A country attempting to attack money laundering needs to have legal, financial, and law enforcement infrastructure in place, says Steven L. Peterson of the State Department’s Bureau of International Narcotics and Law Enforcement Affairs. He says cooperation between the country’s public and private sectors is crucial, as is cooperation with other countries.

Training for all the agencies enlisted in the fight against money laundering is important, too, and several U.S. government agencies provide that training, Peterson says.

Fighting money launderers not only reduces financial crime; it also deprives criminals and terrorists of the means to commit other serious crimes. To successfully combat money laundering, a country must address several important conditions:

- First, national officials should ensure that they have the necessary legal, financial, and law enforcement structures in place to combat money laundering. “The Forty Recommendations” of the Financial Action Task Force (FATF), the accepted international standard in this regard, outline the steps that countries must take to protect themselves from money laundering abuse. (For additional information on FATF and the forty recommendations, see the article “The Financial Action Task Force on Money Laundering” in this issue.) Each country must ensure that its own law enforcement agencies, regulators, and judicial systems are communicating, sharing vital information, and working together.

- Second, it is necessary to involve business leaders in the private sector, especially in financial services, to support government initiatives against money laundering and financial crime.

- Third, countries should actively participate in international and regional forums to increase knowledge and cooperation against money laundering.

- Fourth, countries need the ability through cooperative agreements to share important information about money laundering and financial crime rapidly so that globalization works against the money launderer instead of being his ally.

**TRAINING AND TECHNICAL ADVICE**

Properly structured training and technical assistance programs are critical to building institutions capable of a sustained approach to the problem of money laundering. Under such an approach, countries eventually are able to increase their own anti-money-laundering capabilities to the point where they become effective partners in global efforts to combat money laundering.

The U.S. Department of State’s Bureau for International Narcotics and Law Enforcement Affairs (INL) develops assistance programs to combat global money laundering. INL participates in and supports international anti-money-laundering bodies and provides policy recommendations regarding international money laundering activities.

The State Department has developed a programmatic approach to assist jurisdictions in developing anti-money-laundering regimes to protect their economies and governments from abuse by financial criminals and stem the growth of international money laundering. This approach integrates training, technical assistance, and money laundering assessments on specific money laundering problems or deficiencies to achieve concrete, operational, institution-building objectives.

For example, with this approach, operational and policy planners may determine that a critical deficiency exists in a given country because it lacks a financial intelligence unit (FIU) that can serve as the focal point for national anti-money-laundering programs. FIUs provide the possibility of rapidly exchanging information (between financial institutions and law enforcement/prosecutorial authorities, as well as between jurisdictions), while
protecting the interests of the innocent individuals contained in their data.

Since the reasons for the lack of an FIU can vary by country, these programs are tailored to meet the needs of each country. If, for instance, the critical problem is lack of regulations, the State Department may fund a regulator from the U.S. Federal Reserve System to assist the country in drafting appropriate regulations or guidelines and then provide a series of training courses so that regulators, compliance officers, and other officials can learn how to implement these regulations effectively. If it is a problem of hardware or analysis, the department may fund experts from the U.S. financial intelligence unit, called FinCEN, to assist this country.

During 2000, as part of this programmatic approach, the State Department funded various U.S. law enforcement and bank regulatory agencies to provide training and technical assistance on money laundering countermeasures and financial investigations to their counterparts around the globe. These courses give financial investigators, bank regulators, and prosecutors the necessary tools to recognize, investigate, and prosecute money laundering, financial crimes, and related criminal activity. Courses have been provided both in the United States and in the jurisdictions where the programs are focused.

INL funded over 60 programs in 2000 to combat international financial crimes and money laundering in 35 countries. Nearly every U.S. law enforcement agency assisted in this effort by providing basic and advanced training in all aspects of financial criminal activity. In addition, INL made funds available for intermittent posting of technical advisers at selected overseas locations. These advisers work directly with a host government in the creation, implementation, and enforcement of anti-money-laundering and financial crime legislation and the development of financial intelligence units. Further, INL provided funding to several federal agencies to conduct multi-agency financial crime training assessments and developed specialized training in specific jurisdictions to combat money laundering.

**TRAINING PARTNERS**

Among the federal agencies providing anti-money-laundering training and technical assistance components of these programs through INL funds are the following:

Financial Crimes Enforcement Network (FinCEN): FinCEN, the U.S. financial intelligence unit led by the Department of the Treasury, provides training and technical assistance to a broad spectrum of foreign government officials, financial regulators, law enforcement personnel, and bankers. This training covers a variety of topics, including money laundering typologies, the creation and operation of FIUs, the establishment of comprehensive anti-money-laundering regimes, computer systems architecture and operations, and country-specific anti-money-laundering regimes and regulations. FinCEN also works closely with the informal Egmont Group of more than 50 FIUs to assist various jurisdictions in establishing and operating their own FIUs.

Additionally, FinCEN has provided FIU and money laundering briefings and training in many jurisdictions, including Argentina, Armenia, Australia, the Bahamas, Brazil, Canada, China, Costa Rica, Dominican Republic, El Salvador, Germany, Greece, Hong Kong, India, Indonesia, Isle of Man, Jamaica, Jersey, Kazakhstan, Lebanon, Italy, Liechtenstein, Nauru, Nigeria, Netherlands, Palau, Paraguay, Russia, Seychelles, South Africa, Switzerland, St. Vincent and the Grenadines, Taiwan, Tanzania, Thailand, Tonga, and the United Kingdom. FinCEN has also conducted personnel exchanges with the Korean and Belgian FIUs.

Internal Revenue Service (IRS): The Treasury Department’s Internal Revenue Service focuses its training on investigative techniques involving financial crime and money laundering. The goal of this training is to assist foreign governments in establishing or enhancing anti-money-laundering, criminal, tax, and asset forfeiture laws. In addition, the IRS provides assistance in the investigation of violations of these laws and promotes enhanced anti-money-laundering regimes that conform to international standards.

Training led by IRS Financial Crime Training in support of INL programs during 2000 included financial investigative techniques training in Nigeria, Russia, and Hungary; anti-money-laundering training in Russia, China, and Mexico; and advanced anti-money-laundering training in Mexico and complex financial investigations training in Thailand (taught jointly with the U.S. Customs Service).

Secret Service: The Treasury Department’s Secret Service is extensively involved in training foreign government
officials and law enforcement personnel about financial fraud schemes and counterfeit U.S. currency investigations and crimes involving electronic commerce.

During 2000, the Secret Service supported INL programs by training foreign law enforcement and financial institutions in China, Nigeria, Bulgaria, and Lithuania. Additional presentations were made at training academies in Hungary and Thailand, and the Secret Service provided independent classes in Bulgaria, Colombia, Greece, Italy, Mexico, and Romania, and at the Interpol conference in Lyon, France.

**U.S. Customs Service (USCS):** The Treasury Department’s Customs Service, Office of Investigations, Financial Investigations Division, draws on its expertise in undercover drug money laundering and traditional money laundering investigations to impart its considerable experience to law enforcement, regulatory, and banking officials identified in INL programs.

As host or co-host with other federal agencies, the USCS conducted anti-money-laundering and financial crime seminars domestically and abroad for some 725 officials from 16 nations in 2000.

**Office of Technical Assistance (OTA):** The Treasury Department’s Office of Technical Assistance delivers interactive, adviser-based assistance to senior-level representatives in various ministries and central banks in the areas of tax reform, government debt issuance and management, budget policy and management, financial institution reform, and law enforcement reforms related to money laundering and other financial crimes. OTA works with embassy staff and host country clients on long-term projects designed to promote systemic changes and new organizational structures. The program has provided technical assistance to more than a dozen countries worldwide.

During 2000, projects were conducted in a number of countries, including Armenia (technical assistance in the areas of financial crimes, organized crime, gaming crimes, and insurance fraud); El Salvador (drafting and implementing an anti-money-laundering law and helping to design, staff, and build the El Salvador Financial Investigation Unit); Georgia (in cooperation with the U.S. Agency for International Development, the Justice Department, and the U.S. Securities and Exchange Commission, completing a report on the enforcement authorities of the National Securities Exchange); Indonesia (training programs designed to enhance the forensic accounting abilities of Indonesian Bank Restructuring Agency personnel and to provide knowledge relating to financial investigations and asset recovery); and Moldova (technical assistance to the drafters of the economic and financial crime section of the criminal procedure code currently under consideration in Parliament, assistance to the Finance Ministry in organizing a tax evasion enforcement unit and a bank fraud working group, and forensic training and assistance in combating credit card fraud and document fraud and in developing the capabilities of the government’s forensic laboratories). Advisers from the Enforcement Team also assisted Peru and Malaysia in drafting and discussing proposed anti-money-laundering legislation.

**Overseas Prosecutor Development and Training Section (OPDAT):** The Department of Justice’s OPDAT group within the Criminal Division is Justice’s primary source for the training of foreign prosecutors, judges, and law enforcement. During 2000, OPDAT sponsored 13 seminars throughout the world that dealt with money laundering and asset forfeiture issues. Some 800 students received training in transnational money laundering, international asset forfeiture, and asset sharing.

Additionally, the department’s Asset Forfeiture and Money Laundering Section conducted a regional Asset Forfeiture and Money Laundering conference in Buenos Aires, which included 200 prosecutors and law enforcement officials from Argentina, Brazil, Paraguay, Uruguay, and Bolivia.

**Drug Enforcement Administration (DEA):** The Drug Enforcement Administration’s Office of Training, International Training Section, as part of the U.S. Department of Justice Asset Forfeiture Program, conducts seminars on international asset forfeiture and money laundering. These seminars share, compare, and contrast U.S. legislation with that of other countries, building relationships and fostering communications with foreign narcotics enforcement and prosecutorial personnel on money laundering and asset forfeiture issues. DEA offers a number of other anti-money-laundering courses, including specialized training for foreign central bank regulators, police and customs officials, and prosecutors. During 2000, seminars were conducted in Hungary, Panama, Peru, Singapore, South Africa and Spain, plus a regional anti-money-laundering training session in Brazil.
Federal Bureau of Investigation (FBI): The FBI Money Laundering Unit within the Justice Department trains international law enforcement personnel to investigate various methods of money laundering. The training emphasizes the techniques that money launderers use to conceal or disguise the nature of illicit cash proceeds and provides law enforcement with the ability to trace the location, source, or ownership of these proceeds. The FBI has also provided experts for advanced training in traditional and emerging technologies, such as digital cash, smart cards, and Internet banking.

During 2000, the FBI participated in money laundering and financial crimes training courses in Moldova, Pakistan, Panama, Poland, Russia, Slovakia, Ukraine, and Vietnam. In addition, the FBI has offered independent money laundering training and briefings at the FBI Academy in Quantico, Virginia, and at FBI headquarters in Washington, D.C.

Board of Governors of the Federal Reserve System: Staff of the Federal Reserve, the U.S. central bank, provides training in anti-money-laundering procedures to foreign law enforcement officials and central bank supervisory personnel in dozens of jurisdictions each year. These have included Argentina, Brazil, Caribbean jurisdictions, Chile, Czech Republic, Ecuador, Poland, Russia, South Pacific jurisdictions, United Arab Emirates, and Uruguay.

MULTILATERAL ASSISTANCE INITIATIVES

As part of its anti-money-laundering program, INL recognizes the need for regional-based, long-term training programs. For example, INL, along with the European Union and the United Kingdom, funds the Caribbean Anti-Money-Laundering Programme (CALP), which aims to reduce the incidence of the laundering of the proceeds of all serious crime by facilitating the prevention, investigation, and prosecution of money laundering. CALP also seeks to develop a sustainable institutional capacity in the Caribbean to address the issues related to anti-money-laundering efforts at the local, regional, and international levels.

INL also participates in and provides significant financial support for many of the anti-money-laundering bodies around the globe. During 2000, support was furnished to the Asia/Pacific Group on Money Laundering (APG), the Caribbean Financial Action Task Force, the Financial Action Task Force, and the Council of Europe (COE); additional support was provided to the APG and COE to conduct mutual evaluation training programs for their members.

These INL training programs follow an interagency approach, bringing together, where possible, foreign law enforcement, judicial, and central bank authorities in assessments and training programs. This allows for an extensive dialogue and exchange of information. This approach has been used successfully in Asia, Central and South America, Russia, the Newly Independent States, and Central Europe.

INL also provides funding for many of the regional training and technical assistance programs offered by the various law enforcement agencies, including those at international law enforcement academies (ILEAs). The ILEAs were organized and are funded by INL to conduct a variety of law enforcement courses for mid-level managers. Core law enforcement training includes modules on financial crime and money laundering, and seminars on these subjects were conducted for senior law enforcement officials at some of the ILEAs.

The ILEA’s initiative is regionally based. The first ILEA for Europe was established in Budapest and is focused primarily on training the police and criminal justice services of Central Europe and the Newly Independent States. An ILEA for Southeast Asia opened in March 1999 in Bangkok, and more than 1,000 officials from 10 Southeast Asian nations have attended courses. An ILEA has also been established for the Western Hemisphere, but a permanent location for this ILEA is still being considered. In addition, an ILEA for Southern Africa, located in Gaborone, Botswana, opened on April 23, 2001.