

Nigerian ex-governor charged with money laundering - 24 December 2005

Nigeria's Economic and Financial Crimes Commission (EFCC) has formally arraigned Diepreye Alamieyeseigha, the former governor of Bayelsa state on a 40-count charge. The defence had sought to stall the trial by arguing that Alamieyeseigha remained the governor and was therefore entitled to a constitutional immunity from arrest and prosecution, since he had challenged his impeachment in court. Alamieyeseigha, who was arraigned with seven co-defendants, faces 40 charges including money laundering and operation of illegal foreign bank accounts. He pleaded not guilty to all the charges.

Alamieyeseigha, who was facing charges of laundering £1.8 million in London, was removed from office earlier this month, after jumping bail and escaping to Nigeria. The removal from office stripped him of his constitutional immunity and paved the way for his arrest in Nigeria.

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ABN AMRO fined for laundering regulatory lapses in the US - 19 December 2005

ABN AMRO Bank NV is required by various US bodies to undertake remedial action in its worldwide banking operations and to pay US\$ 80 million in penalties. The Federal Reserve System, the New York State Banking Department and the Illinois Department of Financial and Professional Regulation announced the issuance, together with De Nederlandsche Bank NV (the regulator of Dutch banks), of a consent Cease and Desist Order against ABN AMRO and its branches in New York and Chicago.

The Order requires ABN AMRO to make improvements to its global compliance and risk management systems to ensure adequate oversight, effective risk management and full compliance with applicable US laws and regulations. The penalties were assessed on the basis of findings of:

- unsafe and unsound practices
- systemic defects in ABN AMRO's internal controls to ensure compliance with US anti-money laundering laws and regulations, which resulted in failures to identify, analyse and report suspicious activity
- ABN AMRO's participation in transactions that violated US sanctions laws.

Specifically, FinCEN charged that "serious, long-standing, systemic" problems at the bank enabled an estimated US\$ 3.2 billion to be moved to

US shell companies from its origins in Russia and other former Soviet countries for a period of 13 months, starting in August 2002.

To read the FinCEN and other press releases and findings, [click here](#).

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President Bush speaks out against DeLay laundering charges - 14 December 2005

In an interview with Fox News, President George W Bush said that he is confident that former House majority leader Tom DeLay is innocent of money laundering charges. He also stated that he hopes that DeLay will be cleared of charges that he illegally steered corporate money into campaigns for the Texas legislature and will reclaim his powerful leadership position in Congress. Taking the highly unusual step for a president of expressing an opinion on a pending legal case, Bush said, "I hope that he will [be cleared], 'cause I like him, and plus, when he's over there, we get our votes through the House."

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Nigeria looks likely to return governor accused of laundering to the UK - 12 December 2005

President Olusegun Obasanjo of Nigeria has said that his country is planning to comply with UK authorities and hand over Diepreye Alamiyeseigha, the governor of Bayelsa state, who escaped while on bail in London. "As a member of Interpol, Nigeria will take the appropriate action as required by the British authorities, " Obasanjo declared on 10 December.

Nigerian police arrested Alamiyeseigha at his office on 9 December after state legislators in Bayelsa voted by a two-thirds majority to oust him for corruption and abuse of position. His impeachment means that he can no longer claim diplomatic immunity from the laundering charges.

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European Commission publishes money laundering questionnaire for lawyers - 5 December 2005

The European Commission has published an online questionnaire on how individual legal professionals and law firms apply anti-money laundering obligations. The information gathered will be used for the preparation of a report on implementation of the Second Money Laundering Directive to be

submitted to the European Parliament and the Council in 2006. Respondents are invited to give their views on questions related to the effectiveness of the reporting obligation, compliance costs and the impact of the Directive on the demand for legal services, among others, and the questionnaire can be filled in anonymously.

Internal Market and Services Commissioner Charlie McCreevy said, "We want to know how lawyers and notaries deal with the new requirements on money laundering. We are interested to hear more about any difficulties they face when applying these obligations and about any related impact on their business. I encourage legal professionals with direct involvement in the area to reply. Your views are important to us."

To download the questionnaire, [click here](#). The deadline for the submission of responses is 31 January 2006.

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Third EU Directive published in Official Journal - 28 November 2005

The final text of Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the Prevention of the Use of the Financial System for the Purpose of Money Laundering and Terrorist Financing (known as the Third Directive on Money Laundering) was published in the Official Journal on 26 October. Twenty days have since passed and so it is now fully official - and EU member states have until 15 December 2007 to make the required changes to their domestic legislation, regulation and administrative procedures.

To download the full text of the Third Directive, [click here](#).

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Draft money laundering amendment laid before UK Parliament - 22 November 2005

A draft of the Proceeds of Crime Act 2002 and Money Laundering Regulations (Amendment) Order 2005 has been laid before parliament. It is the result of a consultation exercise conducted by the Home Office to determine whether section 330 of the Proceeds of Crime Act 2002 (which provides for the defence to the "failure to disclose" offence and currently applies only to professional legal advisers) should be extended to accountants, auditors and tax advisers.

The draft amendment does indeed extend the section to those accountants, auditors and tax advisers, but only if:

they are members of a professional body which requires a test of competence as a condition of membership and the maintenance of professional standards (and sanctions for non-compliance with those standards), and in the limited circumstances where they are carrying out effectively the same functions as lawyers in relation to legal advice.

To download the full text of the draft statutory instrument, [click here](#).

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Nigerian governor skips bail to escape UK laundering charges - 21 November 2005

Diepreye Alamieyeseigha, governor of the oil-rich Nigerian state of Bayelsa, is back at home after escaping from the UK while on bail. He was arrested at Heathrow Airport in September and charged with three counts of laundering a total of GBP 1.8 million, half of which was found in cash in one of his four London homes (allegedly bought with the proceeds of corruption). Investigators then discovered that he had assets of GBP 10 million in the UK.

Against the advice of the Metropolitan Police, Mr Alamieyeseigha was released from Brixton prison on strict bail conditions in October: he was not allowed to go within three miles of a port and had to report daily to his local police station. But on 18 November he failed to report, and on 21 November he showed up in his state capital - where he enjoys local immunity from prosecution until his term as governor ends in 2007. He has since denied reports that he made his getaway dressed as a woman, and says that the charges against him are politically motivated.

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JMLSG speaks about its new *Guidance Notes* - 15 November 2005

At the recent Annual Financial Crime Conference hosted by the Financial Services Authority in London, the chairman of the Joint Money Laundering Steering Group (JMLSG) Ian Mullen spoke about the revised *Guidance Notes for the Financial Sector*. He touched on the seven "key pillars" of the revised Guidance Notes:

- senior management responsibility
- a risk-based approach
- a reaffirmation of the vital role of the MLRO

customer identification
a more balanced approach between initial ID and ongoing checks
recognition of the importance of training, and
sectoral guidance.

With regard to a date for publication, Mr Mullen said, "The JMLSG is aiming to sign off a final version of the Guidance at its meeting in December, with publication on the JMLSG website as soon as possible thereafter. The JMLSG, and the FSA, do not wish this process to be delayed as a consequence of the FSA's review of its Handbook pertaining to the Money Laundering Sourcebook. The aim of early publication is to facilitate the Treasury's MLAC Committee's recommendation that a Treasury minister should approve the Guidance. The JMLSG will be discussing issues of particular interest with MLAC members. Treasury ministerial approval will give the industry some assurance that the Guidance will not be subject in the near term to further significant amendment.

"Firms are unlikely to start implementing changes if there is a risk that Guidance will be changed in the near-term. Our initial view is that firms will need 6 months after Treasury ministerial approval before they should be expected to apply the revised guidance within their businesses. Apart from assessing risk and reviewing existing systems to mitigate them, communicating changes to staff, workshops, writing manuals, training staff and new IT systems (particularly for ID procedures in mass retail operations) will be needed. But a risk assessment will be needed anyway, and work on this should start now."

To read the full text of Mr Mullen's speech, [click here](#).

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UK MD personally fined £30,000 for money laundering regulatory lapses - 9 November 2005

The Financial Services Authority (FSA) has fined Investment Services UK Limited (ISUK) £175,000 for conducting its business without due skill, care and diligence and for failing to control its business effectively in relation to anti-money laundering (AML) systems and controls. The firm's Managing Director, Ram Melwani, has been fined £30,000. He is the first approved person to be fined for AML-related breaches. He failed to act with due care, skill and diligence, failed to ensure his firm complied with AML requirements and was knowingly concerned in the actions taken by ISUK.

ISUK is an emerging market bond broker; its clients are corporate vehicles established for trading purposes, incorporated in offshore jurisdictions and operated by non-resident, wealthy individuals - and therefore seen as

having a high risk money laundering profile. ISUK helped its clients to open accounts with a particular bank but failed to provide the bank with the appropriate information about the account users to assess the risks to which it was exposed. As a result of ISUK's actions, a small number of individuals were able to operate anonymous accounts and over £8 million entered the UK financial system without the bank knowing the identity of its customers or the source of their funds. In addition, for some accounts ISUK used introduction certificates which are intended to demonstrate that all necessary customer due diligence had been conducted. However, some certificates contained misleading information. Most of ISUK's clients were either acquaintances or members of Mr Melwani's family and although he knew them by name, ISUK did not have adequate procedures to verify their identity or the source of their funds.

The FSA also found that between December 2001 and December 2004, the firm did not have formal procedures for identifying individuals, did not provide AML training for its staff and did not apply to the FSA for approval of its Money Laundering Reporting Officer.

Philip Robinson, Financial Crime Sector Leader at the FSA, said: "Senior managers are ultimately responsible for managing their firm's risks. Where a firm fails to mitigate a high money laundering risk, sanctions against senior management may follow."

To read the full text of the FSA's final notice on this matter, [click here](#).

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Isle of Man FIU detective jailed for fraud - 8 November 2005

Raymond Forbes, a detective constable in the Financial Crime Unit (the Financial Intelligence Unit in the Isle of Man) has been jailed for six months for a £112,000 fraud. Forbes persuaded financial firms (including Barclays Bank) to lend him the money to fund a law degree course, but instead used the money on a flamboyant lifestyle. According to evidence submitted in court, he wined and dined his many girlfriends, travelled extensively, dressed in designer clothes and threw lavish parties. Forbes, who was a policeman for fifteen years, has been suspended from the force without pay. Commenting on the case, Superintendent Gary Roberts said, "He was a Walter Mitty character. He lived beyond his means and was almost living a fantasy life."

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Bank of New York pays US\$38 million in penalty for laundering - 8 November 2005

The Bank of New York has agreed to pay US\$38 million in penalties to resolve investigations into fraud and money laundering surrounding fund transfers to and from Russia in the 1990s. In return, the bank will not be prosecuted. It "has admitted its criminal conduct" and will forfeit US\$26 million to the government and pay US\$12 million in restitution to its victims. The bank also has agreed to internal reforms and to be monitored by an independent examiner.

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Mediaset laundering investigation gathers pace - 4 November 2005

An inquiry into alleged money laundering has been launched in Switzerland against Mediaset SpA, Italy's dominant media group owned by Prime Minister Silvio Berlusconi. Mr Berlusconi and several Mediaset officials are already under investigation in Italy for alleged fraud in the purchasing of television rights during the 1990s. The lead prosecutor in Milan has said that by using offshore companies Mediaset artificially inflated the cost of purchasing rights to broadcast American films, and also paid less tax in Italy.

The Swiss investigation began officially on 3 October, when Swiss judge Jacques Rayroun sent a letter to the Italian judges who are in charge of the Mediaset investigation. On 3 November, Swiss judicial authorities reported that they had frozen about SFr 3 million [£1.3 million] in ten accounts they believe to be linked to Mediaset; an eleventh suspect account is domiciled in Liechtenstein.

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Manchester police inspector arrested on suspicion of money laundering - 1 November 2005

Inspector Bal Singh of the Greater Manchester Police (GMP) has been arrested at his home in Heald Green, a suburb of Stockport, on suspicion of money laundering. The arrest followed an investigation by GMP's internal investigations unit. Two other men and a woman were arrested at other Manchester addresses as part of the same investigation.

Inspector Singh was based until recently at Wythenshawe and is now the local authority liaison officer for the city of Manchester, based at the town

hall. Police officers working on the investigation searched his £300,000 detached house and towed away his BMW 8-series car.

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FinCEN issues AM rules for insurance companies - 31 October 2005

The Financial Crimes Enforcement Network (FinCEN - the American FIU) has issued two final rules that require certain US insurance companies to both establish anti-money laundering programmes and file Suspicious Activity Reports. They are given 180 days to implement these changes.

The final rules apply to insurance companies that issue or underwrite certain products that present a high degree of risk for money laundering or the financing of terrorism or other illicit activity, such as:

permanent life insurance policies, other than group life insurance policies
annuity contracts, other than group annuity contracts
any other insurance products with features of cash value or investment features.

The anti-money laundering programme implemented must comprise at least these four basic elements:

1. a compliance officer who is responsible for ensuring that the program is implemented effectively
2. written policies, procedures and internal controls designed to control the risks of money laundering, terrorist financing, and other financial crime associated with its business
3. ongoing training of appropriate persons concerning their responsibilities under the programme, and
4. independent testing to monitor and maintain an adequate programme.

To see the FinCEN press release, [click here](#).

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TI publishes Corruption Perceptions Index 2005 - 18 October 2005

Transparency International, the anti-corruption body, has published its Corruption Perceptions Index (CPI) for 2005. More than two-thirds of the 159 nations surveyed scored less than 5 out of a clean score of 10, indicating serious levels of corruption in a majority of the countries surveyed.

"Corruption is a major cause of poverty as well as a barrier to overcoming it," said Transparency International Chairman Peter Eigen. "The two scourges feed off each other, locking their populations in a cycle of misery. Corruption must be vigorously addressed if aid is to make a real difference in freeing people from poverty."

Despite progress on many fronts, including the imminent entry into force of the United Nations Convention against Corruption, seventy countries – nearly half of those included in the Index – scored less than 3 on the CPI, indicating a severe corruption problem. Among the countries included in the Index, corruption is perceived as most rampant in Chad, Bangladesh, Turkmenistan, Myanmar and Haiti – which are also among the poorest countries in the world.

To download the complete CPI 2005, [click here](#).

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European Commission reports France and Greece for ML directive failings - 17 October 2005

The European Commission has decided to refer France and Greece to the European Court of Justice for non-communication of national implementation measures concerning the second money laundering directive. The Commission had already sent the two countries formal requests – known as reasoned opinions – in February 2004, asking them to bring their national laws in line with the second directive.

Although completion of implementation in France had been anticipated for the first half of 2005, the Commission has not received to date any communication from France that would suggest that the last missing piece of implementation has in fact been put in place. Greece has changed its calendar of implementation several times and, given the lack of communication of these measures to the Commission, the final date of adoption of all the implementing measures remains uncertain.

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FATF removes Nauru from NCCT list - 15 October 2005

At its plenary meeting held in Paris on 12-14 October, the Financial Action Task Force (FATF) announced that it had removed Nauru from its list of non-cooperative countries and territories (NCCTs). The move was made after Nauru abolished its 400 shell banks, thus removing the major money laundering risk. Myanmar and Nigeria are the only two countries now on the list of NCCTs.

The FATF also launched an ambitious project, in partnership with the Asia/Pacific Group on Money Laundering (APG), to explore the symbiotic relationship between corruption, money laundering and terrorist financing.

Finally, the FATF published the third-round mutual evaluations of the anti-money laundering and counter-terrorist financing systems of Australia, Italy and Switzerland.

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FATF to hold plenary meeting in Paris - 11 October 2005

The Financial Action Task Force will hold a plenary meeting in Paris on 12–14 October. The meeting (the first under the South African presidency of the FATF) will discuss the links between corruption and money laundering/terrorist financing. In particular, meeting participants will look at how the proceeds of corruption are likely to be laundered while corrupt institutions are liable to impede efforts to stop money laundering or to counter terrorist financing. The meeting will also issue country-specific reports evaluating the anti-money laundering and counter terrorism financing legislation and enforcement of Australia, Italy and Switzerland.

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Thousands of documents reveal IRA laundering techniques - 6 October 2005

Accountants and other financial experts are being used to unravel thousands of documents seized in Manchester and Dundalk (County Louth) on 6 October in a joint operation between the UK's Assets Recovery Agency and the Criminal Assets Bureau in Eire. The documents detail money laundering techniques used by the IRA, including a portfolio of 250 properties with a total value of more than £30 million.

Security sources believe the paperwork could provide a trail leading back to alleged IRA chief of staff Thomas 'Slab' Murphy. The seizure of the documents followed a three-year investigation, which so far has concentrated on holdings associated solely with Murphy. However, tracing any leads from the paperwork seized will take months.

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UDA's "Doris Day" murdered while on bail on money laundering charges - 5 October 2005

Jim Gray, former leader of the Ulster Defence Association in east Belfast, was shot and killed outside his father's house today. He had recently been released on bail on charges of money laundering and was living at his father's home while awaiting his court appearance. Six people have already been arrested in connection with the murder; police said that Gray had been warned that he was in danger.

Gray was nicknamed "Doris Day" thanks to his bleached blond hair, heavy gold jewellery, year-round tan and lavish lifestyle. He was once one of six so-called "brigadiers" on the inner council of Northern Ireland's largest loyalist terror grouping.

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Bush ally now charged with money laundering as well - 4 October 2005

Tom DeLay, a US Congressional leader in Texas, now faces charges of money laundering and conspiracy to launder as well as those of conspiracy laid against him last week. Mr DeLay is leader of the Republicans in the House of Representatives (the lower house) but has temporarily stepped down in order to answer the charges. He protests his innocence, saying that the charges are the result of a smear campaign waged against him and calling them "fiction and innuendo" and "an abomination of justice". Mr DeLay is a key fundraiser for President George W Bush and thus has great political influence.

Mr DeLay is accused of conspiring with colleagues to get around a Texas state ban on corporate funding for political campaigns. He is alleged to have laundered money for use in an election campaign for the Texas legislature in 2002. If found guilty, he could face up to 20 years for conspiracy and life imprisonment for money laundering.

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New research released into UK law enforcement use of SARs - 30 September 2005

A new piece of research - commissioned by the Association of Chief Police Officers, funded by the Home Office and supported by NCIS - has been published. The report is entitled "UK Law Enforcement Agency Use and Management of Suspicious Activity Reports: Towards Determining the Value of the Regime" and was written by Matthew Fleming of University College London.

The report's main findings are:

Despite evidence of some important SARs-related successes, SARs appear to be under-utilised by most LEAs [Law Enforcement Agencies, not Local Education Authorities!]

Systematic information maintained by LEAs on their use of SARs is limited and often of poor quality

Feedback provided to NCIS by LEAs is under-utilised by NCIS and subsequently by industry and the larger policy community

Communication between and within LEAs, NCIS, ACPO, government and industry is suboptimal

Change is a-foot in the SARs regime, with the rollout of the ELMER database and the creation of SOCA.

To download the full 94-page report, [click here](#).

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Interpol adopts new money laundering resolution - 22 September 2005

At a meeting of its General Assembly in Berlin in September, Interpol adopted Resolution No AG-2005-RES-12 on money laundering. The resolution recognises that money laundering is a global problem, and encourages national bureaux of Interpol to encourage the sharing of information on money laundering cases.

To read the full text of the resolution, [click here](#).

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Nigeria launches new surveillance team to tackle placement - 26 September 2005

In a bid to escape from the FATF's list of Non-Cooperative Countries and Territories, the Nigerian government has decided to set up a special department within its Ministry of Commerce to tackle money laundering through the surveillance of non-financial institutions – specifically jewellery shops, hotels, car dealerships, boutiques and casinos. The aim is to make it difficult for criminals to spirit their illicit earnings away to overseas banks.

The Minister of Information and National Orientation, Mr Frank Nweke Jr, said, "If you go and buy jewellery, there is some jewellery worth more than 10 to 20 million dollars. There are some watches you have that are valued at 10 million dollars. Some people go to gamble in casinos. The government is interested in knowing where the money they use in gambling comes from, and why they are gambling with 10 to 20 million dollars."

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UK Treasury releases costing estimates for implementation of Third European Directive - 16 September 2005

The Third European Directive on Money Laundering was agreed on 7 June 2005. The UK Treasury has published a Regulatory Impact Assessment that provides an estimate of the costs and benefits of the Third Directive. The RIA identifies the main changes that will need to be made to the UK's Money Laundering Regulations as:

- Adding more detail to regulations on the customer due diligence requirements
- Providing a fit and proper test as part of the licensing or registration for trust and company service providers and money service businesses
- Licensing or registration of trust and company service providers
- Providing a supervisory/monitoring regime for estate agents and trust and company service providers.

As for costs, the RIA states that "the total cost of the Third Directive is between £5 million and £46 million per year depending on the extent to which firms already comply with guidance and already take a the risk based approach".

To download the 79-page Regulatory Impact Assessment, [click here](#).

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Bhutto laundering case hits the headlines again - 16 September 2005

Former Prime Minister and Pakistan People's Party chairwoman Benazir Bhutto has arrived in Geneva to appear in court on 19 September to defend herself and her husband Asif Zardari against money laundering charges. Ms Bhutto appeared before the Swiss magistrate in June 2004 in the same case and also accused the government of Pakistan of exploiting a foreign judicial system.

Meanwhile, an anti-corruption court in Pakistan has ordered the re-arrest of Zardari, who is in the US receiving treatment for a heart condition. The court in Rawalpindi issued the warrant because Mr Zardari had failed to attend trial hearings. He was freed on bail in November 2004 after spending eight years in prison on charges ranging from corruption to murder - his release is believed by many to be the result of a deal between the PPP and the government. Since then he has resumed a high-profile political career, with a number of cases against him still pending in the courts.

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Reported Russian money laundering increases five-fold - 12 September 2005

Reported cases of suspected money laundering have involved a total of 200 billion roubles (about £3.9 billion) since January - a five-fold increase over 2004. Viktor Zubkov, head of the Federal Service for Fiscal Monitoring, said that the hike could be because of his agency's more intensive activities rather than an increase in actual laundering. The FSFM's database now contains more than four million reports on suspicious financial transactions in Russia, 80% of them submitted by banks. Over 1,400 suspected money laundering cases have been handed over to law enforcement bodies since the beginning of 2005; of these, 463 are being processed as criminal enquiries.

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Former mayor of Sao Paolo faces laundering charges - 10 September 2005

Paulo Maluf, who was mayor of Brazilian mega-city Sao Paolo in the early 1990s, has turned himself in to police to face charges of money laundering - which he denies. Brazilian prosecutors allege that Mr Maluf illegally transferred £87 million to the US and then tried to intimidate a key witness in the case. This witness is a black market currency trader who told the police he transferred the money on behalf of Mr Maluf. Prosecutors claim that Mr Maluf actually has a fortune of nearly half a billion dollars, skimmed from public work contracts and then moved to offshore tax havens.

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Swiss return £158 million of Abacha money to Nigeria - 9 September 2005

Swiss banks have returned £158 million found in accounts linked to General Sani Abacha, the late military dictator of Nigeria. A further £93 million will also be sent back once the assets have been converted into cash. Once this second payment has been made, Switzerland will have returned all the Abacha money it has found.

The funds were originally frozen by the Swiss authorities in 1999 but they refused to return the money to Nigeria until they had received guarantees about how it would be spent. Legal battles launched by the Abacha family also slowed things down. Now, however, the World Bank has intervened and promised to ensure that the money is spent on health, education and infrastructure projects. "The transfer became possible with the signing of an agreement with the World Bank to monitor Nigeria's use of the funds," said Livio Zanolari, a spokesman for the Swiss Justice Ministry. The money was paid to the Bank for International Settlements in Basel, and then will be transferred to Nigeria's central bank.

During his time in power, from 1993 to 1998, General Abacha is suspected to have plundered over US\$4 billion from his country and deposited it in personal accounts around the world. As well as in Switzerland, Abacha money has already been located in the UK, Luxembourg, Liechtenstein and Austria.

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Second Russian UN official charged with money laundering - 2 September 2005

Vladimir Kuznetsov, a senior Russian foreign ministry official and chairman of the committee that oversees the United Nations budget, has been arrested in New York on money laundering charges. He was taken into custody after his diplomatic immunity was revoked by UN Secretary-General Kofi Annan.

Mr Kuznetsov is alleged to have set up an offshore company in 2000 to hide criminal proceeds from an unidentified UN procurement officer. In a statement, the prosecutors said when Mr Kuznetsov learned of the procurement officer's activities, he agreed to take a share of the proceeds rather than inform law enforcement authorities.

Mr Kuznetsov is the second Russian UN official to be arrested on money laundering charges in recent weeks. Alexander Yakovlev, from the UN's procurement office, was arrested on 8 August and charged with soliciting a bribe (from a firm seeking a lucrative contract through the Iraq oil-for-food program), wire fraud and money laundering. He pleaded guilty and now faces a prison term of up to 20 years for each of the three charges.

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UEFA concerned about the beautiful game becoming a beautiful laundrette - 25 August 2005

UEFA, the governing body of European football, is so concerned about possible money laundering that it has asked the EU's money laundering task force to investigate. Speaking just before the draw for this season's Champions' League, UEFA President Lennart Johansson said, "It is alarming. We must do something about it." "It" is the hundreds of millions of pounds that is pouring into football, much of it perhaps the proceeds of crime.

At a recent meeting, UEFA officials expressed concern both at the enormous sums involved, and at the fact that much of the money crosses borders on its way to football clubs and is being invested by anonymous individuals. Lars Christer-Olsson, UEFA's Chief Executive, said, "For money launderers football is very attractive. They can afford to invest large amounts, lose even 15% of their black money in football just to get the opportunity to make it clean."

As well as asking for external investigations, UEFA is also looking at tightening up its own rules, which could have an impact on Roman Abramovich, the owner of Chelsea, who, through his company Sibnet, is the main sponsor of UEFA champions CSKA Moscow. Lennart Johansson said, "We are concerned about one person owning or controlling more than

one club. It is not just about Abramovich. I don't blame him. He is within existing rules. We have to change that."

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New ruler of Monaco speaks out against money laundering - 12 July 2005

Prince Albert was today enthroned as His Serene Highness of Monaco at an elaborate ceremony in Monaco's cathedral. Prince Albert, 47, takes the throne after 56 years of his father's rule and becomes the first bachelor ruler of the principality (although he has promised his subjects that he will marry in order to produce a legitimate heir).

He has also promised to modernise the government of Monaco, which has been accused of allowing the wealthy principality to become a centre for money laundering and gambling. "We must absolutely free ourselves of this equation that Monaco equals laundering," he told French television the day before his coronation. "I will take this on and devote all my strength to it so that we are irreproachable in this area."

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City of London Police launches new Money Laundering Investigation Unit - 12 June 2005

The Corporation of London has agreed to fund a new Money Laundering Investigation Unit (MLIU) to track the proceeds of serious crime routed through the financial markets and city financial institutions. The new team of ten will form part of the City of London Police Economic Crime Department and will primarily focus on tracking and recovering funds derived from fraud. It will also provide an enhanced service to the financial services industry in providing rapid feedback in relation to suspicious activity reports passed in the first instance to the National Criminal Intelligence Service.

James Hart, Commissioner of the City of London Police, said, "The MLIU, in the same way as our expanded Fraud Squad, will be financed by the City's Business Rate Premium, introduced in 2003. The premium also finances an additional 48 City of London Police officers and an extension to the western extension of the Traffic and Environment Zone, often referred to as the Ring of Steel."

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Egmont Group now numbers more than 100 FIUs - 29 June 2005

At its annual meeting on 29 June 2005, the Egmont Group announced that it now has 101 member FIUs. The admission of seven new members - the FIUs of Bosnia & Herzegovina, Honduras, Montenegro, Peru, the Philippines, Qatar and San Marino - took them over the century. The annual meeting also marked the Group's tenth birthday, as it was founded in 1995 at the Egmont-Arenberg Palace in Brussels.

In order to be admitted to the Egmont Group, an FIU must conform to the Egmont definition of an FIU: a central office that obtains financial report information, analyses it in some way and then discloses it to appropriate governmental authorities and other FIUs.

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Nottinghamshire launderers jailed for a total of 50 years - 13 May 2005

A gang of three men and one woman has been found guilty of drug offences and of laundering millions of pounds of drug money from a base in Nottinghamshire, after a nine-week trial at Nottingham Crown Court. John Dawes was the ringleader and was sentenced to 24 years in prison, while his father Arthur Dawes and friend Ryan Smith were also involved and were sentenced to eight and fourteen years respectively. His father's girlfriend Rebecca Bridge acted as bookkeeper for the operation and was sentenced to four years. The laundering offences took place over six years up to September 2003, and in one seven-month period over £5 million was laundered around the UK and abroad. The scheme was uncovered when one of their drug dealers became so fearful for his life, given John Dawes's reputation for extreme violence, that he turned himself in to the police and gave evidence.

Sue Fish, Assistant Chief Constable of Nottinghamshire Police, said of the four that "they are incredibly violent, dangerous people and the threat they posed to prosecution witnesses, both civil and professional, should not be underestimated. The gang controlled a vast drug-dealing network and was responsible for the importation of huge quantities of drugs sold on the streets of Nottinghamshire, Derbyshire and other parts of the UK." She said the trial detailed money laundering to the value of £8 million, but police believe that was only the "tip of the iceberg".

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Guernsey issues new introduction certificate - 4 May 2005

Following its statement published on 27 April, the Guernsey Financial Services Commission (GFSC) has issued a new introduction certificate. This certificate is intended specifically to be used for business introduced to banks by licensed fiduciaries.

To read the GFSC press release and link to the certificate, [click here](#).

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Council of Europe publishes new money laundering Convention - 3 May 2005

The Council of Europe has published a new "Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism", which replaces the 1990 Strasbourg Convention. This new Convention takes into account the fact that terrorism can be funded not only through money laundering from criminal activity but also through legitimate activities. It also notes that quick access to financial information or information on assets held by criminal organisations, including terrorist groups, is the key to successful preventive and repressive measures and ultimately is the best way to stop them.

The new Convention will be opened for signature by Council of Europe member states at the Summit of Heads of State and Government to be held in Warsaw on 16 and 17 May 2005, and will soon be available via [this link](#).

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Spain's "Costa del Crime" hit by investigations - 2 May 2005

Thousands of British and Irish expatriates living on the coast between Marbella and Gibraltar are facing financial ruin as a trio of investigations is launched. The first (Operation White Whale) is looking at a 239 million euro building scam involving money allegedly stolen from a Russian oil company, the second is a major crackdown on illegal building, the the third is a mis-selling dispute involving one of Spain's biggest developers of holiday homes.

Operation White Whale hit the headlines last month when police raided the offices of Fernando del Valle, the head of a law firm in Marbella. He is alleged to have helped clients invest money from dubious sources (including perhaps some illegally siphoned from Yukos) in holiday home developments through anonymous trusts in Gibraltar. As part of the investigation, ownership of 251 properties has been declared "frozen" by

the courts, and buyers fear their homes may be sold to repay Yukos creditors.

Also in April, the Andalusian government, based in Seville, said it planned to demolish up to 1,600 homes that had been ruled by the Andalusian high court to have been built illegally - officials had approved dozens of developments on greenbelt land. Lawyers trying to prevent demolition say 500 Britons have been caught up in the planning clampdown.

In the third scandal, thousands of people have invested in developments that may never be built by Aifos, one of Spain's biggest developers, which has offices in London, Manchester and Dublin (and is promoted by the singer Julio Iglesias). Aifos admits that it has thirteen large developments awaiting planning permission and has offered to return deposits to disgruntled buyers with interest but many have declined, saying it would leave them out of pocket as property prices have since risen sharply.

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Swiss Banking Institute publishes money laundering survey - 28 April 2005

The Association of Swiss Commercial and Investment Banks (VHV) commissioned the Swiss Banking Institute (part of the University of Zurich) to conduct a study on the impact of Swiss and foreign anti-money laundering regulation on the competitive position of banks with private banking business in Switzerland. The results show that the Swiss AML ordinance is considered very effective and serves its purpose. However, compared with the AML regulation in other jurisdictions, the Swiss rules are more burdensome, imposing a considerable competitive disadvantage on Swiss banks. In addition, small players are penalised by economies of scale in the area of AML related costs.

To download more details, [click here](#).

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FSSC publishes MLRO standards for consultation - 21 April 2005

The Financial Services Skills Council, in partnership with the International Compliance Association and industry firms and practitioners, has published draft performance standards for compliance and anti-money laundering professionals. There are two sets of standards – one for compliance professionals and one for MLROs. They apply across the financial services

sector, reflecting the way in which these responsibilities are allocated and discharged.

The draft standards are offered to the financial services sector and other interested parties (such as professional trainers) for consultation, and comments are to be submitted by 31 May 2005. The FSSC response to those comments will be issued in June, and the plan is to publish the final standards in September. According to the authors of the standards, the objectives of the consultation process are:

1. To test the accuracy and credibility of the new draft standards
2. To establish the acceptability of industry standards for compliance and money laundering prevention to employers
3. To identify the uses to which firms intend to put the final national occupational standards
4. To assess the demand for qualifications for compliance and money laundering prevention
5. To develop a qualifications framework.

To download the consultation document and the two sets of standards, [click here](#).

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Four charged with murder of Roberto Calvi - 18 April 2005

Giuseppe (Pippo) Calo, Flavio Carboni, Manuela Kleinszig and Ernesto Diotallevi have been charged in Rome with the 1982 murder of Roberto Calvi. Calvi, who was found hanging under Blackfriars Bridge with his pockets stuffed with bricks, was known as "God's Banker" because of his close ties to the Vatican. A UK coroner originally ruled that the death was suicide, but in 2003 the City of London Police reopened the investigation and Italian prosecutors concluded that it was murder. Calvi's family have always believed that it was murder, and prosecutors are expected to claim Calvi was killed to prevent him revealing explosive secrets about Italy's political and religious establishment. The four accused will stand trial in October.

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Nick Leeson gets a job - 17 April 2005

Nick Leeson, the former investment banker whom many blame for the collapse of Barings in 1995, has found a job after ten years of imprisonment and unemployment. Mr Leeson applied to a newspaper

advertisement and has just been appointed as commercial manager of Galway United football club in the west of Ireland, where he lives with his family. "Life has moved on for everyone since the happenings of ten years ago," said club chairman John Fallon. "It is impossible to ignore the events which have made Nick Leeson known worldwide. But long after the fanfare about his appointment has passed, Nick Leeson will be tasked with the demanding job of implementing a series of commercial initiatives aimed at developing Galway United FC." Mr Leeson said, "I am a very keen football fan and am looking forward to working with Galway United".

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AUSTRAC launches AML e-learning package - 13 April 2005

The Australian Transaction Reports and Analysis Centre (AUSTRAC - Australia's FIU) has launched an online anti-money laundering e-learning package. It consists of fifteen modules plus a study guide, pre- and post-assessments and a glossary. As far as I can tell from my own exploration, it is free to use, and comes in Flash and plainer HTML versions. It of course refers to Australian legislation, but could serve as a useful model for other jurisdictions.

At the launch in Sydney, AUSTRAC said they hoped that the package would be a user-friendly resource for industry and the general public. Justice Minister Chris Ellison said it was part of ongoing efforts to fight organised crime: "Money laundering is the lifeblood of organised criminals, terrorists, and it is a fact of the modern age that we can transport money very quickly through electronic means. Of course criminals are going to use more sophisticated methods to launder money. If you can get to the money, you can get to the Mr Bigs."

To read more about the AUSTRAC AML e-learning package, [click here](#). Click on the "Modules" tab to get into the package itself.

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UDA's "Doris Day" accused of money laundering - 9 April 2005

Jim Gray, formerly of the Ulster Defence Association, was arrested last week and charged with possession of criminal property and concealment of criminal property under the Proceeds of Crime Act 2002. When he was arrested, Gray had in his possession a Northern Bank bankers draft to the value of 10,000 euro and sterling notes totalling more than £2,700. Gray denied all charges, saying that the money was from the sale of two pubs, but the prosecution contended that it represented "unjustifiable earnings".

Gray was refused bail and ordered to appear again before Banbridge Magistrates Court by video link on 14 April. Meanwhile, investigators are expected to apply on Monday for a court order to freeze Gray's assets as part of the laundering investigation.

Gray was nicknamed "Doris Day" thanks to his bleached blond hair, heavy gold jewellery, year-round tan and lavish lifestyle. He was once one of six so-called "brigadiers" on the inner council of Northern Ireland's largest loyalist terror grouping but was removed from office last week by his own east Belfast faction of the UDA, which has long been accused of drug-dealing and mafia-style crimes.

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National Hi-Tech Crime Unit launches new website - 5 April 2005

The UK's National Hi-Tech Crime Unit (NHTCU, which is part of the the National Crime Squad) has launched a new website. The website addresses the NHTCU's three main markets (business and industry; general public; and media) and explains how the NHTCU works and also provides links to other UK and overseas agencies that cover hi-tech crime issues. The aim is for the website to become a single source for information about serious and organised hi-tech crime.

Commenting on the launch, Detective Superintendent Mick Deats, Deputy Head of the NHTCU, said, "Hi-tech crime has become a rapidly growing phenomenon over recent years. Computers, in particular the Internet, provide great benefits for society. However, there is real evidence and a continued threat that criminals will exploit these mediums, turning a tool designed to benefit society into a tool to help them commit crime. This new website is designed to help people understand the issues of hi-tech crime and provide pointers to further information."

The website can be found at www.nhtcu.org.

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Switzerland announces sharp increase in money laundering investigations - 31 March 2005

The Swiss Money Laundering Control Authority (MLCA) has announced that the number of money laundering investigations rose sharply in 2004, partly because financial intermediaries are becoming more willing to submit to inspection. The MLCA (whose investigations target asset managers, trustees and lawyers among others) reported that it had investigated 452

financial institutions in 2004, up from 259 in 2003. The MLCA said that it had been able to step up its work because the new Money Laundering Act, which came into force in 1998, was now fully operational and requires all financial institutions (not just banks) to report suspicious transactions.

An MLCA spokesperson said, "The MLCA's practice of taking more stringent action against illegally active financial intermediaries is also sending a clear signal. For the first time the finance ministry issued a fine of 40,000 Swiss francs [£17,700] based on a complaint by the MLCA."

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Abacha defence lawyer dies - 30 March 2005

Johnnie Cochran, the American lawyer who made his name as part of the team which successfully defended OJ Simpson in 1994/5 when he was accused of murdering his ex-wife and her friend, has died of a brain tumour at the age of 67. Los Angeles-based Cochran was particularly known for getting involved in cases with a racial element - often defending black people against what were perceived to be injustices perpetrated by white people.

In recent years Mr Cochran was hired by the Abacha family to defend dictator Sani Abacha's son Mohammed against a murder charge and then to defend Sani's widow Maryam against charges of embezzlement and human rights abuses.

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JMLSG issues new Guidance Notes for consultation - 14 March 2005

The Joint Money Laundering Steering Group has issued its new "Guidance Notes for the UK on Prevention of Money Laundering and Combating the Financing of Terrorism". The consultation process and the main changes are outlined in a consultation document, while the Guidance Notes themselves are issued in two volumes (one containing the main text and the other containing sectoral guidance). The deadline for submission of comments is 30 June 2005.

To download the three documents, [click here](#).

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JMLSG updates website - 8 March 2005

The Joint Money Laundering Steering Group has published three new documents on its website:

Case studies on money laundering and terrorist financing (drawn from FATF typologies reports)

Notes on money laundering and terrorist financing activities (a beginners' guide)

A suggested MLRO good practice framework (originally published at N2).

To download the three documents, [click here](#).

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Israel's largest bank involved in massive laundering investigation - 6 March 2005

Over twenty employees of Bank Hapoalim - Israel's largest bank - have been questioned in what appears to be Israel's largest money laundering case. The laundering scheme involves hundreds of millions of dollars in the past year alone and has been connected with leading Russian oligarchs who have business interests in Israel. In some cases, large sums of money would flow into an account and immediately flow out in smaller amounts to shell companies around the world, while in other cases large sums of money were broken down into smaller amounts and deposited into separate accounts in the bank, thus evading the rule requiring the bank to report cash transfers of more than NIS 1 million if it involves money from overseas or NIS 50,000 (just over US\$10,000) if it is money from inside Israel.

Police sources, who have been working undercover on the case for a year, have said that they have evidence that senior officials in the bank knew about the laundering and chose not to report it, and investigations are now focussing on senior executives at national level. Meanwhile police have frozen US\$376 million and "have 45 customers of whom we have very serious suspicions of wrongdoing".

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US publishes INCSR 2005 - 4 March 2005

The US Department of State has published its "International Narcotics Control Strategy Report" for 2005. This annual report is published in two volumes - one on drug and chemical control and the other on money laundering and financial crime - and has established itself as a core reference work for those in the AML field. In particular, its analyses of specific countries and their money laundering vulnerabilities are required reading.

To download the full report, [click here](#).

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FinCEN publishes updated Strategic Plan - 28 February 2005

The Financial Crimes Enforcement Network (or FinCEN, the American FIU) has published an update to its "Strategic Plan for Fiscal Years 2003-2008". This update reflects FinCEN's growing role in detecting terrorist financing, and outlines four strategic goals for the FIU:

- Protect the financial system through effective administration of the Bank Secrecy Act

- Combat terrorism, money laundering and other financial crime through analysis of Bank Secrecy Act data and other relevant information

- Intensify international anti-money laundering collaboration through the global network of financial intelligence units

- Facilitate regulatory compliance, data management, and information sharing through E-government.

To read the full 24-page document, [click here](#).

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IRA may have tried to buy Bulgarian bank for laundering - 21 February 2005

An Irish detective, working to establish whether the IRA were involved in the Northern Bank theft in December has said that investigators have evidence that the IRA was working with a Bulgarian crime gang to acquire a bank in Sofia, Bulgaria's capital, in order to process IRA funds.

In another Bulgarian connection, Irish police recently spotted a Bulgarian arms dealer in Ireland and followed him, leading to the recovery of more than \$5 million of the stolen bank money.

"If the scheme had worked, this supposedly legitimate bank would have ended up investing funds in various properties and businesses back in Ireland," the detective said, adding that the IRA targeted had Bulgaria because its financial sector suffers from corruption and poor controls. Apparently the IRA planned to use the bank until 2007, when Bulgaria joins the European Union and thus becomes subject to stricter financial controls.

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Council of Europe prepares new convention to fight money laundering and financing of terrorism - 18 February 2005

The committee of experts in charge of reviewing the 1990 Council of Europe anti-money laundering convention has finalised a new draft convention to fight more effectively against money laundering and the financing of terrorism. The new Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing on Terrorism updates the Council's 1990 anti-money laundering convention, and contains new provisions concerning Financial intelligence Units, a more effective system for international co-operation, and investigative techniques for requesting information on bank accounts.

This draft convention has been submitted to the European Committee on crime problems and to the Committee of Ministers for adoption in March 2005 and will be ready in time for the Summit of Heads of State and Government taking place in Warsaw on 16-17 May 2005.

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Cook Islands, Indonesia and Philippines removed from NCCT list, China given FATF observer status - 11 February 2005

The Financial Action Task Force announced at its recent meeting in Paris that the Cook Islands, Indonesia and the Philippines have now been removed from its list of non-cooperative countries and territories (NCCTs). In its press release, the FATF said that "recent FATF visits to those countries confirmed that they are effectively implementing anti-money laundering (AML) measures to remedy deficiencies that were identified by the FATF. The Cook Islands, Indonesia, and the Philippines have AML systems that include strict customer identification, suspicious transaction reporting, bank examinations, and legal capacities to investigate and prosecute money laundering. All three countries have developed financial intelligence units (FIUs)." The FATF now plans to monitor the implementation of these measures in the three countries.

At the same meeting, the People's Republic of China was welcomed for the first time as an observer. Once it has completed a successful mutual evaluation of its AML/CFT regime, China will become eligible for full FATF membership.

To read the FATF press release, [click here](#).

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Norfolk gangmaster jailed for seven years for money laundering - 11 February 2005

Ukrainian Victor Solomka has been sentenced to seven years in prison for laundering the proceeds of his criminal activities. Solomka, who came to

the UK as an asylum seeker four years ago and settled in Kings Lynn, ran one of the largest gangmaster operations in the UK, supplying illegal workers mainly to Scottish fish factories. He provided his workers (from Russia, the Ukraine, Latvia, Moldova and Lithuania) with false documents, rented out rooms to them and even charged them for travel to and from the factories where they worked. While more than 700 workers were living in cramped conditions under Solomka's control, Solomka himself was living in a £250,000 house and driving Mercedes cars.

Solomka laundered his massive profits via a number of sham companies set up by his accomplices Lawrence Dell and Andris Cerins. Dell, who pleaded guilty to eight counts of false accounting, claimed he thought he was involved in a VAT scam and had no idea he was supplying Solomka with false invoices to launder the proceeds of crime. He had originally agreed to provide Solomka with false invoices through his company Trace Consultancy in order to pay off a £25,000 debt he owed Solomka. After six months, the debt was paid off but the rewards were so high that Dell continued in the enterprise, and introduced Solomka to Cerins. Cerins, who himself came to England as an asylum seeker in 1998, allowed Solomka to pass £91,000 through the accounts of his company Eel Limited and took £12,000 in commission. Cerins was jailed for 18 months and Dell will be sentenced at a later date.

Meanwhile, Solomka is now being targeted by confiscation activities. Peter Tidey, Chief Crown Prosecutor for Norfolk, said, "The law is there for us to hit criminals hard twice over – once with a prison sentence and once by taking their ill-gotten gains. By confiscating the assets this man made from his illegal businesses, we intend to hit him where it really hurts – in his pocket. Before the trial, we applied for, and were granted, restraint orders to stop the money being moved and now he has been convicted, we will be looking for confiscation orders to relieve him of his ill-gotten gains. The Crown Prosecution Service is determined to show criminals that crime does not pay and we will put a stop to their extravagant lifestyles which are funded at the expense of their victims."

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Council of Europe publishes report on organised crime - 24 January 2005

The Council of Europe has published its "Organised Crime Situation Report 2004", looking at the state of organised crime in its 46 member states. According to the report, economic crime, the production and trafficking of drugs, trafficking in human beings and people smuggling are the main threats currently posed by organised crime in Europe.

The report states that economic crime has become a major issue in many central and eastern European countries. Fraud, corruption and other forms of economic crime represent either the main type of, or a large proportion of, organised crime detected in countries such as Bulgaria, Estonia, Moldova, Serbia and Montenegro and Slovakia, and also in Belgium and the Netherlands. Both the proceeds from, and the material damage caused by economic crime far exceed those of other forms of crime.

The growing importance of economic crime is echoed in the money laundering statistics contained in the report. For instance, more than 80% of money laundering investigations undertaken in Romania in 2002 and 2003 related to embezzlement and tax evasion, while only 8% concerned drug trafficking or people trafficking.

To download the full 191-page report, [click here](#).

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Riggs Bank to be fined US\$16 million for money laundering - 27 January 2005

Back in July 2004, US Senator Carl Levin (one of the prime movers behind the USA PATRIOT Act and the author of many of the money laundering provisions contained within it) accused Riggs Bank of laundering money for Chilean former dictator Augusto Pinochet and Equatorial Guinean dictator Teodoro Obiang Nguema. Now the Washington-based bank has admitted failing to report suspicious activity relating to accounts belonging to both men and has agreed to pay a fine of US\$16 million (about £9 million). This is on top of the US\$25 million fine the bank paid last year for failing to prevent money laundering.

A US Senate investigation has revealed that Riggs Bank set up several accounts for General Pinochet while he was under house arrest in the UK in 1998. The report also showed that between 1995 and 2004, the bank administered more than sixty accounts for members of the Equatorial Guinean government and their families and established offshore corporations for President Nguema and his sons.

Federal judge Ricardo Urbina must approve the proposed fine before it can be paid. "The bank regrets what has occurred and has co-operated fully," its lawyer said. Riggs has already sold its diplomatic and international businesses and is itself currently up for sale.

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EU thinks hard about "organised crime" - 27 January 2005

Franco Frattini, EU Commissioner responsible for Justice, Freedom and Security has declared that "if criminal gangs think that the EU has a soft touch on crime than they make a big mistake". He was presenting a Commission proposal to severely punish members of organised crime groups wherever they operate in the EU, and a strategy to ensure exchange of criminal records between Member States and mutual recognition of criminal convictions within the territory of the EU. The Commissioner noted that such proposals would guarantee "that criminals are brought to justice regardless in which Member State they committed their crimes or fled to afterwards". This will mean an enormous step forward in ensuring that criminals can no longer benefit from legal loopholes and differences between Member States' national rules.

The proposal also aims to harmonise the definition of what constitutes a criminal organisation. Such an organisation is understood to be a structured association of at least two persons who, for material gain, commit serious crimes punishable with at least four years of imprisonment, such as trafficking in weapons, drugs or human beings, economic crimes or money laundering. According to Europol, 3,000 criminal organisations were identified within the EU in 2002, implicating 40,000 criminals.

The proposal suggests punishing leaders of such organisation with an imprisonment of at least ten years and participation, including supportive activities for the organisation, with five years of imprisonment. The proposal further envisages lowering of the sentence of those members of criminal organisation who cooperate with the authorities with a view to avoiding criminal activities to take place or assist in identifying and bringing to justice other offenders. The proposal also stipulates that Member States must cooperate and consult each other to coordinate their action and decide which Member State will prosecute the alleged offenders.

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Thinking about Crime nominated for compliance award - 27 January 2005

Thinking about Crime Limited was nominated in the category "Most practical consulting firm" at the Complinet Inaugural Compliance Awards held in London on 26 January. We did not win the award but are proud to have been nominated, especially as the practical nature of our approach is the very thing we try to stress.

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French film stars questioned about money laundering - 7 January 2005

France's two biggest movie stars, Catherine Deneuve and Gerard Depardieu, are being questioned over their links to a failed Algerian tycoon who is wanted for suspected money laundering. Deneuve spent nearly five hours on 5 January being interrogated by a special Paris police unit investigating embezzlement claims against the fugitive businessman, Abdelmou-nene Rafik Khalifa. In particular, she was asked about 50,000 euros in cash she received from Khalifa in 2003 to promote the launch of his short-lived Khalifa TV satellite channel based in Paris. Depardieu will be questioned next week, because he attended several receptions thrown by Khalifa. He has previously fiercely defended Khalifa from accusations that the businessman had raised his money from dealings with Algeria's powerful army generals who are believed to tap their country's oil wealth; in September 2002, an angry Depardieu accused one politician levelling the charges, Noel Mamere, of being "racist".

Khalifa saw his group of companies collapse in 2003 under debts and claims of embezzlement. He has never explained the source of the estimated one billion euros that enabled him to build seemingly from nothing an empire that included an airline, catering, car rentals, graphic design, construction, a bank and two television channels. The group started unravelling in February 2002, when three Khalifa Bank managers were arrested at Algiers airport with two million euros in undeclared cash stuffed into suitcases. Days later Algerian authorities placed the bank under the control of state auditors. France - where Khalifa conducted much of his business - soon opened a preliminary criminal investigation into suspected money laundering.

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Record terrorism confiscation under PoCA - 7 January 2005

£240,000 in cash has been forfeited under the Proceeds of Crime Act 2002 from an American Muslim activist jailed in the US for illegal financial dealings. The cash was taken from Abdurahman Alamoudi at Heathrow Airport in August 2003 and the Metropolitan Police say it is the largest single seizure by UK officers of cash intended to fund terrorism.

Alamoudi, who was born in Eritrea, is currently serving 23 years for dealings linked to an alleged plot to assassinate a Saudi leader. A prominent figure in American politics, he was passing through Heathrow on a connecting flight to Syria from his home in the US when security staff noticed a large amount of cash in his luggage and alerted police. The suitcase was searched and £180,000 was seized under PoCA but

Alamoudi himself was released by police, who did not realise the full significance of the discovery. A further GBP £37,100 was later seized from a property in north London.

After the Heathrow seizure, investigations by the UK's National Terrorist Financial Investigations Unit (NTFIU) uncovered a chain of connections between Alamoudi and various Middle East and Libyan-based front organisations suspected of having links with terrorism. US police then arrested Alamoudi at Dulles International Airport in Washington DC when he returned to America in September 2003; he later admitted offences relating to terror fundraising and was jailed in October 2004.