international case processing procedures; technology infrastructure and security; and terrorist financing and money laundering trends and typologies provide trainees with broader knowledge and a better understanding of the topics of money laundering and terrorist financing. In 2007, FinCEN collaborated with the Canadian FIU (FINTRAC) and the World Bank to conduct a training workshop for 12 Caribbean FIUs. The workshop focused on enhancing the capacity and cooperation of Caribbean FIUs to combat money laundering and the financing of terrorism. Over a five day training course, participants engaged in discussions and practical exercises relating to various topics such as terrorist financing, nonprofit organizations, protection of information, alternative remittance systems, international and domestic cooperation, and strengthening the analysis of financial reports.

FinCEN conducts core analytical training to counterpart FIUs both at FinCEN and abroad, often in conjunction with other U.S. agencies. FinCEN's analytical training program, typically delivered over the course of one to two weeks, provides foreign analysts with basic skills in critical thinking and analysis; data collection; database research; suspicious transactions analysis; the intelligence cycle; charting; data mining; and case presentation. In 2007, FinCEN provided training on basic analytical skills to FIUs and other agencies from the intelligence, regulatory and enforcement communities in Bangladesh, Saudi Arabia, Afghanistan Egypt and Bosnia. Over the last twelve months, in an effort to reinforce the sharing of information among established Egmont-member FIUs, FinCEN conducted personnel exchanges with Egmont Group members Chile, Canada, Mexico and Japan. These exchanges offer the opportunity for FIU personnel to see first-hand how another FIU operates; develop joint analytical projects and other strategic initiatives; and also to work jointly on on-going financial crimes cases. The participants in these exchanges share ideas, innovations, and insights that lead to improvements in such areas as analysis, information flow, and information security at their home FIUs, in addition to deeper and more sustained operational collaboration.

Immigration and Customs Enforcement, Department of Homeland Security (DHS)

During 2007, U.S. Immigration and Customs Enforcement (ICE), Financial, Narcotics and Public Safety Division, in conjunction with the Office of International Affairs, delivered money laundering/terrorist financing, bulk cash smuggling, and financial investigations training to law enforcement, regulatory, banking and trade officials from more than 50 foreign countries. The training was conducted in both bilateral and multilateral engagements. ICE money laundering and financial

investigations training is based on the broad experience and expertise achieved by leading U.S. efforts in investigating international money laundering and financial crimes as part of the former U.S. Customs Service.

Using primarily State Department/INL funding, ICE provided bilateral and multilateral training and technical assistance on the interdiction and investigation of bulk cash smuggling for 340 officials representing a total of 36 countries. ICE conducted basic bulk cash smuggling training in the Philippines, South Africa, Malaysia, Indonesia, Morocco, Bosnia, and Algeria. ICE also provided an operational training seminar on advanced bulk cash smuggling in the Philippines. Bulk cash smuggling training was also delivered to two regional Financial Action Task Force-style regional bodies (FATF/FSRBs): the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG) and the Inter-Government Action Group Against Money Laundering and Terrorist Financing (GIABA.) All ICE training was conducted in furtherance of the FATF Special Recommendation IX on Cash Couriers.

ICE also conducted financial investigation/money laundering training programs for more than 600 participants at the State Department sponsored International Law Enforcement Academy (ILEA) locations in El Salvador, Thailand, Hungary and Botswana. A specialized advanced financial training program was given three times at the ILEA in Thailand.

Trade Transparency Units (TTUs)

Trade Transparency Units (TTUs) identify anomalies related to cross-border trade that are indicative of international trade-based money laundering. TTUs generate, initiate and support investigations and prosecutions related to trade-based money laundering, the illegal movement of criminal proceeds across international borders, alternative money remittance systems, and other financial crimes. By sharing trade data, ICE and participating foreign governments are able to see both sides of import and export transactions for commodities entering or exiting their countries, thus assisting in the investigation of international money laundering organizations

With funding from the Department of State's Bureau of International Narcotics and Law Enforcement (INL), ICE worked to expand the network of operational foreign Trade Transparency Units (TTU's) beyond Colombia, Brazil, and Argentina by providing IT equipment and training to the newly established TTU in Paraguay. ICE also initiated the process of establishing a TTU in Mexico City, Mexico and is conducting suitability surveys in preparation of establishing a TTU in Southeast Asia.

In 2007, ICE updated the technical capabilities of existing TTUs and trained new TTU personnel in Colombia, Argentina, and Paraguay as well as members of their financial intelligence units. Additionally, ICE strengthened its relationship with its TTUs by deploying temporary personnel overseas to work onsite and provide hands on training to all four TTUs in the hemisphere. This action resulted in immediate information sharing between the U.S. and the foreign TTUs in furtherance of ongoing joint criminal investigations.

Other ICE Programs

Additionally, in 2007, ICE expanded Operation Firewall, a joint strategic bulk cash smuggling initiative with U.S. Customs and Border Protection (CBP) to provide hands on training and capacity building to Mexican law enforcement officials. Operation Firewall was initiated to address the threat of bulk cash smuggling via commercial and private passenger vehicles, commercial airline shipments, commercial airline passengers, and pedestrians transiting into Mexico and Canada, as well as other foreign locations. In 2007, Operation Firewall had 845 seizures totaling more than $4.3 million in U.S. currency and negotiable instruments.

Under the ICE Cornerstone initiative, training was developed and designed to provide the financial and trade sectors with the necessary skills to identify and develop methodologies to detect suspicious transactions indicative of money laundering and criminal activity. In furtherance of Cornerstone, ICE has appointed field and headquarters agents who are dedicated to providing training to the financial and trade communities on identifying and preventing exploitation by criminal and terrorist organizations. In 2007, ICE Cornerstone liaisons conducted 1,390 outreach meetings with more than 23,000 industry professionals in the U.S. and abroad.

Internal Revenue Service (IRS), Criminal Investigative Division (CID) Department of Treasury

In calendar year 2007, the IRS Criminal Investigative Division (IRS-CID) continued their involvement in international training and technical assistance efforts designed to assist international law enforcement officers in detecting tax, money laundering and terrorist financing crimes. With funding provided by the Department of State, IRS-CID delivered training through agency and multi-agency technical assistance programs to international law enforcement agencies. Training consisted of both basic and advanced financial investigative techniques. IRS-CID provided instructor and course delivery support to the four International Law Enforcement Academies (ILEAs) in Bangkok, Thailand; Budapest, Hungary; Gaborone, Botswana; and San Salvador, El Salvador.

At ILEA Bangkok, IRS-CID participated in one Supervisory Criminal Investigator course #24 (SCIC) and was the coordinating agency of the Complex Financial Investigations #9 (CFI) course. These courses are provided to senior, mid-level, and first-line law enforcement supervisors and officers from the countries of Cambodia, Hong Kong, Indonesia, Macau, Malaysia, Republic of China, Philippines, Singapore, Thailand, East Timor, and Vietnam.

At ILEA Budapest, IRS-CID participated in five sessions, ILEA 59-63, delivering financial investigative techniques training. The countries that participated in these classes are Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Macedonia, Moldova, Romania, Russia, Serbia, and Ukraine.

At ILEA Gaborone, IRS-CID participated in four Law Enforcement Executive Development programs (LEED 22-25), delivering financial investigative techniques training. IRS-CID also provided a class coordinator for LEED 22, covering a six-week period, with the responsibilities of coordinating and supervising the participant's daily duties and activities. Countries that participated in these classes are Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Djibouti, Ethiopia, Kenya, Seychelles, Uganda, Nigeria, Cameroon, Comoros, Republic of the Congo, Gabon, and Madagascar.

At ILEA-San Salvador, IRS-CID participated in four of the America's Law Enforcement Development programs (LEMDP 004-LEMDP 007), delivering financial investigative techniques training. Countries that participated in these classes are Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Chile, El Salvador, Grenada, Guatemala, Jamaica, Mexico, Paraguay, Peru, St. Kitts and Nevis, and Suriname. LEMDP stresses the importance of conducting a financial investigation to further develop a large scale, criminal investigation.

IRS-CID participated in a conference to raise public awareness of asset forfeiture as an effective law enforcement tool in Belgrade, Serbia. The conference was co-sponsored by the OPDAT and the Organization for Security and Co-Operation in Europe (OSCE). The conference was attended by English, Serbian, and Italian speaking participants.

IRS-CID delivered a Forensic Accounting course for Investigators of the Bank of Negara held in Kuala Lumpur, Malaysia. The Internal Revenue Service Tax Advisory Administrative Services (TAAS) funded the program.

IRS-CID participated in delivering a Terrorism Financing/Money Laundering course hosted by the Federal Bureau of Investigation (FBI) in Doha, Qatar.

IRS-CID delivered an International Financial Fraud Training (IFFT) at FLETC, Glynco, Georgia. The class, sponsored by Tax Advisory Administrative Services (TAAS), was attended by 25 foreign dignitaries from Albania, Bangladesh, Bosnia, China, Guatemala, Republic of Korea, Romania, Taiwan, and Trinidad and Tobago.

IRS-CID participated in a conference hosted by The Department of Justice Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) in Kuala Lumpur, Malaysia. The conference focused on Terrorism Financing through Charities.

IRS-CID participated in delivering the Bulgarian Prosecutor Training course focusing on Following the Money and Dismantling the Criminal Organization in Velinko Tarnovo, Bulgaria, and Plovdiv, Bulgaria. The Department of Justice Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) hosted the program.

IRS-CID participated in delivering an Anti-Money Laundering and Anti-Terrorism Financing Training course in Sarajevo, Bosnia and Herzegovina, for 30 law enforcement agents and prosecuting attorneys. The program was sponsored by The Department of State.

IRS-CID, with the FBI, delivered a Financial Investigative Techniques along with a Terrorism Financing Training course in Cebu, Philippines.

IRS-CID delivered two Financial Investigative Techniques courses, hosted by Overseas Prosecutorial Development Training and Assistance (OPDAT), in Dhaka, Bangladesh.

IRS-CID delivered two Advanced Tax Fraud Investigative Techniques courses, hosted by the U.S. Agency of International Development (USAID), in Manila, Philippines.

IRS-CID delivered a Financial Investigative Techniques Training program in Managua, Nicaragua, with 26 participants. The Department of Justice, Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) hosted the program.

IRS-CID participated in delivering a Financial Fraud Training course in Lagos, Nigeria, with 55 participants from the Economic and Financial Crimes Commission. The Department of State and the FBI hosted the course.

IRS-CID delivered a Financial Investigative Techniques Training in Seoul, South Korea. Thirty participants from several Regional Tax Offices attended. Tax Administration Advisory Services and the National Tax Service of Korea hosted the training.

IRS-CID assisted the FBI in delivering a Terrorism Financing and Money Laundering course in Johannesburg, South Africa. The course was attended by 31 participants; 25 from the Johannesburg Metropolitan Police Department (JMPD) and 6 from the South African National Police.

IRS-CID participated with the FBI in delivering an Investigative Techniques and Anti-Terrorism course in Riga, Latvia. Law enforcement agents and prosecuting attorneys attended the program. The Department of State and the Embassy of the United States Riga, Latvia hosted the training.

IRS-CID assisted delivering a Parallel Financial Investigations Training course with 23 participants from the Ministry of Interior, the Kyrgyz Republic Prosecutor's office, and Kyrgyz Republic State Border Guard Service, in Kyrgyzstan, Russia. The training was hosted by the FLETC International Programs Division.

During FY 2007, the IRS-CI Attache for the Caribbean assisted with the coordination and served as a liaison between the Treasury, Office of Technical Assistance (OTA), and OPDAT, along with the State Department and the Attorney Generals' Financial Investigations Units of Antigua and Grenada to provide a workshop to both countries on financial investigations. The workshops were to assist those countries in formulating methodologies of how to work criminal financial investigations, as well as setting up a handbook for each FIU on policies and procedures when working financial investigations. In both countries, the workshops were a success and in Grenada, the workshop was attended by police officers, as well as prosecutors.

In 2007, IRS-CI Attache for Bogota conducted four classes in Colombia and one class in Costa Rica of advanced money laundering training. In total over 300 host nation law enforcement officers and government attorneys were trained with the financial assistance of OPDAT and ICITAP of U.S. Embassy Bogota.

Office of the Comptroller of the Currency (OCC), Department of Treasury

The Office of the Comptroller of the Currency (OCC) provides Bank Secrecy Act (BSA) and anti-money laundering (AML) guidance to national banks and federal branches of foreign banking organizations and performs on-site examinations of compliance with BSA/AML laws and regulations. The OCC also develops and provides, in conjunction with other federal banking regulators, BSA/AML guidance and training to examiners and foreign banking supervisors. The on-site examinations include reviewing compliance with BSA/AML laws and regulations at some of the largest financial institutions in the world. Working with the other federal banking regulators through the Federal Financial Institution Examination Council (FFIEC), the OCC assisted in revising the FFIEC BSA/AML Examination Manual and provided instructors for the FFIEC Advanced BSA/AML Compliance Conference.

The OCC supported U.S. efforts on Financial Action Task Force (FATF) initiatives and provided AML assistance on projects to regional supervisory bodies, U.S. interagency programs, and projects initiated by the International Monetary Fund (IMF) and World Bank. In February and December, the OCC participated on interagency Financial Systems Assessment Teams (FSAT) to Algeria and Northern Iraq.

Various OCC officials participated in international conferences on combating money laundering. In February and March of 2007, OCC officials were part of a body of U.S. regulators presenting to the international audiences at the Florida International Bankers Association and the Money Laundering Alert's International Conference on Combating Money Laundering. The OCC's senior compliance official was a guest speaker at the Inaugural United States/Latin American Private Sector Dialogue Money Laundering and Counter Terrorist Financing held in Bogotá, Columbia. This official was also a roundtable panelist at the third United States / Middle East North Africa Private Sector Dialogue on Implementing Effective Anti-Money Laundering/Counterterrorist Financing Controls held in Dubai, United Arab Emirates.

The OCC conducted and sponsored a number of anti-money laundering initiatives for foreign banking supervisors during 2007. In May, the OCC sponsored its Anti-Money Laundering/Countering the Financing of Terrorism School in Washington, D.C. The school was designed specifically for foreign banking supervisors to increase their knowledge of money laundering and terrorist financing activities and how these acts are perpetrated. The course provided a basic overview of AML examination techniques, tools, and case studies. Twenty-nine banking supervisors from 17 countries attended. The OCC also provided AML technical assistance to banking supervisors from South Korea, Lebanon, and Russia.

During March, the OCC provided an instructor to the IMF-sponsored Anti-Money Laundering/Combating Terrorist Financing Workshop in the United Arab Emirates. The workshop was tailored for banking supervisors from the Middle East and Northern Africa to provide a basic overview of AML examination techniques, tools and case studies. Thirty-four banking supervisors from the Middle East North Africa region attended the workshop at the Arab Monetary Fund in Abu Dhabi, United Arab Emirates.

Office of Overseas Prosecutorial Development, Assistance and Training, the Asset Forfeiture and Money Laundering Section, & Counterterrorism Section (OPDAT, AFMLS, and CTS), Department of Justice

Training and Technical Assistance

The Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) section is the office within the U.S. Department of Justice (DOJ) that assesses, designs and implements training and technical assistance programs for our criminal justice sector counterparts overseas. OPDAT draws upon the subject matter expertise components within the Department, such as the Asset Forfeiture and Money Laundering Section (AFMLS), the Counterterrorism Section (CTS), and the United States Attorney's Offices across the country to provide expert training and advice to enhance the capacities of our foreign partners. Much of the assistance provided by OPDAT and AFMLS is provided with funding from the Department of State.

In addition to training programs that are targeted to each country's needs, OPDAT also provides long term, in-country assistance through Resident Legal Advisors (RLAs). RLAs are federal prosecutors who provide in-country technical assistance to improve capacity, efficiency and professionalism within foreign criminal justice systems. RLAs are posted to the U.S. Embassy in a country for a period of one or two years to work directly with counterparts in legal and law enforcement agencies, such as the ministry of justice, prosecutor's office and the judiciary. To promote reforms within the criminal justice sector, RLAs provide assistance in legislative drafting, modernizing institutional structures, policies and practices, and training law enforcement personnel including prosecutors, judges, police and other investigative or court officials. For all of its programs, OPDAT draws upon the expertise of the Department of Justice's Criminal Division, the National Security Division, and other DOJ components as needed. OPDAT works closely with AFMLS, the lead DOJ unit in providing countries with technical assistance in the drafting of money laundering and asset forfeiture statutes compliant with international standards.

Money Laundering/Asset Forfeiture

During 2007, DOJ/OPDAT and AFMLS continued to provide training to foreign judges, prosecutors and other law enforcement officials, and assistance in the drafting of anti-money laundering statutes compliant with international standards. The assistance furnished by OPDAT and AFMLS enhances the ability of participating countries to prevent, detect, investigate and prosecute money laundering, and to make appropriate and effective use of asset forfeiture. The content of individual technical assistance programs varies depending on the specific needs of the participants, but topics addressed in 2007 included developing money laundering legislation and conducting investigations, complying with international standards in the anti-money laundering/counterterrorist financing (AML/CTF) area: techniques and methods used for effective investigations and prosecution of money laundering, including the role of prosecutors; criminal and civil forfeiture systems; and the importance of both

international and inter-agency cooperation and communication. AFMLS provides direct technical assistance in connection with legislative drafting on all matters involving money laundering, asset forfeiture and the financing of terrorism. During 2007, AFMLS provided such assistance to 11 countries and continued to participate in meetings of the Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD) Experts Group on Money Laundering to develop and promote best practices in money laundering and asset forfeiture. AFMLS continued to participate in the Group of Eight (G-8) working groups on corruption and asset sharing and the CARIN Group on asset recovery.

AFMLS provided training to government officials concerned with money laundering issues in Algeria, Azerbaijan, China, Indonesia, Jordan, Kyrgyzstan, Lithuania, Qatar, Saudi Arabia, Turkey and Turkey. Additionally, in 2007, AFMLS provided technical assistance to Algeria, Azerbaijan, the Cayman Islands, Indonesia, Jordan, Kenya, Mexico, Moldova, Pakistan, Vietnam and Yemen.

In an effort to improve international cooperation, AFMLS, in conjunction with the Swiss Federal Office of Justice and the Liechtenstein Ministry of Justice, hosted a conference in Davos, Switzerland, from April 17-20, 2007, on International Forfeiture Cooperation for prosecutors and investigators to discuss nonconviction based forfeiture. This conference brought practitioners, investigators, and international experts together to discuss experiences and provide practical tools to further global cooperation concerning nonconviction based forfeitures. Officials from Austria, Bulgaria, Denmark, Guernsey, Hong Kong, Israel, Jersey, Latvia, Liechtenstein, Luxembourg, the Philippines, South Africa, Switzerland, Turkey, the United Kingdom and the United States participated.

With the assistance of Department of State funding, in 2007 OPDAT provided training to government officials on money laundering and financial crime-related issues to officials from more than 23 countries, including Algeria, Antigua, Azerbaijan, Bangladesh, Bulgaria, Brunei, East Timor, Estonia, Grenada, Indonesia, Jordan, Kyrgyzstan, Latvia, Lithuania, Malaysia, Nicaragua, Pakistan, Paraguay, Philippines, Singapore, South Africa, Turkey, and the United Arab Emirates.

OPDAT conducted the second phase of a mentoring program for financial investigators, intelligence analysts, and attorneys in St. George, Antigua. The program was designed to enhance the ability of Antiguan law enforcement officials to investigate and prosecute financial crimes. During the first phase, held in October 2006, the participants developed a draft of a best-practices handbook for financial investigations and prosecutions. The second phase focused on practical exercises.

OPDAT conducted workshops for prosecutors, investigators, and police in four of the five appellate regions of Bulgaria on financial profiling and financial investigations in dismantling trafficking enterprises. These were part of a series of regional workshops encouraging law enforcement to focus on dismantling human trafficking rings by targeting money and assets.

In June, OPDAT, in conjunction with OTA, conducted two financial crimes seminars for Bulgarian prosecutors, in Veliko Tarnovo, and Plovdiv, Bulgaria. The purpose of the programs was to share experiences and lessons learned when investigating and prosecuting financial crime and money laundering cases.

OPDAT conducted a program on money laundering and organized crime in Johannesburg, South Africa, for approximately 115 participants from the South African Police Service and National Prosecuting Authority. Topics included coordination between police and prosecutors; witness protection; crime participants as witnesses; international cooperation; and a review of the South African money laundering statute in terms of subpoena authority, bank reporting requirements, and roles of estate agents and transferring attorneys.

In St. George's, Grenada, OPDAT conducted the first phase of a program designed to enhance the ability of Grenada's law enforcement to investigate and prosecute financial crimes. During the

workshop, 25 participants, including financial investigators and prosecutors, developed a draft of a best practices handbook for financial investigations and prosecutions.

Resident Legal Advisors

The OPDAT RLA to Azerbaijan, with participation from AFMLS, organized a seminar on "Investigating and Prosecuting Money Laundering and Financial Crimes" in Baku, Azerbaijan. The program was geared toward providing technical assistance on Azerbaijan's draft anti-money laundering/counterterrorist financing legislation.

In late November and early December, the OPDAT RLA to Bulgaria, in conjunction with the Bulgarian Association of Prosecutors, conducted three two-day regional workshops on financial crimes for Bulgarian prosecutors. Topics included the legislative framework in Bulgaria and the European Union for combating financial crimes, evidentiary standards for financial crime cases, procedure in financial crimes cases, and the enterprise theory.

Terrorism/Terrorist Financing

Since 2001 OPDAT, CTS, and AFMLS have intensified their efforts to assist countries in developing their legal infrastructure to combat terrorism and terrorist financing. OPDAT, CTS, and AFMLS, with the assistance of other DOJ components, play a central role in providing technical assistance to foreign counterparts both to attack the financial underpinnings of terrorism and to build legal infrastructures to combat it. In this effort, OPDAT, CTS, and AFMLS work as integral parts of the U.S. Interagency Terrorist Financing Working Group (TFWG) in partnership with the Departments of State, Treasury, Homeland Security's Immigration and Customs Enforcement (ICE), and several other DOJ components.

TFWG, co-chaired by State INL and the Coordinator for Counterterrorism (S/CT) currently supports seven RLAs assigned overseas. The RLAs are located in Bangladesh, Indonesia, Kenya, Pakistan, Paraguay, Turkey, and the United Arab Emirates (UAE). Working in countries where governments are vulnerable to terrorist financing, RLAs focus on money laundering and financial crimes and developing counterterrorism legislation that criminalizes terrorist acts, terrorist financing, and the provision of material support or resources to terrorist organizations. The RLAs also develop technical assistance programs for prosecutors, judges and, in collaboration with DOJ's International Criminal Investigative Training Assistance Program (ICITAP), police investigators to assist in the implementation of new money laundering and terrorist financing procedures.

In March 2005, OPDAT placed its first RLA in South Asia at Embassy Dhaka with the goal of assisting the Government of Bangladesh in strengthening its anti-money laundering/terrorist financing regime, and improving the capability of Bangladeshi law enforcement to investigate and prosecute complex financial and organized crimes. During 2007, despite an often unpredictable political climate, the RLA continued to provide assistance to Bangladeshi officials in their efforts to establish an effective anti-money laundering and terrorist financing regime.

In January 2007, the RLA conducted programs designed to support the development of procedures for Bangladesh Bank (BB) and police investigators (CID) to follow when reviewing suspicious transaction reports (STRs) for possible investigation.

At the request of the Bangladeshi government, the RLA organized two courses on Financial Investigations. Three instructors from the Internal Revenue Service (IRS) Criminal Investigation Division (CID) presented two week-long courses on Financial Document Analysis to a total of 60 participants from the police, Attorney General's Office, Central Bank's Anti-Money Laundering Unit, the National Board of Revenue (Bangladesh IRS), and the Anti-Corruption Commission. OPDAT has

provided drafting assistance to the Government of Bangladesh (GOB) on the Anti-Money Laundering Law, most recently in August 2007.

OPDAT and the U.K. Charity Commission jointly sponsored a three-day workshop entitled "Protecting Charities from Financial Abuse" in Dhaka, Bangladesh. The focus on the workshop was to ensure that nongovernmental organizations (NGOs) and charities are not abused by terrorist groups. Participants learned about technical analysis for preparing investigations, assessing threats to NGOs including why they are uniquely vulnerable to abuse due to the areas in which they work and the methods of working, ways of gathering information about NGOs, and analyzing data and suspicious transaction reports.

OPDAT provides regular assistance to the Government of Bangladesh to enable it to become the first South Asian nation admitted to the Egmont Group.

The OPDAT RLA program in Indonesia began in June 2005. In 2007, the RLA continued to engage the Attorney General's Terrorism and Transnational Crime Task Force (SATGAS), which OPDAT helped establish as an operational unit in 2006. The task force is responsible for prosecuting significant pro-active cases involving four key areas: terrorism, money laundering, trafficking in persons and cyber crime. The SATGAS unit has nationwide jurisdiction for such prosecutions, but also works with the local offices to promote such prosecutions. Over the course of 2007, the RLA conducted a number of regional training programs for SATGAS. All the programs focused on providing substantive knowledge to local prosecutors concerning the task force's four priorities while building relationships between the members of the task force and the prosecutors in the field. The RLA engaged the experienced members of the SATGAS as fellow presenters in the trainings. The use of experienced Indonesian SATGAS prosecutors as instructors elicited a high level of engagement on the part of the local prosecutors. Due to the size of Indonesia and SATGAS' national mandate, regional training and outreach is a key element in USG support for SATGAS.

The RLA brought each of the members of SATGAS to the U.S. in two groups for ten-day study programs in April and November 2007. The RLA designed the program to give the SATGAS prosecutors a detailed look at how terrorism and transnational crimes are investigated and prosecuted in the U.S. The visit involved a combination of substantive presentations by DOJ experts, informal discussions with prosecutors, judges, and defense attorneys, courtroom observations, and law enforcement visits. Major themes included specialization of functions within the DOJ, police/prosecutor coordination, terrorist financing, and witness/victim security.

The OPDAT RLA program in Kenya began in 2004. In 2007, the RLA, on detail from the DOJ's Counterterrorism section, continued to engage Government of Kenya (GOK) partners, such as the Department of Public Prosecutions (DPP), Kenya Anti-Corruption Commission (KACC), Law Society of Kenya (LSK), and others in a program that focuses on counter-terrorist financing, anti-corruption, and procedural reform. The RLA participated as one of the chief speakers in the first joint OPDAT-United Nations Office on Drug Control (UNODC) counterterrorism program in Nairobi in November 2007. The RLA made presentations on the handling of counterterrorism cases, and dealing with legal and evidentiary issues peculiar to these cases to an audience that included the Kenya National Counterterrorism Center (prosecutors, analysts, and investigators) and select members of the Anti-Terrorism police.

Despite the difficult political climate in Pakistan, OPDAT launched its RLA program at Embassy Islamabad in September 2006. The RLA, to the extent possible, has concentrated on assisting Pakistan in combating terrorist financing and money laundering, judicial reform, judicial security and intellectual property rights violations.

On August 8, 2007, Pakistan adopted a criminal money laundering law in the form of a presidential ordinance. The ordinance adopted the draft legislation that had been pending before the National

Assembly since 2005, and was in response to increasing international pressure on Pakistan to pass an effective AML Bill. The RLA will continue to monitor and report on efforts to implement the legislation.

The OPDAT RLA program in Paraguay began in 2003, when OPDAT dispatched the first counterterrorism RLA to Asuncion. This position now carries regional responsibilities in the Tri-Border Area (TBA), which encompasses Paraguay, Argentina, and Brazil.

In August 2007, the RLA organized a Penal Code Retreat, during which the Senate Committee charged with amending the Penal Code worked on final revisions. Subsequently later in August, the Paraguayan Senate passed the amendments, which contain a revised money laundering statute. The statute will bring Paraguay into general compliance with international standards relevant to prosecuting money laundering cases. This statute will greatly assist Paraguay in its fight against money laundering in all types of cases including narcotics and public corruption.

Also in August, OPDAT organized a Tri-Border Terror Financing/Money Laundering conference in Asuncion, Paraguay, featuring participants from Paraguay, Argentina, and Brazil. The speakers consisted primarily of U.S. Counter Terrorism Prosecutors and representatives from law enforcement and intelligence agencies. The focus of the conference was money laundering and terrorist financing in the Tri-Border Area.

The OPDAT program in Ankara, Turkey, began in September 2006 and includes three prongs: anti-money laundering, terrorist financing and PKK issues, but the latter colors every substantive issue in which the RLA has been involved. In January 2007, the RLA hosted a legislative roundtable on methods to investigate and prosecute terrorist organizations, particularly the PKK. In this meeting, terrorism prosecutors from Turkey met with their counterparts from several European countries to discuss strategic applications of their respective laws in fighting terrorism. Significantly, the European participants described their laws and expressed their desire to work with the Turkish prosecutors to build better international cases. The two-day workshop was filled with candid discussions on expediting flows of information and the possibilities and caveats in using classified information in prosecutions and specific cases.

In September 2007, the RLA, a trial attorney on detail from AFMLS, conducted a program on anti-money laundering in Algiers, Algeria, for approximately 40 prosecutors, police and judges from the Algerian government. The seminar provided the first opportunity for Algerian and French prosecutors to discuss matters of common interest. Topics covered an overview of international anti-money-laundering standards and best practices, Algerian anti-money laundering laws, financial institutions as defendants, maximizing the financial intelligence unit, taking the profit out of crime through asset forfeiture and international sharing, and money laundering and terrorist financing case studies from the U.S., Algeria, and France. It was a successful first step and OPDAT plans to conduct a follow up workshop.

From October 31-November 1, 2007, OPDAT held an anti-money laundering course, with participation by AFMLS, for Turkish prosecutors, judges, and police in Istanbul, Turkey. The course focused on financial crimes involving banks and other financial institutions and the need to involve such institutions if a country's anti-money laundering regime is to succeed.

OPDAT initiated the United Arab Emirates (UAE) RLA program in 2005. In 2006, OPDAT expanded the UAE RLA portfolio to include assistance to other states in the Gulf Region in combating money laundering and terrorist financing. Throughout 2007, the RLA continued to work on financial crimes, terrorist financing, and money laundering issues. The RLA traveled to Jordan, Kuwait, and Qatar to meet with the key players in the Anti-Money Laundering/Counterterrorist Financing (AML/CTF) field in the host governments. The RLA carried out AML/CTF training in Amman, Jordan, in February-March 2007, in collaboration with Treasury's Office of Technical Assistance (OTA) and in

conjunction with AFMLS. The seminar was designed to bring together key personnel from all government agencies that would participate in Jordan's financial intelligence unit (FIU), once AML legislation was passed. The week-long course included practical exercises and familiarized analysts, investigators and prosecutors with AML/CTF strategies and best practices. The Jordanian Parliament was later reconvened for the specific purpose of considering AML legislation, which was passed and went into effect in June 2007. The RLA is currently in the process of planning an assistance program in Kuwait, set to take place in the spring of 2008.

On December 10-11, 2007, OPDAT organized a "Prosecuting Financial Crimes Seminar," held in Dubai, UAE. The seminar is the first of its kind to be sponsored by both the UAE Institute of Training and Judicial Studies and the Dubai Institute of Advanced Legal and Judicial Studies. The seminar featured case studies designed to promote AML/CTF best practices, and included an overview of anti-money laundering enforcement initiatives to combat bulk cash smuggling.

In addition to the programs organized by the seven counterterrorism RLAs, in 2007, OPDAT conducted several bilateral and regional counterterrorism training programs. In May 2007, OPDAT organized a regional program on money laundering and terrorist financing through charities and new technology that took place in Kuala Lumpur, Malaysia. Representatives from Bangladesh, Pakistan, Singapore, Malaysia, Indonesia, Philippines, Brunei, and East Timor participated in this four-day program of lectures, table top exercises, and panel discussions. The program covered the use and abuse of charities and use of new technology in financing terrorism, the investigation and prosecution of such crimes, and the seizure, freezing, forfeiture and management of assets. Representatives from the eight participating countries had opportunities to work on practical problems and share best practices. The participants from Pakistan have asked for a similar training to be conducted in Pakistan for a broader range of Pakistani participants.

On December 4-6, 2007, OPDAT and the DOJ Office of International Affairs (OIA) conducted a workshop in Manila, Philippines, on investigations and prosecutions in cases involving terrorism and terrorist financing, including the use of electronic surveillance. The need for such a program arose due to the fact that earlier in the year, the Philippines adopted the Human Security Act (HSA) of 2007 (Republic Act No. 9372). This law for the first time allows the use of electronic surveillance in court in cases involving terrorism. The workshop was geared toward policy level officials with the Philippines Department of Justice who are working on guidelines for implementation of the HSA and upper level officials from the agencies that make up the "Anti-Terrorism Council," which is charged to implement the HSA.

During the course of 2007, OPDAT and CTS met with and provided presentations to international visitors from more than 25 countries on counterterrorism topics. The presentations covered the way the United States addresses terrorism in the post 9-11 world. Topics covered include legislation passed and pending at the time of the presentations, and issues raised in implementing new legislative tools and the changing relationship of criminal and intelligence investigations. The USA PATRIOT Act, PATRIOT Improvement and Reauthorization Act, Intelligence Reform and Terrorism Prevention Act, Foreign Intelligence Surveillance Act, terrorist financing and material support statutes, and the Classified Information Procedures Act are among the significant pieces of legislation addressed. Of great interest to visitors is the balancing of civil liberties and national security issues, which is also addressed. When possible, CTS and U.S. Attorney Offices have Trial Attorneys or Assistant United States Attorneys who have case or investigation experience with the visitors' countries, participate in the programs.

Organized Crime

During 2007, OPDAT organized a number of programs for foreign officials on organized crime, which included such topics as corruption, money laundering, implementing complex financial investigations

and special investigative techniques within a task force environment, international standards, legislation, mutual legal assistance, and effective investigation techniques.

OPDAT RLAs continued to support Bosnia's Organized Crime Anti-Human Trafficking Strike Force and the Strike Force's working relationship with officials in Albania, Bulgaria, Kosovo, Macedonia, and Serbia and Montenegro, through mentoring and training programs on investigating and developing organized crime case strategies.

OPDAT conducted a regional program on combating transnational organized crime in Eurasia at the International Law Enforcement Academy (ILEA) in Budapest, Hungary, for prosecutors and investigators from Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, and Ukraine. The program addressed the increasing capacity of criminal organizations to operate in multiple jurisdictions and across national borders, and the legal challenges this presents for law enforcement. Particular attention was given to the increasing use of "shell" corporations by organized crime groups and the need to provide law enforcement with adequate tools to track such information across borders.

OPDAT hosted a U.S. study for six Macedonian prosecutors, four Macedonian judges, and one Macedonian police officer on combating organized crime. The objectives of the study tour were for the Macedonian prosecutors to improve their skills in working with the police to develop organized crime cases, and the ability to present the cases effectively in court. The study tour provided for both the Macedonian prosecutors and judges to become more familiar with methods, techniques, and resources that can be utilized when adjudicating organized crime cases involving narcotics, money laundering, and corruption, and the connection of such cases to trafficking in persons (TIP) cases.

Then in August 2007, OPDAT conducted an anti-organized crime program for 25 judges in George, South Africa. It focused on the application of South Africa's anti-racketeering law, which has been a key ingredient of the DOJ assistance program in South Africa for the past four years. With the use of the anti-racketeering law (similar to the U.S. Racketeer Influenced and Corrupt Organizations Act or "RICO" statute) on the rise among South African prosecutors, South African judges now appreciate the need to understand the nuances of this important prosecutorial tool.

From October 7-20, 2007, the OPDAT Resident Legal Advisor to Kosovo escorted five organized crime prosecutors from the Kosovo Special Prosecutors' Office (KSPO) and three of their legal officers on a study tour of U.S. Attorneys' Offices in Detroit and Cleveland during October 2007. The tour included discussions of border security, counterterrorism, public corruption, computer evidence, physical evidence, financial crime and human trafficking and organized crime from Eastern Europe. The members of the KPSO observed the opening statements and initial witnesses in a complex financial crime and corruption case and discussed how to incorporate questioning and evidentiary techniques under the Kosovo criminal procedures code.

During November 2007, OPDAT and the Public Affairs Office at the U.S. Embassy in Sofia, Bulgaria, conducted programs in three cities in Bulgaria—Veliko Tarnovo, Blagoevgrad, and Sofia—to raise awareness of the importance of combating organized crime. The programs were designed to build political and public will against organized crime in Bulgaria through a series of discussions with widely varying audiences, including but not limited to prosecutors and judges, on how the U.S. and Bulgaria have fought organized crime.

Fraud/Anticorruption

In 2007, OPDAT continued to provide global technical assistance for prosecutors and investigators to improve their prosecutorial and investigative abilities to combat public corruption.

In March 2007, the OPDAT RLA to Nicaragua organized a workshop for Nicaraguan law enforcement officials responsible for investigating and prosecuting corruption-related crimes. The goal of the

workshop was to help the participants draft a handbook of best practices for investigating and prosecuting corruption and related crimes and thereby enhance the participants' willingness and ability to work together on investigations and prosecutions. A select group of 22 members of Nicaragua's law enforcement community participated in the workshop, including members of the Attorney General's Office investigators from the Nicaraguan National Police (NNP) Financial Crimes Division, attorneys for the Superintendence of Banks, and one legislative assistant to the National Assembly working in the area of justice sector reforms.

From February 27-March 1, 2007, OPDAT organized a seminar on election fraud and related corruption in Yerevan, Armenia, for Armenian police, prosecutors, and election officials. Subsequently, on March 10-17, OPDAT conducted a U.S.-based study tour in Washington, DC, and Charleston, WV, for an Armenian delegation of six prosecutors and two Central Election Committee officials. The program focused on demonstrating the U.S. approach to preventing, detecting, investigating and prosecuting election fraud and related corruption via a series of case studies. Then, in April in Yerevan, the Armenian Prosecutor General's office hosted a roundtable discussion of potential amendments to the CPC and electoral code, as well as a training conducted by the participants of the study tour to other police, investigators and prosecutors.

In June 2007, OPDAT, in close collaboration with AFMLS, conducted a program on anti-corruption, financial crimes, and organized crime for 25 Lithuanian prosecutors and representatives from the Ministry of Justice in Vilnius, Lithuania. This was last of three programs presented in the Baltics focusing on lessons learned and best practices when investigating and prosecuting corruption, organized crime and financial crime cases.

On May 22, 2007, the Government of Albania announced the establishment of a Joint Investigative Unit (JIU) to Fight Economic Crime and Corruption. The JIU, which was established in September 2007, brings together prosecutors, police officers, tax and customs officials to investigate and prosecute financial crime and corruption in the district of Tirana. The establishment of the JIU is due in large part to the efforts of the OPDAT RLA to Albania, who continues to provide technical assistance to the investigative unit through training, support, and mentoring. In December 2007, the RLA organized a one-day training session for JIU staff on investigation and prosecution of corruption cases. The training focused on discussion of actual case studies, shared by both U.S. and Albanian prosecutors.

OPDAT conducted an anti-corruption program for Azeri prosecutors, investigators and judges in Baku, Azerbaijan. The conference focused on Azerbaijan's draft National Anti-Corruption Strategy and its compliance with UN and GRECO obligations. The program also had a capacity building component to enhance the attendees' skills in detecting, investigating, prosecuting and adjudicating corruption cases.

In June 2007, OPDAT organized an Anti-Corruption Technical Workshop in Baku, Azerbaijan. This workshop brought together about 30 participants, including a dozen key members of the Anti-Corruption working group, a media representative, members of civil society and nongovernmental organizations (NGOs), U.S. Agency for International Development (USAID), COE and DOJ where they engaged in a working dialogue and produced many specific recommendations for the new Anti-Corruption National Strategy.

In September, OPDAT organized another anti-corruption workshop in Baku, Azerbaijan, titled "Prosecuting Corruption Crimes: Gathering Evidence and Detecting, Freezing and Confiscating Criminal Proceeds." The was the first in a series of workshops on prosecuting corruption crimes in Azerbaijan held at the Prosecutor General's Training Center in Baku for an audience of investigators and prosecutors. The workshop focused on how to gather evidence of corruption crimes and how to detect, freeze and confiscate criminal proceeds.

Also in September 2007, OPDAT organized an anti-corruption training in Bishkek, Kyrgyzstan. The training focused on the investigation and prosecution of anti-corruption cases, and coincided with the OPDAT RLA's effort to assist the Kyrgyz in implementing pending changes and reforms to their criminal law system. Specifically, the Kyrgyz Parliament has enacted new laws that shift warrant power from prosecutors to judges; the Kyrgyz are also in the process of drafting a new jury trial law. The OPDAT training program provided Kyrgyz investigators, prosecutors, and judges with the knowledge, skills, and abilities to better investigate and prosecute corruption cases, while ensuring the investigation will be successful when tried before a trial by jury.

The RLA to Serbia conducted an anti-corruption program for approximately 50 Montenegrin prosecutors and investigators (police, tax and customs) in Przno, Montenegro. Because of the lack of corruption cases actually investigated or prosecuted in Montenegro, the training focused on some of the initial steps in developing corruption cases, including developing informants, developing cases through financial investigations, and conducting simple special investigative techniques (primarily recorded conversations) to obtain evidence in these cases.

Following the program in Montenegro, in December the RLA to Serbia conducted a regional conference on anti-corruption for prosecutors and investigators from western and central Serbia, in Zlatibor, Serbia. Entitled "Challenges and Successes in Combating Corruption in Serbia," the program covered theories, best practices, and highlighted a successful prosecution of a Supreme Court Judge for bribery by the Organized Crime Prosecutor's Office in Belgrade. The conference also served to initiate a series of regularly scheduled, one day round tables for prosecutors and police to discuss problems and solutions relating to corruption cases.

Also in December, the RLA to Georgia organized a series of practical seminars on preventing and prosecuting election fraud and misconduct in anticipation of Georgia's January 5th Presidential election. The focus of the seminar were best practices in investigating and prosecuting a variety of election crimes, the ethical obligations of prosecutors during election time, and appropriate intake procedures for complaints regarding alleged irregularities and illegalities during the campaign.

Justice Sector Reform

In 2007, DOJ's Justice Sector Reform Program in Colombia focused on four specific areas: (1) continued assistance in the implementation of the accusatory system, (2) assistance in specialized areas of criminal law, (3) implementation of justice and peace law, and (4) security and protection programs. In 2007, DOJ trained over 1,000 prosecutors, 13,000 police, 300 judges, and 200 forensic scientists in the accusatory system and implementation of the new Colombian Criminal Procedure Code—all of whom will be implementing the new Code in their respective judicial districts in 2008 as implementation of the new law takes effect in every region of the country. This training involved intensive, practical training in the concepts and legal underpinnings of an accusatory system and the new Code, as well as the technical skills and practical application necessary for implementation—crime scene management, forensic development and presentation of forensic evidence, witness interview, trial preparation, chain of custody and presentation of evidence at trial, trial techniques, investigation and prosecution strategy, police/prosecutor cooperation. DOJ also provided equipment to facilitate the implementation of the new Code. DOJ's assistance in specialized areas of criminal law included training for prosecutors, investigators, and forensic scientists in money laundering, anti-kidnapping, sex crimes, anti-corruption, forensic anthropology, intellectual property, and human rights. DOJ initiated training and technical assistance as well as providing equipment, office and court facilities development, and operational funds for the Prosecutor General's Justice and Peace Unit tasked with the investigation, interviewing and prosecution of demobilized paramilitary members under the Justice and Peace law. DOJ also provided similar assistance to the Colombian magistrates who will be involved in the court proceedings under this law. In the area of protection, DOJ continued

to provide judicial protection training to Colombian protection details and began a shift in this protection training and assistance to courtroom and courthouse security. Over 200 protection personnel were trained in 2007. With the placement of a USMS official in the Embassy in Bogota, DOJ is effectively assisting the Colombian Prosecutor General's Office develops a viable witness protection program.

OPDAT currently has seven Resident Legal Advisors (RLAs) in Iraq assisting the Iraqi justice sector in enhancing sustainable institutions built on the rule of law, with plans to expand the program in 2008. Presently, two RLAs are stationed in Baghdad, four RLAs are deployed to Provincial Reconstruction Teams (PRTs) in Iraqi provinces, (Ninewa, Salah ad Din, Kirkuk and Baghdad), and one RLA is stationed at the Law and Order Task Force (LAOTF) in the Rusafa section of Baghdad. As members of an interdisciplinary reconstruction effort, OPDAT RLAs work with local police and judges to identify and overcome obstacles to effective, fair prosecutions. The RLAs stationed in Baghdad advise the U.S. Embassy, the Iraqi Higher Juridical Council, the Central Criminal Court of Iraq, and other Baghdad-area courts on criminal justice, judicial independence, and the rule of law in coordination with the Rule of Law Coordinator's Office in the Embassy. In the PRTs, RLAs actively pursue projects to establish lasting mechanisms for handling serious crimes, including terrorism, kidnapping, and murder. In 2007, under the leadership of OPDAT RLAs, major crimes prosecutions began in provinces outside of Baghdad for the first time since the fall of the former regime in 2003. RLAs also develop and implement training programs for Iraqi Police and investigators with input and direction from local judges. They also work with NGOs, law schools and other USG and international agencies to advance the rule of law in Iraq.

Office of Technical Assistance (OTA), Treasury Department

The Treasury Department's Office of Technical Assistance is located within the Office of the Assistant Secretary for International Affairs. OTA has five training and technical assistance programs: tax reform, government debt issuance and management, budget policy and management, financial institution reform, and, more recently, financial enforcement related to money laundering, terrorist financing, and other financial crimes.

Fifty-six highly experienced intermittent and resident advisors comprise the Financial Enforcement Team. These advisors provide diverse expertise in the development of anti-money laundering/ccounter-terrorist financing (AML/CTF) regimes, and the investigation and prosecution of complex financial crimes. The Financial Enforcement Team is divided into three regional areas: Europe and Asia, Africa and the Middle East, and the Americas. Each region is managed by a full-time regional advisor.

OTA receives funding from USAID country missions and direct appropriations from the U.S. Congress. OTA has been designated as the recipient of Millennium Challenge Corporation (MCC) funding to provide assistance to a number of Threshold Countries to enhance their capacity to address corruption and related financial crimes.

Assessing Training and Technical Assistance Needs

The goal of OTA's Financial Enforcement program is to build the capacity of host countries to prevent, detect, investigate, and prosecute complex international financial crimes by providing technical assistance in three primary areas: money laundering, terrorist financing, and other financial crimes; organized crime and corruption; and capacity building for financial law enforcement entities.

Before initiating any training or technical assistance to a host government, the OTA Enforcement team conducts a comprehensive assessment to identify needs and to formulate a responsive assistance program. These needs assessments address the legislative, regulatory, law enforcement, and judicial

components of the various regimes, and include the development of technical assistance work plans to enhance a country's efforts to fight money laundering, terrorist financing, organized crime, and corruption. In 2007, such assessments were carried out in Ecuador, Honduras, Argentina, Sao Tome and Principe, Tunisia, Kosovo, Pakistan, and Vietnam.

Anti-Money Laundering and Counter-Terrorist Financing Training

OTA specialists delivered anti-money laundering and counter-terrorist financing courses to government and private sector stakeholders in a number of countries. Course topics included money laundering and financial crimes investigations; identification and development of local and international sources of information; operations and regulation of banks and nonbank financial institutions, including record keeping; investigative techniques, including electronic surveillance and undercover operations; forensic evidence; computer assistance; interviewing; case development, planning, and organization; report writing; and, with the assistance of local legal experts, rules of evidence, search, and seizure, as well as asset seizure and forfeiture procedures.

In Africa and the Middle East, OTA delivered the Financial Investigative Techniques (FIT) course in Botswana, Ethiopia, Jordan, Lesotho, Malawi, Mauritius, Namibia, Seychelles, and South Africa. OTA collaborated with the Department of Homeland Security (DHS), Immigration and Customs Enforcement, and Customs Border Protection to deliver bulk cash smuggling training to the 14 member countries of the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG) in Livingstone, Zambia and the 15 member countries of the Interagency Action Group Against Money Laundering and Terrorist Financing in West Africa (GIABA) in Dakar, Senegal. Separately, OTA funded DHS presenters in delivering bulk cash smuggling training to law enforcement and regulatory officials following the training in Livingstone.

OTA sponsored officials from several African countries to attend the Office of the Comptroller of the Currency (OCC) annual anti-money laundering and counterterrorist financing training in Washington, D.C. Officials from Namibia, Ethiopia, Zambia, and Malawi were sponsored to attend this advanced training. In addition, OTA funded officials from the FIUs of Seychelles and Malawi for a study and orientation tour of the Mauritius FIU. OTA also funded the Director of the Mauritius FIU to participate in an AML workshop in Malawi, sponsored by the Bank of Malawi, and for a round table discussion with the FIU Director and staff members of the FIU.

In Asia, OTA conducted financial investigative techniques training in Sri Lanka and Vietnam. OTA also conducted several training sessions for Philippine border control agencies on bulk cash smuggling. In Central Asia, OTA provided training and mentoring assistance to law enforcement agencies and banking institutions in Kyrgyzstan and Kazakhstan.

In Europe, OTA teams delivered a variety of technical assistance products, including financial investigation training programs in Croatia, Serbia, Montenegro and Poland; anti-money laundering and antifraud training for the insurance industry in Slovenia; a "train-the-trainer" program on auditing techniques for concerned officials in Armenia; courses in criminal intelligence analysis in Bulgaria; investigative training for the financial police in Georgia; and counterfeiting and anti-money laundering/counterterrorist financing seminars for investigative agencies in Serbia and Montenegro. The seminars in Serbia and Montenegro covered bulk cash smuggling, alternative remittance systems, trade-based money laundering, corruption, using local crime to fund terrorist activities, and investigative techniques. Additionally, OTA funded a study tour for personnel from the Montenegro prosecutor's office, police, and FIU to FinCEN and various interagency investigative task forces.

In the Americas, financial investigative techniques training was provided in the Dominican Republic, El Salvador, Peru, and Chile. In the Dominican Republic, advisors conducted an AML/CTF training seminar for the Superintendent of Banking. In El Salvador, a two-week FIT course was delivered to

tax and customs investigators. In Chile, OTA and OPDAT delivered a combined FIT/Mock Trial course to prosecutors within the Attorney General's Office, the Ministerio Publico, the Consejo de Defensa del Estado, and elements of Chile's investigative police, and to participants from Peru and Bolivia. In Peru, OTA provided Regional FIT training for Argentina, Brazil, Chile, Colombia, Ecuador, Peru and Uruguay. In Montserrat, OTA assisted the Financial Services Commission with the development and delivery of an AML/CTF seminar.

Support for Financial Intelligence Units

In Afghanistan, OTA continued to assist in the development of an FIU as a semi-autonomous unit within Da Afghanistan Bank. In Sri Lanka, OTA's resident advisor helped to stand up an operational FIU. Resident advisors in Albania, Bulgaria, Montenegro, and Serbia, and intermittent advisors in Armenia and Georgia, continued to deliver technical assistance to streamline and enhance host governments' FIUs. In Georgia, this assistance included information technology (IT) development.

In Namibia, Ethiopia, Seychelles and Jordan, advisors were engaged with the respective Central Banks. In Malawi, OTA continued its project under the Millennium Challenge Corporation Threshold Program, following the unexpected accidental death of the resident Enforcement advisor, by assigning an FIU development expert and other advisors to continue working with the Malawi FIU that had recently been established, and to work on improving the capacity of the government to combat financial crimes.

In Paraguay, OTA Advisors made an assessment trip to determine the analytical and IT operational capacity within the FIU (SEPRELAD), as a basis for providing technical assistance in these areas.

Casino Gaming

In the Casino Gaming Group, OTA combines experts from its Tax and Financial Enforcement Teams and has been providing technical assistance to the international community in the areas of Gaming Industry Regulation since 2000. The program provides assistance in the drafting of gaming legislation, and in drafting the regulations required to implement the laws. The program also includes the provision of technical training to gaming industry regulators, including FIU personnel, to provide the capacity for auditing and inspecting casino operations and all games of chance. In addition, advanced technical workshops have been conducted in Las Vegas involving regulators from participating countries. The program has been well received by host country officials who see it as both a valuable revenue-producing project and an anticorruption measure. They also view the assistance as very beneficial in fostering the host country's compliance efforts with the Financial Action Task Force (FATF) 40 Recommendations as they relate to casinos. In 2007, the OTA Casino Gaming Group conducted technical assistance and training, as described above, in Bulgaria, Bosnia-Herzegovina, Philippines (training sessions for the Philippine Gaming Commission), and Chile. Several South American countries participated in the training programs in Chile. Also during 2007, the Casino Gaming Group conducted an assessment of the gaming regulatory system and anti-money laundering programs for casinos in Latvia. The Group participated in a conference in Trinidad to highlight the importance of strong gaming regulatory oversight and the money laundering vulnerabilities within the casino gaming industry.

Money Services Businesses

Money services businesses (MSBs) offer several types of services, including check cashing, money transmissions, currency exchange, and more. Because of the high volume of their cash transactions, and because account relationships with related customer identification procedures are absent (resulting in an uncertain audit trail), MSBs are vulnerable to abuse for the purpose of money laundering and

terrorist financing. For this reason, the FATF Recommendations call upon governments to regulate MSBs.

In April and May 2007, OTA collaborated with the Financial Action Task Force on Money Laundering in South America (GAFISUD) in the organization and presentation of two regional workshops on the oversight, regulation, and examination of MSBs. Thirty-seven regulators, analysts, and financial investigators from seven of its member countries gathered in Lima, Peru for this training. OTA advisors also participated in conferences in the Dominican Republic, and in Trinidad and Tobago, to highlight the vulnerabilities of MSBs relative to money laundering and terrorist financing, and the need for strong regulatory/supervisory regimes.

Insurance

OTA continued its program to provide technical assistance relating to insurance enforcement, begun in 2006. Compromise of an insurance system weakens an economy and provides avenues for money laundering. Since inception of the program, insurance assistance has been provided in all three OTA geographic regions.

In 2007, insurance assistance was provided in a number of countries and included two long-term projects in Paraguay and Jordan. A study of the insurance system in Argentina was also completed as part of a comprehensive study of the financial services for possible OTA assistance in 2008, relating to money laundering.

The assistance in Paraguay centered on insurance company compliance with AML requirements. Information was provided for a new insurance AML compliance regulation; new inspection procedures were completed for regulators that included on-site testing; and training was provided to the inspectors. In Jordan, assistance was provided to establish an insurance anti-fraud effort, including a regulatory framework, AML compliance by the insurance industry, and an antifraud investigation unit with electronic reporting and case management systems. Training in Jordan included participation in a Middle East regional conference, workshop training for regulatory inspectors to detect insider criminal activity, and training for the newly established FIU.

Two AML conferences in Bulgaria provided insurance training for the financial services sector, with one directed toward regional regulators and the other focusing on the industries. OTA also participated in conferences held in Slovenia, with regional attendance, and in Jamaica.

Regional and Resident Advisors

OTA resident advisors continued international support in the areas of money laundering and terrorist financing. In February 2008, OTA will move its Africa and Middle East Regional Advisor, previously based in Pretoria, to Cairo, Egypt to gain a more favorable logistical position to develop and support programs in the Middle East and North Africa. In September 2007, OTA posted an advisor to the Africa Development Bank in Tunis, Tunisia, replacing the incumbent advisor, to provide assistance in the development and implementation of an anticorruption strategy for the Bank and its member countries. In September 2007, a full time resident advisor was posted in Namibia to continue efforts there to establish an FIU. OTA was selected as the MCC implementing agency for the reform of tax and customs agencies in Sao Tome and Principe, and initiated this two-year project in November 2007 with the deployment of long-term TDY advisors. OTA continued its assistance in Jordan by extending the presence of a resident advisor to work with Jordan law enforcement, regulatory, and customs authorities, and with the Central Bank of Jordan in establishing its FIU. The resident advisor in Jordan will also provide assistance to other countries in the region as needed. In Zambia, a resident advisor continued to support national efforts against financial crimes.

OTA's regional advisor for Europe and Asia participated in observer status as part of a nascent European Commission effort to provide AML technical assistance to the northern part of Cyprus. As previously noted, the resident advisors in Albania and Bulgaria continued efforts to streamline and enhance host governments' FIUs. OTA continued its support to the Secretariat of the Eurasian Group to Combat Money Laundering and Terrorist Financing (EAG) through its resident advisor in Moscow. Supporting national efforts against financial crimes was the focus of the resident advisors in Albania, Montenegro, Serbia, and Zambia. The OTA resident advisor in Armenia provided technical assistance on internal audit. OTA placed a new resident advisor in Kabul, Afghanistan, in February 2007, and continued to assist in the development of an operational FIU within the Da Afghanistan Bank (Central Bank). OTA was also instrumental in helping to establish a licensing regime for hawala dealers in Afghanistan. OTA's resident advisor in Colombo, Sri Lanka has been assisting in the development of an effective anti-money laundering and counter-terrorist financing regime, to include the establishment of an FIU that meets international standards.

In Argentina, OTA's resident advisor worked closely with the GAFISUD secretariat to coordinate AML/CTF Technical Assistance Needs Assessments for GAFISUD member countries; to support GAFISUD Working Group regional programs for the development of policies, procedures and the use of technology by FIUs; and to complete a calendar of regional training initiatives, including Financial Investigative Techniques courses, Casino and Gaming workshops, and Money Services Businesses courses. In Chile, OTA continued to provide technical assistance and training to the Superintendent of Casinos, and investigative training to police and prosecutors.

Under the auspices of the Millennium Challenge Corporation Threshold Program established for Paraguay, OTA's resident advisor there continued to provide technical assistance to develop the internal affairs unit within the Ministry of Finance, and criminal investigation units in the Customs and Tax Administrations. OTA continued to work with counterparts in the Ministry of Finance towards the development of these units; the identification, vetting, and training of personnel; and the provision of workplaces. Each of these units has made significant progress in identifying and investigating matters under its jurisdiction.

In Central America and the Caribbean, OTA provided assistance and mentoring to the tax and customs investigation units recently established in Guatemala and Honduras, and to the tax investigation unit in El Salvador. This assistance focused on developing policy, procedures, and administrative and operational manuals; on developing capacity within each unit to conduct investigations; and on implementing case management systems. In Haiti, technical assistance was initiated to develop a financial crimes unit and train its personnel, in addition to training prosecutors and judges. In Montserrat, assistance was provided to the Financial Services Commission to develop and deliver a one-day training seminar on AML/CTF.

In Mexico, technical assistance was initiated to build AML capacity, including enhancing exchanges of information with Mexico's Financial Intelligence Unit, and training in data analysis and forensic accounting for the Unit's analysts.

Treaties and Agreements

Treaties

Mutual Legal Assistance Treaties (MLATs) allow generally for the exchange of evidence and information in criminal and ancillary matters. In money laundering cases, they can be extremely useful as a means of obtaining banking and other financial records from our treaty partners. MLATs, which are negotiated by the Department of State in cooperation with the Department of Justice to facilitate

cooperation in criminal matters, including money laundering and asset forfeiture, are in force with the following countries: Antigua and Barbuda, Argentina, Australia, Austria, the Bahamas, Barbados, Belgium, Belize, Brazil, Canada, Cyprus, Czech Republic, Dominica, Egypt, Estonia, France, Grenada, Greece, Hong Kong (SAR), Hungary, India, Israel, Italy, Jamaica, Latvia, Liechtenstein, Lithuania, Luxembourg, Mexico, Morocco, the Netherlands, the Netherlands with respect to its Caribbean overseas territories (Aruba and the Netherlands Antilles), Nigeria, Panama, the Philippines, Poland, Romania, Russia, South Africa, South Korea, Spain, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Switzerland, Thailand, Trinidad and Tobago, Turkey, Ukraine, the United Kingdom, the United Kingdom with respect to its Caribbean overseas territories (Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands), and Uruguay. MLATs have been signed by the United States, but not yet brought into force, with the European Union and the following countries: Colombia, Ireland, Japan, Sweden, and Venezuela. The United States has also signed and ratified the Inter-American Convention on Mutual Legal Assistance of the Organization of American States and the United Nations Convention against Corruption. The United States is actively engaged in negotiating additional MLATs with countries around the world. The United States has also signed executive agreements for cooperation in criminal matters with the Peoples Republic of China (PRC).

Agreements

In addition to MLATs, the United States has entered into executive agreements on forfeiture cooperation, including: (1) an agreement with the United Kingdom providing for forfeiture assistance and asset sharing in narcotics cases; (2) a forfeiture cooperation and asset sharing agreement with the Kingdom of the Netherlands; and (3) a drug forfeiture agreement with Singapore. The United States has asset sharing agreements with Canada, the Cayman Islands (which was extended to Anguilla, British Virgin Islands, Montserrat, and the Turks and Caicos Islands), Colombia, Ecuador, Jamaica, and Mexico.

Treasury's Financial Crimes Enforcement Network (FinCEN) has a Memorandum of Understanding (MOU) or an exchange of letters in place with other financial intelligence units (FIUs) to facilitate the exchange of information between FinCEN and the respective country's FIU. FinCEN has an MOU or an exchange of letters with the FIUs in Argentina, Aruba, Australia, Belgium, Canada, Cayman Islands, Chile, Cyprus, France, Guatemala, Italy, Japan, Macedonia, Malaysia, Mexico, the Netherlands, Netherlands Antilles, Panama, Paraguay, Philippines, Poland, Romania, Russia, Singapore, Slovenia, South Korea, Spain, and the United Kingdom.

Asset Sharing

Pursuant to the provisions of U.S. law, including 18 U.S.C. § 981(i), 21 U.S.C. § 881(e)(1)(E), and 31 U.S.C. § 9703(h)(2), the Departments of Justice, State, and Treasury have aggressively sought to encourage foreign governments to cooperate in joint investigations of narcotics trafficking and money laundering, offering the possibility of sharing in forfeited assets. A parallel goal has been to encourage spending of these assets to improve narcotics-related law enforcement. The long-term goal has been to encourage governments to improve asset forfeiture laws and procedures so they will be able to conduct investigations and prosecutions of narcotics trafficking and money laundering, which include asset forfeiture. The United States and its partners in the G-8 are currently pursuing a program to strengthen asset forfeiture and sharing regimes. To date, Canada, Cayman Islands, Hong Kong, Jersey, Liechtenstein, Luxembourg, Switzerland, and the United Kingdom have shared forfeited assets with the United States.

From 1989 through December 2007, the international asset sharing program, administered by the Department of Justice, shared $229,080,004.79 with foreign governments that cooperated and assisted

in the investigations. In 2007, the Department of Justice transferred $595,539.76 in forfeited proceeds to Canada ($34,513.42), the Cayman Islands ($49,690.09), Germany ($11,336.25) and Honduras ($500,000.00). Prior recipients of shared assets include: Anguilla, Antigua and Barbuda, Argentina, the Bahamas, Barbados, British Virgin Islands, Canada, Cayman Islands, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Greece, Guatemala, Guernsey, Hong Kong (SAR), Hungary, Indonesia, Isle of Man, Israel, Jordan, Liechtenstein, Luxembourg, Netherlands Antilles, Paraguay, Peru, Romania, South Africa, Switzerland, Thailand, Turkey, the United Kingdom, and Venezuela.

From Fiscal Year (FY) 1994 through FY 2007, the international asset-sharing program administered by the Department of Treasury shared $27,807,012.00 with foreign governments that cooperated and assisted in successful forfeiture investigations. In FY 2007, the Department of Treasury transferred $313,085.00 in forfeited proceeds to Canada ($99,872), China ($10,200), Guernsey ($9,865), and the Isle of Man ($193,148). Prior recipients of shared assets include: Aruba, Australia, the Bahamas, Cayman Islands, Canada, China, Dominican Republic, Egypt, Guernsey, Honduras, Isle of Man, Jersey, Mexico, Netherlands, Nicaragua, Panama, Portugal, Qatar, St. Vincent & the Grenadines, Switzerland, and the United Kingdom.

Multi-Lateral Organizations & Programs

The Financial Action Task Force (FATF) and FATF-Style Regional Bodies (FSRBs)

The Financial Action Task Force (FATF) is an inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. The FATF was created in 1989 and works to generate legislative and regulatory reforms in these areas. The FATF currently has 34 members, comprised of 32 member countries and territories and two regional organizations, as follows: Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, the Peoples Republic of China, Portugal, Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, the United States, the European Commission, and the Gulf Cooperation Council. The FATF admitted the People's Republic of China in June 2007.

There are also a number of FATF-style regional bodies that, in conjunction with the FATF, constitute an affiliated global network to combat money laundering and the financing of terrorism.

The Asia Pacific Group (APG) was officially established in February 1997 at the Fourth (and last) Asia/Pacific Money Laundering Symposium in Bangkok as an autonomous regional anti-money laundering body. The 36 APG members are as follows: Afghanistan, Australia, Bangladesh, Brunei Darussalam, Burma, Cambodia, Canada Chinese Taipei, Cook Islands, Fiji, Hong Kong, India, Indonesia, Japan, Laos, Macau Malaysia, Marshall Islands, Mongolia, Nauru, Nepal, New Zealand, Niue, Pakistan, Republic of Korea, Palau, Philippines, Samoa, Singapore, Solomon Islands, Sri Lanka, Thailand, Tonga, United States, Vietnam, and Vanuatu. Laos became a member at the APG July 2007 plenary in Perth, Australia.

The Caribbean Financial Action Task Force (CFATF) was established in 1992. CFATF has thirty members: Anguilla, Antigua & Barbuda, Aruba, The Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat, Netherlands Antilles, Nicaragua, Panama,

St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago, Turks & Caicos Islands, and Venezuela.

The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) was established in 1997 under the acronym PC-R-EV. MONEYVAL is comprised of twenty-eight permanent members; two temporary, rotating members; and one active observer. The permanent members are Albania, Andorra, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Liechtenstein, Lithuania, Moldova, Malta, Monaco, Montenegro, Poland, Romania, Russian Federation, San Marino, Serbia, Slovakia, Slovenia, the Former Yugoslav Republic of Macedonia, and Ukraine. The active observer is Israel. Temporary members, designated by the FATF for a two-year membership, are France and the Netherlands.

The Eastern and South African Anti Money Laundering Group (ESAAMLG) was established in 1999. Fourteen countries comprise its membership: Botswana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) was established on October 6, 2004 and has seven members: Belarus, China, Kazakhstan, Kyrgyzstan, the Russian Federation, Uzbekistan, and Tajikistan.

The Financial Action Task Force on Money Laundering in South America (GAFISUD) was formally established on December 8, 2000. GAFISUD has ten member states: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, and Uruguay.

The Groupe Inter-gouvernemental d'Action contre le Blanchiment en Afrique (GIABA) consists of 15 countries: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea Bissau, Guinea Conakry, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

The Middle East and North Africa Financial Action Task Force (MENAFATF) consists of 16 members: Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen.

The Egmont Group of Financial Intelligence Units

The Egmont Group began in 1995 as a collection of a small handful of entities, today referred to as financial intelligence units (FIUs), seeking to explore ways of cooperation among themselves. The FIU concept has grown over the years and is now an important component of the international community's approach to combating money laundering and terrorist financing. To meet the standards of Egmont membership, an FIU must be a centralized unit within a nation or jurisdiction to detect criminal financial activity and ensure adherence to laws against financial crimes, including terrorist financing and money laundering. Since its inception in 1995, the Egmont Group has grown dramatically from 14 units to a recognized membership of 106 FIUs. The Egmont Group now has passed its first decade, and it is evolving toward a structure of independent units working closely together to strengthen not only their own countries' AML/CTF regime, but to strengthen the global firewall of economic resistance to money launderers and terrorist financiers.

The Egmont Group is an international network designed to improve interaction among FIUs in the areas of communications, information sharing, and training coordination. The goal of the Egmont Group is to provide a forum for FIUs around the world to improve support to their respective governments in the fight against money laundering, terrorist financing, and other financial crimes. This support includes expanding and systematizing the exchange of financial intelligence information, improving expertise and capabilities of personnel employed by such organizations, and fostering better

and more secure communication among FIUs through the application of technology. The Egmont Group's secure Internet system permits members to communicate with one another via secure e-mail, requesting and sharing case information as well as posting and assessing information on typologies, analytical tools and technological developments. FinCEN, on behalf of the Egmont Group, maintains the Egmont Secure Web (ESW). Currently, there are 104 Egmont FIUs connected to the ESW.

The Egmont Group is organizationally structured to meet the challenges of the volume of membership and its workload. The Egmont Committee, a group of 14 members, is an intermediary group between the 106 Heads of member FIUs and the five Egmont Working Groups. This Committee addresses the administrative and operational issues facing Egmont and is comprised of seven permanent members and seven regional representatives based on continental groupings (i.e., Asia, Europe, the Americas, Africa and Oceania). In addition to the Committee, there are five Working Groups: Legal, Operational, Training, Information Technology, and Outreach. The Legal Working Group reviews the candidacy of potential members and handles all legal aspects and matters of principle within the Egmont Group. The Training Working Group looks at ways to communicate more effectively, identifies training opportunities for FIU personnel and examines new software applications that might facilitate analytical work. The Outreach Working Group concentrates on expanding and developing the FIU global network by identifying countries that have established or are establishing FIUs. Outreach is responsible for making initial contact with potential candidate FIUs, and conducts assessments to determine if an FIU is ready for Egmont membership. The Operational Working Group is designed to foster increased cooperation among the operational divisions of the member FIUs and coordinate the development of studies and typologies-using data collected by the FIUs-on a variety of subjects useful to law enforcement. The Information Technology (IT) Working Group promotes collaboration and information sharing on IT matters among the Egmont membership, in particular looking to increase the efficiency in the allocation of resources and technical assistance regarding IT systems. The Committee and the Working Groups meet at a minimum three times per year, including the annual plenary session.

To meet an ever-growing demand in terms of volume and complexity, the Egmont Group has established a Secretariat office. With Egmont's input and expertise in increasing demand by other players on the global stage, the creation of the Secretariat will allow for consistent and active collaboration with other international organizations, and will help to ensure that Egmont preserves its reputation in both the public and private sectors by emphasizing the importance of meeting and maintaining uniform standards of quality by all FIUs. The new Egmont Secretariat is now established in Toronto, Canada, with an initial staff of four.

As of June 2007, the 106 members of the Egmont Group are Albania, Andorra, Anguilla, Antigua and Barbuda, Argentina, Armenia, Aruba, Australia, Austria, Bahamas, Bahrain, Barbados, Belarus, Belgium, Belize, Bermuda, Bolivia, Bosnia and Herzegovina, Brazil, British Virgin Islands, Bulgaria, Canada, Cayman Islands, Chile, Colombia, Cook Islands, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominica, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Gibraltar, Greece, Grenada, Guatemala, Guernsey, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Monaco, Montenegro, Netherlands, Netherlands Antilles, New Zealand, Nigeria, Niue, Norway, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, San Marino, Serbia, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, St. Kitts & Nevis, St. Vincent & the Grenadines, Sweden, Switzerland, Syria, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Vanuatu, and Venezuela.

The Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD) Group of Experts to Control Money Laundering

The Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD) is responsible for combating illicit drugs and related crimes, including money laundering. In 2007, CICAD continued to successfully carry out its anti-money laundering and counter-terrorist financing activities throughout Latin America. CICAD's training programs on combating money laundering and terrorist financing have improved and enhanced the knowledge and capabilities of judges, prosecutors, public defenders, law enforcement agents, and financial intelligence unit (FIU) analysts. The Department of State Bureau of International Narcotics and Law Enforcement provided full or partial funding for many of the CICAD training programs conducted in 2007.

CICAD's Group of Experts to Control Money Laundering met twice this year, in Washington, DC, in April, and Santiago, Chile, in November. The first meeting was held only for the Forfeiture and International Cooperation sub-groups to discuss specific themes in these areas. The second meeting focused on the new project in asset forfeiture, which was initiated in October. This project aims at offering technical assistance to OAS member states that are interested in developing and improving their abilities to administer forfeited assets.

In 2007, CICAD also introduced several new programs. CICAD is developing a database, which will catalogue and update information on money laundering and terrorist financing typologies to assist member countries in detecting money laundering, gathering intelligence, conducting investigations, and prosecuting such cases. The database developed through this project will allow authorized users to search for cases similar to those they are currently investigating, to look for patterns, and to have-with the use of the database-the necessary tools to investigate these cases. This Internet-based database will be the first of its kind in this field. In addition, the coherent use of the database in member states' investigations will help facilitate the exchange and sharing of information amongst the specialists who deal with money laundering and terrorist financing.

Training and Technical Assistance

Mock trials were held in 2007 in Bolivia, Honduras, Mexico, and Peru. These trials were conducted with the participation of the United Nations Office on Drugs and Crime (UNODC), and provided training based on money laundering cases to specialists in these specific countries. This program focuses on the resolution of a real money laundering case, during which judges, prosecutors, public defenders, FIU analysts, and the police work together by preparing the given case for trial. In addition to the trials, workshops for judges and prosecutors were carried out in Peru and Mexico, as introductory events for the mock trials.

In a joint initiative with the Inter-American Committee against Terrorism (CICTE), CICAD's Anti-Money Laundering Unit organized two workshops on terrorist financing. The first event was conducted in Bogota, Colombia, and the participating countries' FIUs, police, and prosecutors' office each provided three participants. The beneficiaries of this workshop included Central American countries, Mexico, and the Dominican Republic. Due to the outstanding results obtained with the first event, a second workshop on terrorist financing was held in August in Lima, Peru. The second program's objective was to train specialists from South America.

The events that were held in Peru (the mock trials, the workshop for judges and prosecutors, and the workshop on terrorist financing) took place thanks to a joint initiative with the U.S. Embassy's Narcotics Affairs Section. The NAS helped organize and coordinate these programs. As an outcome of

the success of the three events, the Banking Superintendent of Peru offered the Anti-Money Laundering Unit the use of a building, at no cost, for CICAD's regional training center.

A mock investigation was also held in 2007 with the assistance of the Government of Spain and the participation of UNODC. The event focused on the investigation of a money laundering case and took place in Antigua, Guatemala. The objective of the project was strengthening the cooperation between law enforcement agents, prosecutors, and FIU analysts during case investigations. Participating countries included Bolivia, Costa Rica, El Salvador, Guatemala, Honduras, Panama, Mexico, and Venezuela.

In cooperation with Spain's University of Salamanca, CICAD will offer an online degree in money laundering to law enforcement agents, prosecutors, judges, FIU analysts, and bankers. The signature of the agreement held between CICAD and the University of Salamanca occurred in October in Washington, DC. This project will be conducted by prestigious Spanish experts on money laundering, and will be taught in three modules, at the basic, intermediary, and advanced levels.

CICAD acquired computer hardware and projectors as a follow-up to the train-the-trainers program. CICAD purchased three laptops and three projectors for El Salvador, Costa Rica, and Honduras this year to advance the program in each of these countries.

CICAD also facilitated bilateral cooperation between prosecutors in Peru and Colombia in 2007. As a result of the expertise Colombia has in extinción de dominio (extinction of dominion over assets), two Colombian prosecutors with ample experience in this area participated in an anti-money laundering workshop in Peru in September and shared their experiences and views in this field with the local specialists.

Pacific Anti-Money Laundering Program (PALP)

The Pacific Anti-Money Laundering Program (PALP) was launched in September 2006 under the Pacific Islands Forum Secretariat (PIFS) in Fiji. PALP is a joint initiative between the PIFS, the United Nations Office on Drugs and Crime (UNODC), and the United States Department of State, which designed and funds the PALP. The PALP is a four-year regional technical assistance and training program designed to assist the 14 members of the Pacific Islands Forum that are not also members of the Financial Action Task Force (FATF) in establishing, enhancing, and implementing their anti-money laundering and counter-terrorist financing (AML/CTF) regimes. The 14 members of the Pacific Islands Forum that receive PALP assistance are the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

The goal of PALP training and technical assistance is to assist participating jurisdictions in complying with international standards of the FATF and relevant United Nations Conventions and Security Council Resolutions. The PALP is essentially an outreach program, utilizing mentors based in host countries to assist with legal, law enforcement, regulatory, and financial intelligence unit (FIU) development throughout the region. In 2007, the PALP provided assistance on a wide range of AML/CTF issues, including legislative drafting, capacity building, case support, and preparation for and follow-up to mutual evaluations.

Mentoring

The PALP uses resident and intermittent mentors to deliver regional and bilateral training in all elements required to establish viable AML/CTF regimes. The PALP currently has mentors in the legal and law enforcement fields based in Tonga and Vanuatu respectively, as well as an intermittent mentor for FIUs. In 2008, a second law enforcement mentor will be based in Palau and a regulatory mentor is

expected to be based in Samoa. Although the PALP mentors are based in their host countries, they are able to respond to requests for assistance from any of 14 participating countries and travel to those jurisdictions for periods of up to one month at a time.

The PALP mentoring program involves a number of different elements. Due to their experience, PALP mentors are able to adapt international standards to local situations. PALP mentors provide on-the-job training and work alongside local officials to ensure that they have sufficient capacity to implement the member country's AML/CTF regime. Unlike consultants, the PALP mentors will stay in-country for as long as four to six weeks at any given time. The amount of time spent in-country also offers a useful opportunity for the mentors to assess the situation on the ground with regard to AML/CTF issues, and compliance with international standards, as well as to determine areas where further work is needed. The ability of PALP mentors to respond quickly to urgent requests from jurisdictions in the region has made PALP's assistance highly sought after.

Throughout 2007, PALP engaged intermittent FIU mentors to conduct reviews in the Marshall Islands, Palau, Tonga, and Vanuatu. These reviews were conducted in preparation for upcoming mutual evaluations, and/or to gauge compliance with international standards. Follow-up action plans are being developed to implement the recommendations derived from these reviews. Because many of these countries do not have sufficient resources to implement the recommendations on their own, a more vigorous follow-up approach has been adopted by the PALP that includes the identification of resources to ensure effective follow-up and implementation of the recommendations derived from the FIU reviews.

Part of the PALP strategy aimed at building national capacity in AML/CTF matters entails efforts to strengthen the role of national AML/CTF committees at the policy level. In 2007, the PALP mentors played vital roles in providing support and advice to the national AML/CTF committees of several jurisdictions in the region, including Fiji, Palau, and Vanuatu.

Legislative Drafting

Through the work of the PALP legal mentor, the PALP has assisted the Cook Islands, Palau, the Republic of the Marshall Islands, Tonga, and Vanuatu in assessing and enhancing their AML/CTF regimes, and drafting the necessary legislation to bring these regimes into greater compliance with international standards.

In 2007, the PALP provided a range of legislative assistance to the Cook Islands to improve the effectiveness of its AML/CTF laws. The PALP legal mentor reviewed the Cook Islands current AML legislation, the Proceeds of Crime Act (POCA) and the Financial Transaction Reporting Act (FTRA), in October 2007. As a result of the review, the PALP assisted the Cook Islands in developing draft legislation regarding the FIU, civil forfeiture, and cross-border currency declarations. Although the FIU of the Cook Islands has been operating since 2001, its authority was limited. The draft Financial Intelligence Unit Act will provide it with broader powers, including the ability to conduct investigations and supervision of financial institutions. The draft civil forfeiture legislation will provide additional options for Cook Islands authorities to confiscate assets beyond the provisions of the POCA. The draft currency declaration bill will assist the Cook Islands in combating currency smuggling, which is a growing problem. The PALP mentor also assisted in drafting amendments to the POCA, FTRA, and the Terrorism Act.

Following a review of Palau's AML/CTF regime, the PALP legal mentor drafted amendments to the Money Laundering and Proceeds of Crime Act. The amendments are aimed at enhancing the effectiveness of AML/CTF prosecutions. The PALP mentor also developed a draft civil forfeiture law, which, when passed, will also allow the Government of Palau to confiscate or forfeit assets independent of criminal proceedings. In addition, the PALP mentor developed regulations aimed at

tightening the regulation of banks to prevent money laundering and fraud. The lack of such measures was highlighted following the collapse of a local bank in December 2006, resulting in the loss of approximately $40 million in stolen funds (equivalent to 40 percent of all bank deposits in Palau).

In December 2007, the President of Palau signed into law some of the amendments to the Money Laundering and Proceeds of Crime Act. It is expected that the other pieces of legislation developed by PALP will be approved in 2008. The PALP legal mentor has had several sessions with members of the Palau Senate and the House of Representatives in 2007 on the importance of enacting the AML/CTF legislation.

PALP legislative assistance to the Marshall Islands in 2007 consisted of drafting regulations for financial institutions and a currency declaration bill, as well as amendments to the Terrorism Act, Banking Act, and Proceeds of Crime Act. The amendments to the Terrorism Act helped avert the threat of membership sanctions by the Egmont Group. As is the case in other Pacific jurisdictions, cash smuggling has become an increasing problem and the draft Border Currency Reporting Act is designed to deal with this. The Oceania Customs Organization (OCO) is considering using the draft Border Currency Reporting Act as model legislation for the region.

In Tonga, the PALP legal mentor provided legislative assistance by drafting amendments to the Money Laundering and Proceeds of Crime Act 2000 (MLPCA), a currency declaration bill, and an FIU bill. The amendments to the MLPCA will include serious offenses designated by the FATF 40 Recommendations as predicate offenses for money laundering. The currency declaration bill, when passed, will assist in detecting bulk cash smuggling. The FIU bill will provide the Tongan FIU with more extensive powers to investigate suspicious transaction reports received from financial institutions.

Following a review of Vanuatu's AML/CTF regime, the PALP mentor developed draft regulations for financial institutions, as well as amendments to Proceeds of Crime Act on cross-border currency reporting. The draft regulations will provide a legal framework for Vanuatu's FIU to develop guidelines for financial institutions. The draft provisions on cross-border reporting will enhance the capacity of Vanuatu authorities to respond more effectively to currency smuggling.

Capacity Building Initiatives

The PALP provides technical assistance and training workshops at the regional, sub-regional, and national levels for law enforcement and customs officials, prosecutors, judges, and regulatory authorities. In 2007, the PALP conducted several capacity building training initiatives at both the regional and national levels. Approximately 310 individuals from all 14 jurisdictions received capacity building assistance from the PALP.

On May 9-12, 2007, the PALP hosted a judicial workshop on money laundering, and terrorist financing in Palau. Eleven judges from the Marshall Islands, Micronesia, Palau, Papua New Guinea, Solomon Islands, and Tuvalu participated in this training. The workshop was jointly funded by PALP and Australia's Anti-Money Laundering Assistance Team (AMLAT), although the training itself was conducted by PALP. The Chief Justice of Tuvalu, acting as the President of the Fiji Court of Appeals in August, 2007, later praised this training program for helping with his judgment in upholding the Fiji High Court's conviction of an Australian national who was running an advanced fee scheme. This was Fiji's first money laundering conviction

The PALP hosted a regional workshop for AML/CTF investigators in Samoa on July 9-13, 2007. Thirty-five law enforcement officials from Cook Islands, Fiji, Kiribati, Micronesia, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu attended the training. The workshop was jointly funded and conducted by the PALP and AMLAT.

On September 27-28, 2007, the PALP hosted a national workshop on civil forfeiture for 19 prosecutors and law enforcement officials from Fiji. The objective of the workshop was to assist prosecutors and law enforcement in the use and application of the new civil forfeiture provisions. The workshop was funded by PALP and conducted jointly by the PALP and judges from the Fiji High Court.

The PALP hosted a regional workshop for supervisors and regulators of nonbank financial institutions in Vanuatu, December 3-7, 2007. A total of 26 supervisors and regulators from nine countries attended the workshop, including the Cook Islands, Fiji, Micronesia, Marshall Islands, Niue, Papua New Guinea, Samoa, Solomon Islands, and Vanuatu. The workshop examined the challenges faced by supervisors and regulators in ensuring compliance with AML/CTF regulations by nonbank entities, such as lawyers, accountants, insurance companies, real estate agents, trust companies, and service providers. This workshop was the first of its kind undertaken by the PALP and highlighted the need for follow-up work in 2008. The workshop was jointly funded by PALP and the Commonwealth Secretariat, and the training was conducted by the PALP, the International Monetary Fund, Australia's FIU, and private sector experts from the Cook Islands.

In December 2007, the PALP conducted training on cross-border currency reporting in Fiji. Six countries attended this training, including Fiji, Kiribati, Nauru, Solomon Islands, Tuvalu, and Vanuatu. Approximately 210 staff from Fiji Customs and Airport Authority, Police, and the Immigration and Quarantine agency, as well as officials from the other participating countries, attended the training. A key outcome of this training was the development of a tool kit, which establishes procedures and policies for customs and other border officials regarding the detection and seizure of unreported cross-border cash movements. The tool kit was developed by the three agencies for Fiji, and is now being considered for use by other jurisdictions. The training was conducted jointly by PALP, AMLAT, and the OCO, with funding from AMLAT.

Case support

One of the key areas of the PALP's work is case support for jurisdictions in the region on high-profile money laundering and terrorist financing cases. In 2007, the PALP provided case support to the Cook Islands, Palau, and Tonga.

The Government of Palau requested PALP assistance in the investigation of money laundering and fraud offences emanating from the collapse of a local bank, which affected 40 percent of all depositors in Palau. The case highlighted the lack of effective internal controls, regulations, or legislation, as well as a lack of investigative capacity to deal with such a large case. The key contribution made by the PALP was the instigation of criminal charges, which had not been considered by the Palau authorities at the start of the investigation. In addition, the PALP developed an investigative strategy for the criminal investigation, which was accepted by the Special Prosecutor in charge of the case and now forms the basis of the investigation. The PALP law enforcement mentor continues to provide advice and investigative support to the Special Prosecutor, and the legal mentor has also provided advice to the Special Prosecutor. The PALP also assisted the United States Internal Revenue Service in its own criminal investigation into the bank by providing information about the defendants and assisting with mutual legal assistance requests to New Zealand. In early 2008, PALP's second law enforcement mentor will be based in Palau.

Since June 2007, the PALP has provided legal and investigative advice to the Cook Islands FIU, the Financial Supervisory Commission, and the Cook Islands Police on a money laundering and terrorist financing case involving an international bank. As in Palau, the PALP assisted the FIU and the Police in developing an investigative strategy. The case potentially involves seven other jurisdictions, and several mutual legal assistance requests have been presented to India, New Zealand, and Pakistan with the assistance and advice of the PALP. The PALP law enforcement contacts in some of these countries

have also provided useful information and assistance to law enforcement officials in the Cook Islands. The information obtained from these mutual legal assistance requests has helped the Cook Islands Police and FIU to make headway in their investigations. The authorities now believe that they have sufficient information to shut down an international bank that is registered in the Cook Islands and believed to be involved in money laundering and providing financial support for terrorism. This is the first time the Cook Islands Police and FIU have dealt with a high profile case

In 2007, the PALP legal mentor responded to a request from Tongan authorities regarding the theft of precursor chemicals that were believed to be used for the manufacture of methamphetamine. The advice provided by the legal mentor included opinions on the use of the Tongan legislation and the appropriate charges to be filed.

Mutual evaluations

The PALP has also extended its assistance to jurisdictions when preparing for mutual evaluations or when implementing reforms suggested by the mutual evaluation team. The goal of the assistance provided by the PALP is to ensure that the jurisdiction is prepared for the mutual evaluation process and that, to the greatest extent possible, their AML/CTF regimes comport with international standards. The review of their AML/CTF regimes by the PALP helps these countries to take stock of where they are in terms of compliance with international standards, and to identify areas where technical assistance may be required. Furthermore, the reviews undertaken by the PALP are an important preparatory step as the jurisdictions prepare themselves for mutual evaluations by the Asia Pacific Group (APG), World Bank, or International Monetary Fund (IMF). In 2007, the PALP provided assistance to Palau and Tonga in preparation for their upcoming mutual evaluations. The PALP also assisted Fiji in implementing recommendations made by the evaluation team as a result of their mutual evaluation in 2006.

In Palau, the PALP reviewed its Money Laundering and Proceeds of Crime Act, assisted officials with the completion of the mutual evaluation questionnaire, and carried out a review of Palau's FIU in November 2007. Palau will undergo a mutual evaluation by the IMF in February 2008.

PALP's legal mentor provided assistance to the government of Tonga's review of its Money Laundering and Proceeds of Crime Act 2001. A review of Tonga's FIU was conducted in March 2007 by a PALP intermittent mentor. The mutual evaluation of Tonga will occur in 2008.

In the Cook Islands, the PALP reviewed their existing AML/CTF legislation and developed several draft laws, including FIU, civil forfeiture and currency declaration bills. The passage of this legislation would place the Cook Islands in a greater level of compliance with international standards. The Cook Islands will be evaluated in the third quarter of 2008.

Following its mutual evaluation, the PALP assisted Fiji in implementing the recommendations made in the 2006 World Bank mutual evaluation report. The PALP provided legal advice to the Fiji's FIU as to how the FIU-related recommendations could best be implemented. A national workshop will be held for Fiji officials in March 2008 on developing a risk-based approach to combating money laundering and terrorist financing.

United Nations Global Programme Against Money Laundering

The United Nations is one of the most experienced global providers of anti-money laundering (AML) training and technical assistance and, since 9-11, counter-terrorist financing (CTF) training and technical assistance. The United Nations Global Program against Money Laundering (GPML), part of

the United Nations Office on Drugs and Crime (UNODC), was established in 1997 to assist Member States to comply with the UN Conventions and other instruments that deal with money laundering and terrorist financing. These now include the United Nations Convention against Traffic in Narcotic Drugs and Psychotropic Substances (the 1988 Vienna Convention), the United Nations International Convention for the Suppression of the Financing of Terrorism (the 1999 Convention), the United Nations Convention against Transnational Organized Crime (the 2000 Palermo Convention), and the United Nations Convention against Corruption (the 2003 Merida Convention).

In September 2006, the UN General Assembly adopted the United Nations Global Counter-Terrorism Strategy. The Plan of Action contained in the Strategy encourages UNODC to help countries comply with international norms and standards, and to enhance international cooperation in these areas. GPML is the focal point for anti-money laundering policy and activities within the UN System and a key player in strengthening efforts to counter the financing of terrorism. GPML provides technical assistance and training in the development of related legislation, infrastructure and skills, directly assisting member states in the detection, seizure, and confiscation of illicit proceeds. Since 2001, GPML's technical assistance work on countering the financing of terrorism has also received priority. As part of the implementation of the UN Global Counter-Terrorism Strategy, GPML is one of the lead entities of the working group of the UN Counter-Terrorism Implementation Task Force (CTITF), an information-sharing and coordinating body aimed at developing policy recommendations in tackling the financing of terrorism. GPML now incorporates a focus on counterterrorist financing in all its technical assistance work.

In 2007, GPML provided training and long-term assistance in the development of viable AML/CTF regimes to more than fifty countries. In September 2007, UNODC and the World Bank launched the Stolen Asset Recovery (StAR) Initiative aimed at assisting developing countries to recover stolen assets that have been sent abroad by corrupt leaders. Given the close links between money laundering and corruption, and the fact that building an anti-money laundering system forms an integral part of good governance policy and asset recovery strategy, GPML is actively involved in this initiative and in the implementation of the UN Convention against Corruption, in force since December 2005.

The Mentoring Program

GPML's Mentor Program is one of the most successful and well-known activities of international AML/CTF technical assistance and training, and is increasingly serving as a model for other organizations' initiatives. It is one of the core activities of the GPML technical assistance program and is highly regarded by the AML/CTF community. GPML's Mentor Program has key advantages over more traditional forms of technical assistance. First, mentors serve as residential advisors in a country or region for as long as one to four years, and offer sustained skills and knowledge transfer. Second, mentoring constitutes a unique form of flexible, ongoing needs assessment, where the mentor can pinpoint specific needs over a period of months, and adjust his/her work plan to target assistance that responds to those needs. Third, the member state has access to an "on-call" resource to provide advice on real cases and problems as they arise. Fourth, a mentor can facilitate access to foreign counterparts for international cooperation and mutual legal assistance at the operational level by using his/her contacts to act as a bridge to the international community.

The GPML Mentoring Program provides targeted on-the-job training that adapts international standards to specific local/national situations, rather than the traditional training seminar. The concept originated in response to repeated requests from member states for longer-term international assistance in this technically demanding and rapidly evolving field. GPML provides experienced prosecutors and law enforcement personnel who work side-by-side with their counterparts in a target country for several months at a time on daily operational matters to help develop capacity. Some advise governments on legislation and policy, while others focus on operating procedures, either with law

enforcement or with issues relating to a country's financial intelligence unit (FIU). By giving in-depth support upon request, the mentors have gained the confidence of the recipient institutions, which enables the achievement of concrete and significant outputs. In many countries, GPML mentors are the only locally placed AML/CTF experts, hence they are heavily relied upon by local offices of donor countries and organizations for advice in the process of creation and delivery of other donor AML/CTF projects. The GPML prosecutorial mentor based in the Prosecutor General's Office of Namibia provides assistance for the development of asset forfeiture mechanisms in Botswana, Namibia, Zambia, and Zimbabwe. The mentor provided legal inputs to amend relevant legislation in each country, specifically the Financial Intelligence Act of Namibia, which was passed in June 2007, and initiated and monitored the Prosecutor Placement Program, an initiative aimed at placing prosecutors from the region for a certain period of time within the Asset Forfeiture Unit of the National Prosecuting Authority (NPA) in South Africa.

The UN mentor based in Tanzania with the Secretariat of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) delivered training to 14 member countries and assisted the ESAAMLG Secretariat in conducting its two mutual evaluations in 2007 and one on-site visit. The mentor completed his term at the end of December 2007. Under the monitoring of the UN mentor, GPML developed in 2007 a "train the trainers" course, which is an ongoing certification program on financial investigation in Namibia. In collaboration with the U.S. Department of State and the World Bank, GPML extended the appointment of the regional mentor for Central Asia in Almaty, Kazakhstan, focusing on legislative assistance and FIU development, as well as an AML/CTF mentor in Hanoi, Vietnam, to provide assistance to Vietnam, Lao PDR, and Cambodia to establish comprehensive AML/CTF regimes, including the establishment and enhancement of FIUs. In addition, GPML assisted in legislative drafting for many other countries, including Yemen, Djibouti, and member countries of the West African Economic and Monetary Union, and implemented a comprehensive "train the trainers" program for FIU, law enforcement agencies and prosecutors in Armenia, as well as an FIU development project in Kyrgyzstan. Both initiatives are ongoing.

Mentoring & Financial Intelligence Units

GPML was among the first technical assistance providers to recognize the importance of countries' creating a financial intelligence capacity, and GPML mentors worked extensively on the development and the implementation phases of FIUs in several countries in the Eastern Caribbean, the Pacific, and most recently in South East Asia. The development of FIUs in the Eastern Caribbean played a key role in the removal of many of the jurisdictions from the FATF Non-Cooperative Countries and Territories (NCCT) list.

A major initiative that could have global implications for many FIUs is the development by the UNODC Information Technology Service (ITS), with substantive inputs from GPML, of an analytical and integrated database and intelligence analysis system for operational deployment in FIUs, called goAML (http://goaml.unodc.org). It is an IT solution for FIUs to manage their activities, particularly data collection, analysis, and dissemination. The goAML program is now operational in Nigeria and several countries have contacted UNODC to explore the feasibility of future IT partnerships with goAML. The system provides a uniform and standard AML platform to fight money laundering and the financing of terrorism and was introduced and praised at the Egmont Group Plenary meeting in June 2007.

Computer-Based Training

Other highlights of GPML's work in 2007 included the ongoing development of its global computer-based training (CBT) initiative. The program provides 12 hours of interactive basic AML training consisting of thirteen modules for global delivery. Delivery continued in the Pacific, Central

American, and Western Africa regions. CBT training classrooms were established in Niamey, Niger, at the financial intelligence unit (CENTIF), two training centers in Morocco (Central Bank and the Royal Institute of Police), one at the Egyptian Banking Institute in Cairo, and one at the Colombian National Police in Bogotá. GPML also installed its mobile CBT training centre throughout West Africa to train key officials of National AML Inter-Ministerial Committees. In 2007, GPML initiated the development of new CBT modules on asset forfeiture.

The training program has flexibility in terms of language, level of expertise, target audience, and theme. Computer-based training is particularly applicable in countries and regions with limited resources and law enforcement skills, as it can be used for a sustained period of time. As an approach, CBT, translated into several languages, lends itself well to GPML's global technical assistance operations.

Other GPML Initiatives

GPML contributed to the delivery of mock trials in Central and South America. This tailor-made activity was developed in response to repeated requests from member states for practical realistic AML training. It combines training and practical aspects of the judicial work into one capacity building exercise. Five mock trials were organized and delivered in 2007 in Bolivia, Honduras, Mexico, Peru, and Venezuela.

GPML assisted West African countries in the development of their AML/CTF national strategies, and developed financial investigations courses in South Asia, Ethiopia, and West Africa in partnership with the Commonwealth Secretariat and the Office of Technical Assistance of the U.S. Department of Treasury (OTA). In 2007, GPML, in a collaborative effort with the International Monetary Fund (IMF), initiated the revision of a model law on AML/CTF and proceeds of crime for common law countries, encompassing worldwide AML/CTF standards and taking into account best legal practices. GPML continued to work closely with partners, including among others the U.S. Department of Justice, OTA, the Organization for Security and Cooperation in Europe (OSCE), the Commonwealth Secretariat, the IMF, and the World Bank to deliver CTF training, particularly in the regions of Central Asia, Southern Europe, and Africa.

GPML administers the Anti-Money Laundering International Database (AMLID) on the International Money Laundering Information Network (IMoLIN), an online, password-restricted, analytical database of national AML/CTF legislation that is available only to public officials. GPML also maintains an online AML/CTF legal library and issues a Central Asia Newsletter monthly in English and quarterly in Russian. IMoLIN (www.imolin.org) is a practical tool in daily use by government officials, law enforcement, and lawyers. GPML manages and constantly updates this database on behalf of the UN and 11 major international partners in the field of AML/CTF: the Asia/Pacific Group on Money Laundering (APG), the Caribbean Financial Action Task Force (CFATF), the Commonwealth Secretariat, the Council of Europe-MONEYVAL, the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Eurasian Group (EAG), the Financial Action Task Force (FATF), the Financial Action Task Force of South America (GAFISUD), the Inter-Governmental Action Group against Money Laundering and Terrorist Financing in West Africa (GIABA), Interpol, and the Organization of American States (OAS). In July 2007, GPML launched the French language version of IMoLIN. GPML continued its second round of legal analysis using the revised AMLID questionnaire. In this regard, the database currently contains fifty-seven revised questionnaires under the second round of legal analysis. The updated AMLID questionnaire reflects new money laundering trends and standards, and takes provisions related to terrorist financing and other new developments into account, including the revised FATF recommendations.

Law Enforcement Cases

Operation TNT—Contract Fraud

In November 2004, U.S. Immigration and Customs Enforcement (ICE) initiated an investigation based on a Bank Secrecy Act report filed by a financial institution. The investigation identified South Florida companies whose corporate officers and directors were part of an international conspiracy to perpetrate a bid-rigging scheme against the government of Trinidad and Tobago. The scheme involved the awarding of a contract involving the construction of the Piarco International Airport in Trinidad. In one instance, the conspirators used a related company to intentionally submit a higher competitive bid to help them win a multi-million dollar contract to equip the airport in Trinidad with items such as x-ray machines, passenger boarding bridges, and elevators. This was done to give the appearance that the conspirators' bid of $30 million was reasonable by comparison to the $35 million bid that they prepared and submitted on behalf of their supposed competition.

Upon award of the contract, the conspirators laundered the proceeds and paid kickbacks to co-conspirators through an elaborate series of financial transactions executed utilizing offshore shell companies and bank accounts established in the Bahamas and elsewhere. Ultimately, millions of dollars of fraud proceeds were repatriated to the United States and used to purchase items such as artwork, vacations, and jewelry. Additionally, the investigation revealed that some of the conspirators also engaged in a bank fraud scheme that resulted in a loss of approximately $23 million to South Florida financial institutions through default on unsecured loans.

The owner of one of the South Florida companies was recently sentenced to 72 months imprisonment for conspiracy to commit wire and bank fraud. The defendant also agreed to a $22 million restitution order. The Chief Financial Officer of this company was sentenced to four years probation for bank fraud, and was ordered to pay over $400,000 in restitution. Additionally, four co-conspirators were convicted of charges related to bank and/or wire fraud. Sentences ranged from probation to 37 months in prison.

Drug Trafficking Organization—Laundering via Bulk Cash Smuggling and the Purchase of Real Estate and Automobiles

The investigation into the George MARTINEZ Drug Trafficking Organization (DTO) began with a routine traffic stop on November 1, 2000, in West Memphis, Arkansas. A vehicle driven by Marco Gonzalez, a resident of Cudahy, California, was stopped by an officer of the West Memphis Police Department. Following a consent search of the vehicle, officers discovered approximately $854,000 in cash hidden in two false compartments beneath the vehicle. Subsequently, ICE's SAC/Los Angeles office opened an investigation on the seizure based upon Gonzalez's residency in the Los Angeles area and the fact he was driving the cash westbound towards California.

The multi-year wiretap investigation revealed an extensive DTO that laundered its proceeds through the purchase of real estate properties and luxury and vintage vehicles. The MARTINEZ DTO smuggled cocaine and marijuana from Mexico through various ports of entry in California in vehicles purchased from Los Angeles-area automobile auctions. Vehicles were selected for their ability to hold large false compartments beneath the floorboards. The automobiles were outfitted by MARTINEZ DTO drug associates once the vehicles were purchased. The drugs were distributed throughout California, Seattle, Baltimore, New York, Miami, and Canada.

Proceeds from the sale of the narcotics were sent directly to MARTINEZ at his base of operations in Downey, California. Cash was laundered predominantly by MARTINEZ through the purchase of real estate in California; however, MARTINEZ also personally bought numerous luxury and vintage

vehicles in cash. The remainder of the cash was used to improve MARTINEZ' properties and "flip" them for profit in a booming Southern California real estate market. The bulk cash that MARTINEZ did not launder in southern California was driven south into Mexico and laundered through various casas de cambios.

The head of the DTO, along with eight other associates, were arrested; one target is still a fugitive-at-large. The defendants pled to conspiracy to import and distribute controlled substances and received varied sentences. MARTINEZ was the only person who pled to a money laundering charge.

Trade-based Money Laundering/Black Market Exchange

An ICE investigation of an unlicensed money services business (MSB) in Atlanta resulted in the seizure of approximately $714,000 from six bank accounts. The investigation revealed that a black market currency exchanger in Brazil, called a "doleiro," was transferring payments to U.S. bank accounts. The owner of the bank accounts in the U.S. would then facilitate third-party wire transfers to U.S. and Asian exporters for commercial goods that were shipped to the South American Tri-Border area of Argentina, Brazil, and Paraguay. In Brazil, this trade-based money laundering scheme, known as the "paralelo," is designed to avoid high fees and taxes associated with legitimate international wire transactions conducted via the National Bank of Brazil. Criminal organizations utilize trade-based money laundering to transfer value across borders through trade-based transactions (e.g., imports and exports of commercial merchandise) and to disguise the illicit origins of criminal proceeds. ICE analysis and investigation documented the illegal transfer of more than $100 million from the Tri-Border area to the United States that resulted in the subsequent seizure.

Bulk Cash Smuggling, Casas de Cambio, and the Black Market Peso Exchange

In March 2006, in a joint action between the Colombian National Police and the U.S. Drug Enforcement Agency, Ricardo Mauricio Bernal-Palacios, his brother Juan Bernal-Palacios, and Camillo Ortiz-Echeverri were arrested in Bogotá, Colombia. The investigation of the Bernal organization documented amounts in excess of $300 million laundered through the U.S.-based correspondent accounts of Casa de Cambio Ribadeo and another Mexican-based casa de cambio. The international investigation also included the related seizure by the Spanish Guardia Civil of approximately 17 million euros (approximately $20 million), and the seizure of 2,000 kilograms of cocaine.

The investigation specifically targeted Mauricio Bernal's concealed ownership interest in Casa de Cambio Ribadeo in Mexico City, which he used to receive and launder "bulk currency" narcotics proceeds generated in the United States and Europe. Bernal used U.S.-based bank accounts maintained in the name of Casa de Cambio Ribadeo to transfer these proceeds to Colombia or to free trade zones for the purchase of commodities destined for Colombia using the Black Market Peso Exchange.

Recent Terrorist Financing Prosecutions

Terrorist financing prosecutions continue to be a particular focus of the Department of Justice National Security Division's (NSD) Counterterrorism Section. Terrorists cannot carry out their acts without money to buy weapons, explosives and equipment. The NSD's Counterterrorism Section has taken steps to identify and eliminate terrorist financing disguised as charitable giving. Such activity is not protected by the First Amendment; rather, it seeks to pervert and undermine it.

What is at issue here is not anything close to pure speech. It is, rather, material support to foreign organizations that the United States has deemed, through a process defined by federal statute and including judicial review by the D.C. Circuit, a threat to our national security. The fact that the support takes the form of money does not make the support the equivalent of speech. In this context, the

donation of money could properly be viewed by the government as more like the donation of bombs and ammunition than speech.

Terrorists exploit the charitable efforts of others to divert money meant for the poor and disenfranchised. NSD utilizes the traditional investigative tools and techniques used in white collar crime cases to further terrorist financing investigations. These are often difficult cases with unique issues, which frequently involve classified Foreign Intelligence Surveillance Act (FISA) electronic surveillance which extended over a period of years, providing additional challenges in presenting the evidence to the jury.

Holy Land Foundation

Holy Land Foundation. On October 22, 2007, in the Northern District of Texas a mistrial was declared after the jury was unable to reach a verdict in the trial of the leaders of the Holy Land Foundation for Relief & Development (HLF) for providing material support to Hamas, a foreign terrorist organization, and related charges. One of the defendants, Mohammed El-Mezain, was found not guilty on all counts with which he was charged except Count 1, the material support conspiracy count. All other defendants at trial—Shukri Abu Baker, Ghassan Elashi, Mufid Abdulqader, and Abdulraham Odeh—and all counts resulted in a mistrial. The case has been re-assigned for retrial in 2008. HLF received start-up assistance from Mousa Abu Marzook, a leader of Hamas. It was the largest Muslim charity in the United States until it was declared a Specially Designated Terrorist Organization in 2001 and shut down. HLF raised millions of dollars for Hamas over a 13-year period.

Chiquita Brands Pays Terrorist Group AUC

Chiquita Brands International. On March 19, 2007, Chiquita Brands International Inc., a multinational corporation incorporated in New Jersey and headquartered in Cincinnati, Ohio, pled guilty in the District of Columbia to one count of engaging in transactions with a Specially Designated Global Terrorist. Under the terms of the plea agreement, Chiquita was sentenced to a $25 million criminal fine, required to implement and maintain an effective compliance and ethics program, and five years of probation. The plea agreement arose from significant payments that Chiquita made for years to the violent, right-wing terrorist organization United Self-Defense Forces of Colombia (AUC). From 1997 through February 4, 2004, Chiquita paid money to the AUC in two regions of Colombia where Chiquita had fruit operations: Urabá and Santa Marta. Chiquita made these payments through its wholly-owned Colombian subsidiary known as "Banadex." By 2003, Banadex was Chiquita's most profitable operation. Chiquita, through Banadex, paid the AUC nearly every month. In total, Chiquita made over 100 payments to the AUC amounting to over $1.7 million. The U.S. government designated the AUC as a Foreign Terrorist Organization (FTO) on Sept. 10, 2001, and that designation was well-publicized in the American public media. The AUC's designation was even more widely reported in the public media in Colombia, where Chiquita had its substantial banana-producing operations. Chiquita also had specific information about the AUC's designation as an FTO through an Internet-based, password-protected subscription service that Chiquita paid money to receive. Nevertheless, from Sept. 10, 2001, through Feb. 4, 2004, Chiquita made 50 payments to the AUC totaling over $825,000.

Money Laundering to Support Terrorism

Yassin Aref. On October 10, 2006, a jury in the Northern District of New York found Yassin Aref guilty of conspiracy to commit money laundering, conspiracy to provide material support to terrorists, and conspiracy to provide material support to a designated foreign terrorist organization, as well as two counts of money laundering. He was also found guilty of one count of making false statements.

His co-defendant, Mohammed Hossain, was also found guilty, and both defendants were sentenced to 15 years in prison. Aref was initially identified when his name and telephone number were discovered in documents found in 2003 at three separate Ansar-al-Islam locations in Iraq. In addition, investigation disclosed that numerous telephone calls were placed from his home telephone to a telephone number in Damascus, Syria, connected to al Qaeda. The case involved a sting operation in which an FBI informant represented to the defendants that the informant needed to conceal the proceeds of the importation of a surface-to-air missile (SAM). The informant further represented that the SAM was to be used by terrorists in New York City in an operation targeting a Pakistani government official. Hossain agreed to launder the money through his business, and Aref, the imam of a local mosque, agreed to witness and guarantee the transactions to ensure that they were conducted according to the laws of Allah.

Material Support to Hamas

Mohamed Shorbagi. On August 28, 2006, Mohamed Shorbagi pled guilty in the Northern District of Georgia to providing material support to Hamas, a designated foreign terrorist organization. Shorbagi provided financial support to Hamas through donations to the Holy Land Foundation for Relief and Development, and conspired with others to provide such material support, knowing that Hamas had been designated as a foreign terrorist organization and that Hamas engaged in terrorist activity. Shorbagi also hosted high-level Hamas officials at a Georgia mosque, where he served as the imam. He was sentenced to 92 months in prison. Shorbagi also testified in the trial of Abdelhaleem Ashqar and Muhammad Salah in the Northern District of Illinois, who were charged along with others with participation in a 15-year racketeering conspiracy in the U.S. and abroad, using bank accounts in the United States to launder millions of dollars to illegally finance Hamas' terrorist activities in Israel, the West Bank, and Gaza Strip. On February 1, 2007, Salah and Ashqar were convicted on obstruction and contempt charges but acquitted of racketeering conspiracy charges. Salah was sentenced on July 11, 2007, to 21 months imprisonment. Ashqar was sentenced on November 21, 2007, to 135 months imprisonment.

Rendering Assistance to a Khalistan Commando Force

Khalistan Commando Force. On December 20, 2006, a jury in the Eastern District of New York returned a verdict convicting Khalid Awan of providing money and financial services to the Khalistan Commando Force (KCF), a terrorist organization (although not on a UN Security Council Resolution or U.S. Government list) responsible for thousands of deaths in India since its founding in 1986. Awan was sentenced to 14 years in prison on September 12, 2007. KCF was formed in 1986 and is comprised of Sikh militants who seek to establish a separate Sikh state in the Punjab region of India. The organization has engaged in numerous assassinations of prominent Indian government officials—including the murder of Chief Minister Beant Singh of Punjab in 1995—and hundreds of bombings, acts of sabotage and kidnappings. The government's evidence at trial included recordings of Awan's prison telephone calls to Panjwar in Pakistan, in which Awan introduced the inmate as a potential recruit for the KCF; statements by Awan admitting that he sent hundreds of thousands of dollars to KCF; testimony by two New York-area fund raisers for the KCF who stated that they delivered money to Awan's residence in Garden City; and testimony by the Assistant Inspector General of the Punjab Police Intelligence Division that the KCF was responsible for the deaths of thousands of innocent victims in India.

Major Money Laundering Countries

Every year, U.S. officials from agencies with anti-money laundering responsibilities meet to assess the money laundering situations in 200 jurisdictions. The review includes an assessment of the significance of financial transactions in the country's financial institutions that involve proceeds of serious crime, steps taken or not taken to address financial crime and money laundering, each jurisdiction's vulnerability to money laundering, the conformance of its laws and policies to international standards, the effectiveness with which the government has acted, and the government's political will to take needed actions.

The 2008 INCSR assigned priorities to jurisdictions using a classification system consisting of three differential categories titled Jurisdictions of Primary Concern, Jurisdictions of Concern, and Other Jurisdictions Monitored.

The "Jurisdictions of Primary Concern" are those jurisdictions that are identified pursuant to the INCSR reporting requirements as "major money laundering countries." A major money laundering country is defined by statute as one "whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking." However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. The category "Jurisdiction of Primary Concern" recognizes this relationship by including all countries and other jurisdictions whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. Thus, the focus of analysis in considering whether a country or jurisdiction should be included in this category is on the significance of the amount of proceeds laundered, not of the anti-money laundering measures taken. This is a different approach taken than that of the FATF Non-Cooperative Countries and Territories (NCCT) exercise, which focuses on a jurisdiction's compliance with stated criteria regarding its legal and regulatory framework, international cooperation, and resource allocations.

All other countries and jurisdictions evaluated in the INCSR are separated into the two remaining groups, "Jurisdictions of Concern" and "Other Jurisdictions Monitored," on the basis of a number of factors that may include: (1) whether the country's financial institutions engage in transactions involving significant amounts of proceeds from serious crime; (2) the extent to which the jurisdiction is or remains vulnerable to money laundering, notwithstanding its money laundering countermeasures, if any (an illustrative list of factors that may indicate vulnerability is provided below); (3) the nature and extent of the money laundering situation in each jurisdiction (for example, whether it involves drugs or other contraband); (4) the ways in which the United States regards the situation as having international ramifications; (5) the situation's impact on U.S. interests; (6) whether the jurisdiction has taken appropriate legislative actions to address specific problems; (7) whether there is a lack of licensing and oversight of offshore financial centers and businesses; (8) whether the jurisdiction's laws are being effectively implemented; and (9) where U.S. interests are involved, the degree of cooperation between the foreign government and U.S. government agencies. Additionally, given concerns about the increasing interrelationship between inadequate money laundering legislation and terrorist financing, terrorist financing is an additional factor considered in making a determination as to whether a country should be considered an "Other Jurisdiction Monitored " or a "Jurisdiction of Concern." A government (e.g., the United States or the United Kingdom) can have comprehensive anti-money laundering laws on its books and conduct aggressive anti-money laundering enforcement efforts but still be classified a "Primary Concern" jurisdiction. In some cases, this classification may simply or largely be a function of the size of the jurisdiction's economy. In such jurisdictions quick, continuous, and effective anti-money laundering efforts by the government are critical. While the actual money laundering problem in jurisdictions classified "Concern" is not as acute, they too must

undertake efforts to develop or enhance their anti-money laundering regimes. Finally, while jurisdictions in the "Other" category do not pose an immediate concern, it will nevertheless be important to monitor their money laundering situations because, under certain circumstances, virtually any jurisdiction of any size can develop into a significant money laundering center.

Vulnerability Factors

The current ability of money launderers to penetrate virtually any financial system makes every jurisdiction a potential money laundering center. There is no precise measure of vulnerability for any financial system, and not every vulnerable financial system will, in fact, be host to large volumes of laundered proceeds, but a checklist of what drug money managers reportedly look for provides a basic guide. The checklist includes:

- Failure to criminalize money laundering for all serious crimes or limiting the offense to narrow predicates.
- Rigid bank secrecy rules that obstruct law enforcement investigations or that prohibit or inhibit large value and/or suspicious or unusual transaction reporting by both banks and nonbank financial institutions.
- Lack of or inadequate "know-your-client" requirements to open accounts or conduct financial transactions, including the permitted use of anonymous, nominee, numbered, or trustee accounts.
- No requirement to disclose the beneficial owner of an account or the true beneficiary of a transaction.
- Lack of effective monitoring of cross-border currency movements.
- No reporting requirements for large cash transactions.
- No requirement to maintain financial records over a specific period of time.
- No mandatory requirement to report suspicious transactions or a pattern of inconsistent reporting under a voluntary system; lack of uniform guidelines for identifying suspicious transactions.
- Use of bearer monetary instruments.
- Well-established nonbank financial systems, especially where regulation, supervision, and monitoring are absent or lax.
- Patterns of evasion of exchange controls by legitimate businesses.
- Ease of incorporation, in particular where ownership can be held through nominees or bearer shares, or where off-the-shelf corporations can be acquired.
- No central reporting unit for receiving, analyzing, and disseminating to the competent authorities information on large value or suspicious or unusual financial transactions that might identify possible money laundering activity.
- Lack of or weak bank regulatory controls, or failure to adopt or adhere to Basel Committee's "Core Principles for Effective Banking Supervision," especially in jurisdictions where the monetary or bank supervisory authority is understaffed, under skilled, or uncommitted.

- Well-established offshore financial centers or tax-haven banking systems, especially jurisdictions where such banks and accounts can be readily established with minimal background investigations.
- Extensive foreign banking operations, especially where there is significant wire transfer activity or multiple branches of foreign banks, or limited audit authority over foreign-owned banks or institutions.
- Jurisdictions where charitable organizations or alternate remittance systems, because of their unregulated and unsupervised nature, are used as avenues for money laundering or terrorist financing.
- Limited asset seizure or confiscation authority.
- Limited narcotics, money laundering and financial crime enforcement, and lack of trained investigators or regulators.
- Jurisdictions with free trade zones where there is little government presence or other supervisory authority.
- Patterns of official corruption or a laissez-faire attitude toward the business and banking communities.
- Jurisdictions where the U.S. dollar is readily accepted, especially jurisdictions where banks and other financial institutions allow dollar deposits.
- Well-established access to international bullion trading centers in New York, Istanbul, Zurich, Dubai and Mumbai.
- Jurisdictions where there is significant trade in or export of gold, diamonds, and other gems.
- Jurisdictions with large parallel or black market economies.
- Limited or no ability to share financial information with foreign law enforcement authorities.

Changes in INCSR Priorities for 2007

Jurisdictions moving from the Primary Concern column to the Concern column: Bosnia and Herzegovina and St. Kitts & Nevis.

Jurisdictions moving from the Other/Monitored column to the Concern column: Ghana, Guinea-Bissau, and Suriname.

In the Country/Jurisdiction Table on the following page, “major money laundering countries” that are in the “Jurisdictions of Primary Concern” column are identified for purposes of statutory INCSR reporting requirements. Identification as a “major money laundering country” is based on whether the country or jurisdiction’s financial institutions engage in transactions involving significant amounts of proceeds from serious crime. It is not based on an assessment of the country or jurisdiction’s legal framework to combat money laundering; its role in the terrorist financing problem; or the degree of its cooperation in the international fight against money laundering, including terrorist financing. These factors, however, are included among the vulnerability factors when deciding whether to place a country in the “concern” or “other” column. This year, the movement of Bosnia and Herzegovina from the Primary Concern Column to the Concern Column was based on the absence of significant money laundering, not on its continued vulnerability to terrorist financing.

Note: Country reports are provided for only those countries listed in Primary Concern column and the Concern column.

Country/Jurisdiction Table

Countries/Jurisdictions of Primary Concern

Afghanistan
Antigua and Barbuda
Australia
Austria
Bahamas
Belize
Brazil
Burma
Cambodia
Canada
Cayman Islands
China, People Rep
Colombia
Costa Rica
Cyprus
Dominican Republic
France
Germany
Greece
Guatemala
Guernsey
Haiti
Hong Kong
India
Indonesia
Iran
Isle of Man
Israel
Italy
Japan
Jersey
Kenya
Latvia
Lebanon
Liechtenstein
Luxembourg
Macau
Mexico
Netherlands
Nigeria
Pakistan
Panama
Paraguay
Philippines
Russia
Singapore
Spain
Switzerland
Taiwan
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Venezuela

Countries/Jurisdictions of Concern

Albania
Algeria
Angola
Argentina
Aruba
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Bolivia
Bosnia and Herzegovina
British Virgin Islands
Bulgaria
Chile
Comoros
Cook Islands
Cote d'Ivoire
Czech Rep
Dominica
Ecuador
Egypt
El Salvador
Ghana
Gibraltar
Grenada
Guinea-Bissau
Guyana
Honduras
Hungary
Iraq
Ireland
Jamaica
Jordan
Korea, North
Korea, South
Kuwait
Laos
Malaysia
Moldova
Monaco
Morocco
Netherlands Antilles
Nicaragua
Palau
Peru
Poland
Portugal
Qatar
Romania
Samoa
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Slovakia
South Africa
St. Kitts & Nevis
St. Lucia
St. Vincent
Suriname
Syria
Tanzania
Turks and Caicos
Uzbekistan
Vanuatu
Vietnam
Yemen
Zimbabwe

Other Countries/Jurisdictions Monitored

Andorra
Anguilla
Armenia
Azerbaijan
Benin
Bermuda
Botswana
Brunei
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Congo, Dem Rep of
Congo, Rep of
Croatia
Cuba
Denmark
Djibouti
East Timor
Equatorial Guinea
Eritrea
Estonia
Ethiopia
Fiji
Finland
Gabon
Gambia
Georgia
Guinea
Iceland
Kazakhstan
Kyrgyz Republic
Lesotho
Liberia
Lithuania
Macedonia
Madagascar
Malawi
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Micronesia FS
Mongolia
Montserrat
Mozambique
Namibia
Nauru
Nepal
New Zealand
Niger
Niue
Norway
Oman
Papua New Guinea
Rwanda
San Marino
Sao Tome & Principe
Slovenia
Solomon Islands
Sri Lanka
Swaziland
Sweden
Tajikistan
Togo
Tonga
Trinida and Tobago
Tunisia
Turkmenistan
Uganda
Zambia

Introduction to Comparative Table

The comparative table that follows the Glossary of Terms below identifies the broad range of actions, effective as of December 31, 2007 that jurisdictions have, or have not, taken to combat money laundering. This reference table provides a comparison of elements that define legislative activity and identify other characteristics that can have a relationship to money laundering vulnerability.

Glossary of Terms

1. "Criminalized Drug Money Laundering": The jurisdiction has enacted laws criminalizing the offense of money laundering related to drug trafficking.
2. "Criminalized Beyond Drugs": The jurisdiction has extended anti-money laundering statutes and regulations to include nondrug-related money laundering.
3. "Record Large Transactions": By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.
4. "Maintain Records Over Time": By law or regulation, banks are required to keep records, especially of large or unusual transactions, for a specified period of time, e.g., five years.
5. "Report Suspicious Transactions": By law or regulation, banks are required to record and report suspicious or unusual transactions to designated authorities. On the Comparative Table the letter "M" signifies mandatory reporting; "P" signifies permissible reporting.
6. "Financial Intelligence Unit": The jurisdiction has established an operative central, national agency responsible for receiving (and, as permitted, requesting), analyzing, and disseminating to the competent authorities disclosures of financial information concerning suspected proceeds of crime, or required by national legislation or regulation, to counter money laundering. These reflect those jurisdictions that are members of the Egmont Group.
7. "System for Identifying and Forfeiting Assets": The jurisdiction has enacted laws authorizing the tracing, freezing, seizure and forfeiture of assets identified as relating to or generated by money laundering activities.
8. "Arrangements for Asset Sharing": By law, regulation, or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions which assisted in the conduct of the underlying investigation.
9. "Cooperates w/International Law Enforcement": By law or regulation, banks are permitted/required to cooperate with authorized investigations involving or initiated by third party jurisdictions, including sharing of records or other financial data.
10. "International Transportation of Currency": By law or regulation, the jurisdiction, in cooperation with banks, controls or monitors the flow of currency and monetary instruments crossing its borders. Of critical weight here are the presence or absence of wire transfer regulations and use of reports completed by each person transiting the jurisdiction and reports of monetary instrument transmitters.
11. "Mutual Legal Assistance": By law or through treaty, the jurisdiction has agreed to provide and receive mutual legal assistance, including the sharing of records and data.
12. "Nonbank Financial Institutions": By law or regulation, the jurisdiction requires nonbank financial institutions to meet the same customer identification standards and adhere to the same reporting requirements that it imposes on banks.

13. "Disclosure Protection Safe Harbor": By law, the jurisdiction provides a "safe harbor" defense to banks or other financial institutions and their employees who provide otherwise confidential banking data to authorities in pursuit of authorized investigations.
14. "Criminalized the Financing of Terrorism." The jurisdiction has criminalized the provision of material support to terrorists and/or terrorist organizations.
15. "States Parties to 1988 UN Drug Convention": As of December 31, 2007, a party to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or a territorial entity to which the application of the Convention has been extended by a party to the Convention.[1]
16. "States Party to the UN International Convention for the Suppression of the Financing of Terrorism." As of December 31, 2007, a party to the International Convention for the Suppression of the Financing of Terrorism, or a territorial entity to which the application of the Convention has been extended by a party to the Convention.

[1] The United Kingdom extended its application of the 1988 Convention and the United Kingdom Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Montserrat, Turks and Caicos, Isle of Man, Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Comparative Table

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Egmont Financial Intelligence Units	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	Criminalized Financing of Terrorism	States Party to 1988 UN Convention	Internat'l Terrorism Financing Convention
Government/Jurisdiction																
Afghanistan	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Albania	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Algeria	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Andorra	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	N	Y	N
Angola	Y	N	N	N	N	N	N	N	N	N	Y	N	N	N	Y	N
Anguilla[1]	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Antigua & Barbuda	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Argentina	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Armenia	Y	Y	N	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Aruba	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Australia	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Austria	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Azerbaijan	Y	N	N	Y	N	N	N	N	N	Y	Y	N	N	Y	Y	Y
Bahamas	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Bahrain	Y	Y	N	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Bangladesh	Y	Y	N	Y	M	N	N	N	N	Y	Y	N	N	N	Y	Y
Barbados	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Belarus	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Belgium	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Belize	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Benin	Y	Y	N	Y	M	N	Y	N	Y	Y	N	N	Y	N	Y	Y

[1] The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Egmont Financial Intelligence Units	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	Criminalized Financing of Terrorism	States Party to 1988 UN Convention	Internat'l Terrorism Financing Convention
Bermuda[1]	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Bolivia[2]	Y	Y	N	Y	M	N	Y	N	N	N	Y	N	Y	N	Y	Y
Bosnia & Herzegovina	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Botswana	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	N	Y	N	Y	Y
Brazil	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
British Virgin Islands[1]	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N
Brunei Darussalam	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Bulgaria	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Burkina Faso	N	N	Y	N	M	N	N	N	N	N	N	N	N	N	Y	Y
Burma	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	N	Y	Y
Burundi	N	N	N	Y	N	N	Y	N	Y	Y	N	N	N	N	Y	N
Cambodia	Y	N	Y	Y	M	N	N	N	Y	Y	N	N	N	Y	Y	Y
Cameroon	Y	Y	Y	Y	M	N	Y	N	N	N	N	N	N	N	Y	Y
Canada	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cape Verde	Y	Y		Y	M	N	Y	N			Y			N	Y	Y
Cayman Islands[1]	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Chad	Y	Y	Y	Y	M	N	Y	N	N	Y	N	N	N	N	Y	N
Chile	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
China (PRC)	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	N	Y	Y	Y
Colombia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Comoros	Y	Y	N	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Congo (Dem. Republic)	Y	Y	Y	Y	M	N	Y	N	N	N	N	Y	Y	Y	Y	Y

[1] The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

[2] Bolivia's FIU was suspended from membership in the Egmont Group on July 31, 2007

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Egmont Financial Intelligence Units	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	Criminalized Financing of Terrorism	States Party to 1988 UN Convention	Internat'l Terrorism Financing Convention
Congo (Republic)	Y	Y	Y	Y	M	N	N	N	N	N	Y	Y	Y	Y	Y	Y
Cook Islands	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Costa Rica	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y
Cote D'Ivoire	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	Y
Croatia	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cuba	Y	Y	N	N	P	N	Y	N	N	Y	N	N	N	Y	Y	Y
Cyprus (ROC)	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cyprus ("TRNC")	Y	Y	Y	Y	M	N	N	N	N	Y	N	N			NA	NA
Czech Republic	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Denmark	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Djibouti	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Dominica	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dominican Republic	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	N
East Timor	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Ecuador	Y	Y	Y	Y	M	N	Y	Y	N	Y	Y	Y	N	N	Y	Y
Egypt	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
El Salvador	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Equatorial Guinea	Y	Y	Y	Y	M	N	N	N	N	N	N	N	N	N	N	Y
Eritrea	N	N	Y	Y	N	N	N	N	Y	Y	N	N	N	N	Y	N
Estonia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Ethiopia	Y	Y	Y	Y	M	N	N	N	N	N	N	N	N	N	Y	N
Fiji	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	N	Y	N	Y	N
Finland	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
France	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Gabon	N	N	Y	Y	M	N	N	N	N	N	N	Y	N	N	Y	Y
Gambia	Y	Y	N	Y	M	N	Y	N	N	N	N	N	Y	N	Y	N

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Egmont Financial Intelligence Units	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	Criminalized Financing of Terrorism	States Party to 1988 UN Convention	Internat'l Terrorism Financing Convention
Georgia	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Germany	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Ghana	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	Y
Gibraltar[1]	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	N	N
Greece	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Grenada	Y	Y	N	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Guatemala	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Guernsey[1]	Y	Y	N	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Guinea	Y	N	N	N	N	N	N	N	N	Y	N	N	N	N	Y	Y
Guinea-Bissau	Y	Y	Y	Y	M	N	N	N	N	N	Y	Y	Y	Y	Y	N
Guyana	Y	Y	N	Y	M	N	Y	N	N	Y	Y	N	Y	N	Y	Y
Haiti	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	N
Honduras	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y
Hong Kong[2]	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Hungary	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Iceland	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
India	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Indonesia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Iran	N	N	N	Y	M	N	N	N	N	N	N	N	N	N	Y	N
Iraq	Y	Y	N	Y	M	N	Y	N	N	Y	N	Y	Y	Y	Y	N
Ireland	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Isle of Man[1]	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

[1] The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

[2] The People's Republic of China extended the UN Financing of Terrorism Convention to the Special Administrative Regions of Hong Kong and Macau.

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Egmont Financial Intelligence Units	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	Criminalized Financing of Terrorism	States Party to 1988 UN Convention	Internat'l Terrorism Financing Convention
Israel	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Italy	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jamaica	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Japan	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Jersey[1]	Y	Y	N	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Jordan	Y	Y	N	Y	M	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y
Kazakhstan	Y	N	N	Y	P	N	N	N	N	Y	Y	N	N	Y	Y	Y
Kenya	Y	N	Y	Y	P	N	N	N	Y	Y	Y	N	N	N	Y	Y
Korea (DPRK)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N
Korea (Republic of)	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y
Kosovo	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	NA	NA
Kuwait	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	N
Kyrgyzstan	N	N	N	N	P	N	Y	N	N	N	N	N	Y	N	Y	Y
Laos	Y	Y	N	N	M	N	N	N	Y	Y	Y	Y	Y	Y	Y	N
Latvia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Lebanon	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	N
Lesotho	N	N	Y	Y	M	N	N	N	Y	N	Y	N	Y	N	Y	Y
Liberia	Y	Y	N	N	P	N	N	N	N	Y	N	N	N	N	Y	Y
Libya	Y	Y	N	Y	M	N	N	N	N	N	N	Y	Y	N	Y	Y
Liechtenstein	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Lithuania	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Luxembourg	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y

[1] The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Egmont Financial Intelligence Units	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	Criminalized Financing of Terrorism	States Party to 1988 UN Convention	Internat'l Terrorism Financing Convention
Macau[1]	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Macedonia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Madagascar	Y	Y	N	Y	N	N	Y	N		N	Y	Y	Y	N	Y	Y
Malawi	N	N	Y	Y	P	N	N	N		N	N	N	N	N	Y	Y
Malaysia	Y	Y	N	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Maldives	Y	N	N	N	M	N	Y	N		N		N	N	Y	Y	Y
Mali	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Malta	Y	Y	N	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Marshall Islands	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y
Mauritania	Y	Y	Y	Y	P	N	Y	N	Y	N	Y	N	Y	Y	Y	Y
Mauritius	Y	Y	N	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Mexico	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Micronesia	Y	Y	N	Y	N	N	Y	N	Y	N	Y	N	Y	N	Y	Y
Moldova	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Monaco	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mongolia	N	N	N	N	N	N	Y	N	N	N	N	N	Y	N	Y	Y
Montenegro	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Montserrat[2]	Y	Y	N	Y	M	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Morocco	Y	Y	N	Y	M	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y
Mozambique	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Namibia	Y	Y	Y	Y	M	N	N	N	N	Y	Y	Y	N	N	N	N
Nauru	Y	Y	N	Y	M	N	Y	Y	Y	N	Y	Y	Y	Y	N	Y

[1] The People's Republic of China extended the UN Financing of Terrorism Convention to the Special Administrative Regions of Hong Kong and Macau.

[2] The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

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Nepal	N	N	N	Y	N	N	N	N	Y	N	N	N	N	N	Y	N
Netherlands	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Netherlands Antilles	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N
New Zealand	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Nicaragua	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	N	Y	Y	Y	Y
Niger	Y	Y	N	Y	M	N	Y	N	Y	N	N	Y	N	N	Y	Y
Nigeria	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Niue	Y	Y	N	Y	M	Y	Y	N	Y	N	Y	Y	Y	N	NA	NA
Norway	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Oman	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	N
Pakistan	Y	Y	Y	Y	M	N	Y	N	N	N	Y	Y	Y	Y	Y	N
Palau	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Panama	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Papua New Guinea	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y
Paraguay	Y	Y	Y	Y	M	Y	N	N	Y	Y	Y	Y	Y	N	Y	Y
Peru	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Philippines	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Poland	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y
Portugal	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Qatar	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Romania	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Russia	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Rwanda	N	N	N	N	P	N	N	N	Y	N	N	N	N	N	Y	Y
Samoa	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
San Marino	Y	Y	N	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Sao Tome & Principe	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y

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Saudi Arabia	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Senegal	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	Y
Serbia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Seychelles	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Sierra Leone	Y	Y	Y	Y	M	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y
Singapore	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Slovakia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Slovenia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Solomon Islands	Y	Y	N	Y	N	N	N	N	N	N	N	N	N	N	N	N
South Africa	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Spain	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Sri Lanka	N	N	N	N	N	N	N	N	N	N	Y	N	Y	Y	Y	Y
St Kitts & Nevis	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
St. Lucia	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	N
St. Vincent/Grenadines	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Suriname	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	N	Y	N
Swaziland	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	N	Y	Y
Sweden	Y	Y	Y	Y	M	Y	Y		Y	N	Y	Y	Y	Y	Y	Y
Switzerland	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Syria	Y	Y	Y	Y	M	Y	Y	N	N	N	Y	Y	N	N	Y	Y
Taiwan	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	N	NA	NA
Tajikistan	Y	Y	N	N	N	N	N	N	N	Y	Y	N	N	Y	Y	Y
Tanzania	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Thailand	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Togo	Y	N	Y	Y	N	N	Y	N	Y	N	Y	N	Y	N	Y	Y

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Tonga	Y	Y	Y	Y	M	N	Y	N	Y	Y	N	N	N	N	Y	Y
Trinidad & Tobago	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Tunisia	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Turkey	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Turkmenistan	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	N	N	Y	Y	Y
Turks & Caicos[1]	Y	Y	Y	Y	M	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Uganda	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	Y
Ukraine	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
United Arab Emirates	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
United Kingdom	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
United States	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Uruguay	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Uzbekistan	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	N	Y	Y	Y	Y
Vanuatu	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Venezuela	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Vietnam	Y	Y	Y	Y	M	N	Y	N	N	Y	Y	Y	N	N	Y	Y
Yemen	Y	Y	N	Y	M	N	N	N	Y	N	Y	Y	Y	N	Y	N
Zambia	Y	Y	N	Y	M	N	Y	N	Y	N	Y	N		N	Y	N
Zimbabwe	Y	Y	N	Y	M	N	Y	N	N	Y	N	N	N	Y	Y	N

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