

International Narcotics Control Strategy Report

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Bilateral Activities

Training and Technical Assistance

During 2004, 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 for International Narcotics and Law Enforcement Affairs (INL) and the Department's Office of the Coordinator for Counter-Terrorism (SCT) are together implementing a multi-million dollar training and technical assistance program designed to develop or enhance the capacity of a selected group of more than two dozen countries whose financial sectors have been used to finance terrorism. As is the case with the more than 100 other countries to which INL-funded training was delivered in 2004, 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 State Department, the Department of Justice, Department of Homeland Security, Treasury Department component agencies, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and various non-governmental organizations offered 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, 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.

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, every bank regulatory agency participated in providing advanced anti-money laundering/counterterrorist financing training to supervisory entities. In addition, INL made funds available for intermittent posting of legal and financial advisors 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.

INL and the Government of the United Kingdom continued to fund the Caribbean Anti-Money Laundering Programme (CALP). INL contributed \$600,000 to the CALP in 2004. The objectives of the highly successful, now-concluded CALP were to reduce the laundering of the proceeds of all serious crime by facilitating the prevention, investigation, and prosecution of money laundering. CALP also developed a sustainable institutional capacity in the Caribbean region to address the issues related to anti-money laundering efforts at a local, regional and international level.

In 2004, INL reserved \$900,000 for the United Nations Global Programme 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 yearlong basis to specific countries or

regions. A GPML mentor provided assistance to the Secretariat of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

In 2004, INL also funded the \$2 million terrorist finance component of the President's East Africa Counter-Terrorist Initiative. INL continues to provide significant financial support for many of the anti-money laundering bodies around the globe. During 2004, INL support was furnished to the Financial Action Task Force on Money Laundering (FATF), the international standard setting organization. INL continued to be the sole U.S. Government financial supporter of the FATF-style regional bodies (FSRBs) 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, Grupo de Accion Financiera de Sudamerica Contra el Lavado de Activos (GAFISUD). INL also financially supported the Pacific Island Forum and the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Office of Money Laundering and the OAS Counter-Terrorism Committee.

As in previous years, INL training programs continue to focus on an interagency approach and on bringing together, where possible, foreign law enforcement, judicial and Central Bank authorities. 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 (NIS) of the former Soviet Union, 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 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 a united effort by all the participants-government agencies and ministries, trainers, managers, and students alike-to achieve the common foreign policy goal of international law enforcement. The goal is to train professionals that will craft the future for 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, topics of the Regional Seminars include transnational crimes, financial crimes, and counterterrorism.

The United States has amended the money laundering portion of the Core program presented at each ILEA to address terrorist financing, significantly increasing the number of instruction hours dedicated to this critical topic. The ILEA program partner agencies are working on finalizing a new Specialized course that would focus specifically and in detail on terrorist financing, to be offered at all the ILEAs.

The ILEAs help develop an extensive network of alumni that 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 13,000 officials from 68 countries in Africa, Asia, Europe and Latin America. The ILEA budget averages approximately \$16-17 million annually.

Africa. ILEA Gaborone (Botswana) opened in 2001. The main feature of the 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 45 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, anticorruption, 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 and Zambia. This area of focus was expanded to include key countries (Djibouti, Ethiopia, Kenya, Uganda) in East Africa and Nigeria in West Africa. Eventually this gradual expansion will reach other sub-Saharan African countries. 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 & Money Laundering Program (presented by DHS/Federal Law Enforcement Training Center). ILEA Gaborone trains approximately 450 students annually.

Asia. ILEA Bangkok (Thailand) opened in March 1999. The 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 eight to ten specialized courses-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), plus China, and the strengthening of each country's criminal justice institutions to increase their abilities to cooperate in the suppression of transnational crime.

Instruction is provided to participants from Brunei, Cambodia, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand and Vietnam. Subject matter experts from the United States, Thailand, Japan, Netherlands, Australia, 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/Bureau of Customs and Border Protection (BCBP)) and Complex Financial Investigations (presented by IRS, DHS/BCBP, FBI and DEA). Total annual student participation is 550.

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 and its former satellite regimes. 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, Estonia, 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 and also from 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 950 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 four-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 mid-to-senior level law enforcement and criminal justice officials from Eastern Europe; Russia; the Newly Independent States (NIS); 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 students are drawn from pools of ILEA graduates from the Academies in Bangkok, Budapest and Gaborone, and other selected participants mainly from Latin America and the Caribbean. ILEA Roswell trains approximately 400 students annually. In January 2005, INL attended the groundbreaking ceremony for a new building for the Roswell ILEA.

Board of Governors of the Federal Reserve System (FRB)

The FRB participates in the effort to deter money laundering primarily through ensuring compliance with the Bank Secrecy Act and the USA PATRIOT Act by the domestic and foreign banking organizations that it supervises. In another important initiative to counter money laundering on a global basis, the FRB is a regular participant in the U.S. delegation to the Financial Action Task Force.

On another important front to combat money laundering, FRB staff conducts training and provides technical assistance to banking supervisors and law enforcement officials on anti-money laundering and counterterrorist financing tactics throughout the world. Programs for Mexico, Israel, Switzerland, Hungary, the United Arab Emirates, China, Kazakhstan, and Jamaica were provided in 2004.

In addition to its international training programs, the FRB presented training courses to U.S. law enforcement agencies, including the Internal Revenue Service, the Federal Bureau of Investigation, the U.S. Postal Inspection Service, the Department of Homeland Security's Bureau for Immigration and Customs Enforcement, and the Drug Enforcement Administration as well as at the Federal Law Enforcement Training Center.

Drug Enforcement Administration (DEA)

The International Training Section of the DEA conducts its International Asset Forfeiture and Money Laundering courses in concert with the Department of Justice (DOJ). In 2004, a total of 235 participants from Australia, Philippines, Belgium, Trinidad and Tobago, Austria and Tajikistan received this training. A wide range of DEA international courses contain training elements relating to countering money laundering and other financial crimes. The DEA training division also provides training at the International Law Enforcement Academies in Bangkok, Budapest and Gaborone.

The basic course curriculum, which was conducted in Tajikistan, Philippines, Austria and Belgium, includes instruction addressing money laundering and its relation to Central Bank operations, asset identification, seizure and forfeiture techniques, financial investigations, document exploitation, and international banking. Overviews of U.S. asset forfeiture law, country forfeiture and customs law, and prosecutorial perspectives are also included.

A new advanced course was added in 2004 in Australia and included money laundering investigative techniques, tracing the origin of financial assets, international banking and money laundering, Internet/cyber banking, asset forfeiture and financial investigations, and international issues in money laundering and forfeiture.

Federal Bureau of Investigation (FBI)

In 2004, Special Agents of the FBI continued extensive training in various regions of the world, covering basic and more advanced courses in terrorism financing and money laundering, financial fraud, racketeering enterprise investigations, complex financial crimes and countering international money laundering.

In concert with other U. S. and international trainers, the FBI conducted aspects of the full range of its training for a variety of countries on a regional basis through the International Law Enforcement Academies (ILEAs) in Bangkok, Thailand, and Budapest, Hungary. In other programs, FBI training reached numerous officials representing various levels of the judiciary and law enforcement as well as government banking regulators and private sector banking officials.

Students worldwide participated in FBI training, in several instances in concert with the U. S. Internal Revenue Service (IRS). Training was provided to the countries of Indonesia, Jordan, Venezuela, Philippines, Kazakhstan, Bosnia, Pakistan, Saudi Arabia, Morocco, Brazil, Turkey, Nigeria, Ghana, Thailand, Romania and Latvia. In addition, 36 law enforcement officials from 17 Latin American countries traveled to the FBI Academy, Quantico, Virginia, to participate in the Latin American Law Enforcement Executive Development Seminar, which includes coursework in money laundering and other financial crimes.

Federal Deposit Insurance Corporation (FDIC)

In 2004, the FDIC continued to work in partnership with several agencies to combat money laundering and the global flow of terrorist funds. Additionally, the agency participates in the planning and conduct of missions to assess vulnerabilities to terrorist financing activity worldwide and to develop and implement plans to assist foreign governments in their efforts in this regard. To better achieve this end, the FDIC has 22 individuals available to participate in foreign missions and is working to double the number of participants available to assist in future missions.

Periodically, FDIC staff meets with supervisory and law enforcement representatives from various countries to discuss anti-money laundering (AML) issues, including examination policies and procedures, the USA PATRIOT Act and its requirements, the FDIC's asset forfeiture programs, suspicious activity reporting requirements and interagency information sharing mechanisms. In 2004, such presentations were given to representatives from the Netherlands, Romania and Georgia.

In March 2004, the FDIC responded to a request from the Department of the Treasury to provide comments on a draft anti-money laundering/counterterrorist financing law for Iraq. This draft law was adopted by the Coalition Provisional Authority and implemented into law.

The FDIC responded to a request to participate in an assessment of the Romanian government's suspicious transaction reporting process and a review of the country's AML laws and regulations. The FDIC participated with FinCEN in this review.

The FDIC participated on an interagency Financial Systems Assessment Team to Morocco in January 2004. The group reviewed the country's proposed AML law and provided information in the areas of customer identification programs, financial intelligence units and the monitoring of non-bank financial institutions.

The FDIC also provided staff to participate in three conferences and training sessions. The first conference was held in Buenos Aires, Argentina, with financial intelligence unit representatives from Argentina, Brazil, Paraguay and the United States. The FDIC discussed the role of the financial regulator in providing information to the financial intelligence units. The second training session was held in Abu Dhabi, United Arab Emirates. The purpose of the seminar was to provide guidance to Asian countries that are presently developing their own anti-money laundering policies and procedures. Twenty-nine representatives from Afghanistan, Bangladesh, India, Maldives, Pakistan, Sri Lanka, and the United Arab Emirates attended the three-day conference. The third training session was held in Bangkok, Thailand, and was sponsored by DOJ/OPDAT. The conference was titled "Safeguarding Charities from Abuse." Representatives from Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, the United Kingdom, the United States and the Asia/Pacific Group on Money Laundering attended the three-day session.

Financial Crimes Enforcement Network (FinCEN)

FinCEN, the U.S. Financial Intelligence Unit (FIU), a bureau of the U.S. Department of the Treasury, 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. FinCEN's particular focus is the creation and improvement of FIUs—a valuable component of a country's anti-money laundering (AML) regime. FinCEN's international training program has two components: (1) instruction and presentations to a broad range of government officials, financial regulators, law enforcement officers, and others, on the subjects of money laundering and financial crime and on FinCEN's mission and operation; and (2) training regarding FIU operations and analysis via personnel exchanges. 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 foreign FIUs, and regional and operational workshops are just a few examples of FinCEN activities designed to assist/support FIUs.

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 of FIUs, FinCEN works closely with other member FIUs to provide training and technical assistance to countries and jurisdictions interested in establishing their own FIUs and having those units become candidates for membership in the Egmont Group.

During 2004, FinCEN conducted training courses, both independently and with other agencies including the Federal Bureau of Investigation and the Treasury Department's Office of Technical Assistance (OTA). Occasionally, FinCEN's training and technical assistance programming is developed jointly with these other agencies in order to address specific needs of the jurisdiction/country receiving assistance. In 2004, FinCEN conducted several training programs abroad to maximize participation by foreign FIUs.

Over the last twelve months, in an effort to reinforce the sharing of information among established FIUs, FinCEN conducted personnel exchanges and other training with a number of Egmont Group members and non-members. Examples include Argentina, Brazil, Paraguay, Thailand, Russia, Qatar, Romania, Guatemala, Italy, Spain and Turkey. Such training offers the opportunity for FIU personnel to see first-hand how another FIU operates. It is hoped that the participants in these exchanges will share ideas, innovations, and insights that will lead to improvements in such areas as analysis, information flow, and information security at their home FIUs.

Analysis training typically consists of a group of analysts from a country's FIU spending one to two weeks at FinCEN. Occasionally, FinCEN will conduct these training sessions abroad. FinCEN's analysis training program provides foreign analysts with basic skills in critical thinking and analysis; data collection; report writing; database research; financial analysis (such as bank records and net worth analysis); and case presentation. Training topics such as regulatory issues, international case processing, technology infrastructure and security, and terrorist financing and money laundering trends and typologies provide analysts with broader knowledge and a better understanding of the topic of money laundering. Finally, analysts gain an extensive knowledge of the U.S. AML regime by meeting with representatives from other Federal agencies involved in the fight against money laundering and terrorist financing. These include the Justice Department's Asset Forfeiture and Money Laundering Section, the State Department's Bureau of International Narcotics and Law Enforcement Affairs and Office of the Coordinator for Counter-Terrorism, the Internal Revenue Service's Criminal Investigation Division and the Homeland Security Department's Bureau of Immigration and Customs Enforcement.

In 2004, in support of the State Department's "3+1" initiative designed to address security challenges in South America's tri-border region, FinCEN designed and managed an FIU Conference in Buenos Aires, Argentina. This conference, co-hosted by Argentina's FIU, focused on strengthening information sharing among the FIUs of the "3+1" partners: Argentina, Brazil, and Paraguay. FinCEN provided training to two members of the Thailand FIU's IT staff on "data mining" software used for information analysis. FinCEN also partnered with Treasury/OTA and FINTRAC (Canada's FIU) to provide IT training for staff from the Philippines FIU, the Anti-Money Laundering Council. FinCEN also partnered with OTA to coordinate training in Argentina, Peru, Paraguay, and Russia. In 2004, efforts continued to

better understand the role of, and collaborate with international organizations involved in providing anti-money laundering/counterterrorist financing training and technical assistance. Over the last year, FinCEN has significantly increased its coordination with organizations such as the Organization of American States, the International Monetary Fund and the World Bank.

In 2004, FinCEN hosted representatives from over 60 countries. These visits 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. During 2004, this type of orientation was offered to officials from a number of countries including Kuwait, Taiwan, Mauritius, Canada, Italy, Spain, and Nigeria.

Internal Revenue Service (IRS)

In 2004, the IRS Criminal Investigative Division (IRS-CID) increased its involvement in international training efforts designed to help share expertise needed to detect and dismantle money laundering organizations and the proliferation of terrorist organizations that facilitate terrorist financing activities. IRS-CID provided significant contributions through agency and multi-agency technical assistance programs to foreign law enforcement agencies during the past fiscal year. Training included instruction in financial investigative techniques, combating money laundering and combating transnational terrorism.

IRS-CID is one of the participating agencies to provide support to the International Law Enforcement Academies (ILEA) at Bangkok, Budapest and Gaborone. This is accomplished by providing training in Financial Investigative Techniques/Money Laundering and Anti-Terrorism Financing. In Fiscal Year 04, IRS-CID provided a class coordinator to the ILEA program in Gaborone to share experience and expertise in financial investigative matters with the participants. In furtherance of this commitment, IRS-CID has a special agent detailed as one of the Deputy Directors at the ILEA in Bangkok, Thailand. IRS-CID also serves as coordinator of the annual Complex Financial Investigations course, which is provided to senior, mid-level, and first-line law enforcement supervisors, inspectors, investigators, prosecutors and customs officers from Brunei, Cambodia, Hong Kong, Indonesia, Laos, Macau, Malaysia, People's Republic of China, Philippines, Singapore, Thailand, and Vietnam.

In the ongoing efforts to facilitate the creation of ILEA South America, IRS-CID conducted assessments and curriculum studies to assist in building a course that would be most beneficial to South American countries. IRS-CID assigned a Supervisory Academy Instructor to serve as a member of the ILEA-South America board, which will help formulate the curriculum and assist in identifying the permanent site to host the new ILEA facility.

IRS-CID completed an assignment as a Criminal Investigations Division (CID) Advisor to the Board of Inland Revenue (BIR), Government of Trinidad and Tobago as part of an agreement with IRS' Tax Administration Advisory Services (TAAS) project for technical assistance and guidance as it relates to the creation of a law enforcement unit attached to BIR. Through our CID representative's efforts, the unit is now in operation and actively working criminal tax cases.

IRS-CID conducted a one-week Advanced Money Laundering/Financial Investigative Techniques course in Spindlerov Mlyn, Czech Republic. The participants were financial investigators, supervisors and prosecutors from the Ministry of the Interior. Their responsibilities are to investigate serious economic crimes. IRS-CID presented a two-week Advanced Financial Investigative Techniques course to investigative officers and supervisors of the Inland Revenue Board of Malaysia and investigators of the Malaysian Securities Commission and Ministry of Finance. This course presented the participants with an opportunity to work a case from the development of potential criminal information through conducting the investigation, preparing reports for recommendation of charges and preparing for trial.

IRS-CID delivered a one-week Money Laundering/Anti-Terrorist Financing course in Solenice, Czech Republic. The participants were all financial investigators, supervisors and prosecutors from the

Ministry of the Interior who investigate serious economic crimes. A one-week Money Laundering and Anti-Terrorist Financing course was presented in Rarotonga, Cook Islands. The Solicitor General and all heads of the ministries participated in this training. A one-week Money Laundering and Anti-Terrorist Financing course was presented to senior law enforcement officials from the various fraud and narcotics law enforcement agencies in Cairo, Egypt.

IRS-CID assisted the Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) in a one-week conference on Complex Financial Investigations in Corruption Cases in Tulcea, Romania. The participants were prosecutors, judges and governmental officials from Romania who were involved in investigating and prosecuting money laundering, tax evasion, fraud and public corruption. A one-week course in Combating Money Laundering was presented to Thailand's Anti-Money Laundering Organization (AMLO) in Bangkok, Thailand. A four-day Anti-Terrorist Financing course was held in Kuala Lumpur, Malaysia for investigators and prosecutors from Malaysia, Thailand, Indonesia, the Philippines, and Brunei.

IRS-CID has assisted the Federal Bureau of Investigation (FBI) in developing and delivering a one-week and an eight-day Anti-Money Laundering and Anti-Terrorism Financing course. The course was successfully delivered to participants in Indonesia, Jordan, Philippines, Brazil, Qatar, Malaysia, Kazakhstan, and Venezuela. A one-week course was delivered in Washington, D.C. to Pakistanis and in ILEA Budapest to Bosnians. Participants in the class were investigators, prosecutors, and Judges from the Financial Intelligence Unit, Central Bank, Securities and Exchange Commission, Insurance Commission, Department of Finance, Department of Justice, and the Drug Enforcement Agency.

IRS-CID is a member of the Anti-Terrorism Financing Task Force that recently met to discuss the development of a one-week Anti-Terrorism Financing Course to be presented at ILEA Budapest. The Department of State (DOS) funded DOS Anti-Terrorism Assistance (ATA) to provide training relating to counterterrorism financing to countries at the ILEAs. As part of this initiative, ATA asked IRS-CID to participate in the training. A pilot two-week course was successfully presented at ILEA Budapest. The participating countries were Romania, Turkey and Hungary.

Office of the Comptroller of the Currency (OCC)

The OCC conducted and sponsored a number of anti-money laundering (AML) training initiatives for foreign banking supervisors during 2004.

In February 2004, the OCC sponsored a three-day Anti-Money Laundering workshop in Belize through the International Monetary Fund. The session focused on Anti-Money Laundering bank supervision and best practices. Material was incorporated from the revised FATF Forty Recommendations, the Basel Committee's Customer Due Diligence paper, and other reference material including the OCC's handbook on AML. There were approximately 30 examiners in attendance.

In February 2004, the OCC participated with FinCEN in an Egmont Group FIU assessment of the Philippines' Anti-Money Laundering Council (AMLC). The assessment focused on legislative, regulatory, IT, and law enforcement capabilities within the scope of the Philippine FIU.

In March 2004, the OCC sponsored an Anti-Money Laundering/Anti Terrorist Financing 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 of how these acts are perpetrated. The course provided a basic overview of AML examination techniques, tools, and case studies. Twenty-three banking supervisors from the following countries were in attendance: Cayman Islands, Guatemala, Indonesia, Japan, Luxembourg, Netherlands, Nigeria, Pakistan, Panama, Philippines, Romania, Turkey, United Kingdom, and Singapore. The course was videotaped, and the OCC and World Bank are jointly working to produce a video that can be distributed in 2005 as a training tool for banking supervisors around the world.

In June 2004, through the Association of Banking Supervisors of America (ABSA), the OCC presented the Anti-Money Laundering/Anti-Terrorist Financing School in Chile. At this session, there were 25

banking supervisors from the following countries: Chile, Guatemala, Honduras, Mexico, Nicaragua, and Peru.

Overseas Prosecutorial Development Assistance and Training & the Asset Forfeiture and Money Laundering Section (OPDAT and AFMLS)

Training and Technical Assistance

OPDAT is the office within the Justice Department responsible for assessing, designing and implementing training and technical assistance programs for criminal justice sector counterparts overseas. OPDAT draws upon components within the Department, such as AFMLS, to provide programmatic expertise and to develop good partners abroad.

In 2004, OPDAT provided training in the areas outlined below. In addition to programs that are tailored to each country's needs, OPDAT also provides long term, in-country assistance through Resident Legal Advisors (RLAs). RLAs are U.S. federal prosecutors who provide in-country technical assistance to improve the skills, efficiency and professionalism of foreign criminal justice systems. Typically, RLAs live in a country for one or two years to work with ministries of justice, prosecutors and the courts. To promote reforms in the criminal justice system, RLAs provide assistance in legislative drafting, modernizing institutional policies and practices, and training law enforcement personnel including prosecutors, judges, police and other investigative or court officials. AFMLS, however, is the lead Justice section that provides countries with technical assistance in the drafting of money laundering and asset forfeiture statutes compliant with international standards.

Money Laundering/Asset Forfeiture

During 2004, the Justice Department's OPDAT and AFMLS continued to provide training to foreign prosecutors, judges and law enforcement, and assistance in drafting anti-money laundering statutes compliant with international standards. The assistance provided 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 varies depending on the specific needs of the participants, but topics addressed in 2004 included developments in money laundering legislation and investigations, complying with international standards for an anti-money laundering/counterterrorist financing regime, illustrations of the methods and techniques to effectively investigate and prosecute money laundering, inter-agency cooperation and communication, criminal and civil forfeiture systems, the importance of international cooperation, and the role of prosecutors. In 2004, officials in Panama, Thailand, South Africa, Malaysia, Bosnia, Uzbekistan, Bangladesh, and Russia attended in-depth sessions on money laundering and international asset forfeiture. In 2004, OPDAT's RLA in Kosovo worked with the UN as Chief of the Special Information and Operations Unit at the DOJ/UN Administrative Mission in Kosovo to help implement a new money laundering law.

On February 3-6, 2004, AFMLS co-sponsored an international forfeiture conference with the National Prosecuting Authority of the Government of South Africa and tackled the sensitive subject of "Forfeiting the Proceeds of Public Corruption." Representatives from ten African countries, in addition to South Africa, participated in this conference, including Botswana, Kenya, Uganda, Tanzania, Nigeria, Zambia, Mozambique, Lesotho, Swaziland, and Mauritius.

Participants in the February conference consisted of prosecutors, senior police officials, judges/magistrates, and even a member of Parliament. Through interactive presentations and panel discussions, participants actively articulated their countries' concerns about and experience with public corruption, as well as their practical experience in forfeiture and obtaining mutual legal assistance from other countries. In addition to a more general discussion of forfeiture legislation, forfeiture best practices, and mutual legal assistance procedures, this year's conference also concentrated on some of the particular difficulties inherent in carrying out a complex financial fraud investigation into corruption, ranging from putting together an investigative team, financial tracing, and identifying beneficial owners to dealing with particular challenges in investigating corruption in different sectors.

From October 19-21, 2004, AFMLS sponsored a seminar entitled "Forfeiting the Proceeds of Human Trafficking" in Prague, Czech Republic. OPDAT funded all of the country delegations and worked closely with AFMLS to coordinate this event. Prosecutors and legislators from Albania, Bosnia, Bulgaria, Croatia, Czech Republic, Kosovo, Macedonia, Romania, and Serbia & Montenegro attended the seminar. The primary goal of this conference was to strengthen international cooperation in forfeiting the proceeds of alien smuggling and human trafficking. This seminar also provided a forum to exchange information on improving national forfeiture and anti-money laundering systems and on achieving greater cooperation in combating transnational financial crime. In Azerbaijan in 2004, OPDAT and AFMLS experts provided guidance to the drafters in crafting a new anti-money laundering/counterterrorist financing law that complies with Council of Europe and FATF standards. The government expects to enact the draft law in 2005.

Also in 2004, OPDAT assisted with the creation of a specialized unit at the Georgian Prosecutor's Office to handle money laundering and terrorist financing cases. With OPDAT support, in December 2003, FBI polygraphers vetted the prosecutors, investigators and support staff who are permanently assigned to this unit. Throughout 2004, the new unit received ongoing assistance from OPDAT and the RLA in developing cases under Georgia's new FATF-compliant money laundering law; two major investigations are now underway.

As part of Plan Colombia, in 2004, OPDAT continued to provide assistance to enhance the capability of Colombia's National Asset Forfeiture and Money Laundering Task Force to investigate and prosecute money laundering and other complex financial crimes, and to execute the forfeiture of profits from illegal narcotics-trafficking and other crimes.

Organized Crime

During 2004, OPDAT organized a number of programs for foreign officials on transnational or 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.

In addition in 2004, OPDAT's Intermittent Legal Advisor (ILA) assisted the South African National Director of Public Prosecutions in implementing its new organized crime statute.

In Ukraine, OPDAT's grantee, the American University Transnational Crime Study and Corruption Center, supported indigenous research and conducted training seminars on economic crimes and organized crime.

OPDAT RLAs continued to support Bosnia's Organized Crime Anti-Human Trafficking Strike Force and Serbia and Montenegro's judges, prosecutors and police through mentoring and training programs on investigating and developing organized crime case strategies.

Fraud/Anticorruption

OPDAT placed two prosecutors overseas to provide technical assistance on a long-term basis specifically on corruption cases. Moreover, OPDAT deployed an ILA to Nigeria in 2004 to support its relatively new anticorruption commission. Also in May 2004, OPDAT placed the first RLA dedicated to anticorruption issues in Managua, Nicaragua. In September 2004, he provided assistance to the Nicaraguan Attorney General's Office on corruption cases. In January 2005, he conducted a program for 50 Nicaraguan prosecutors and police on the techniques and tools involved in preparing and bringing corruption cases to trial in an accusatory criminal justice system. Although Nicaragua switched over from an inquisitorial criminal justice system in 2002, it is still in the process of training prosecutors, investigators, and judges in the trial advocacy skills needed to implement the new criminal procedure code.

In March 2004, OPDAT conducted a technical assistance program for Uruguayan prosecutors and investigators to improve their investigative and prosecutorial ability to combat public corruption. In October 2004, OPDAT conducted a Caribbean-regional workshop on investigating and prosecuting

corruption. It provided substantive technical assistance and promoted collaboration among prosecutors and investigators in the Caribbean. Prosecutors and investigators from Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Trinidad and Tobago, St. Lucia, St. Vincent and the Grenadines, and Suriname attended the workshop.

Terrorism/Terrorist Financing

OPDAT and AFMLS have intensified their efforts since 2001 to assist countries in developing their legal infrastructure to combat terrorism and terrorist financing. OPDAT and AFMLS, with the assistance of the Counter-Terrorism Section and other Department of Justice (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 and AFMLS work as integral parts of the U.S. Interagency Working Group on Terrorist Financing, and in partnership with the Departments of State, Treasury and Commerce, and several other DOJ components.

In 2004, OPDAT assigned overseas the second RLA supported by the Interagency Working Group on Terrorist Financing. Working in a country where terrorist cells may exist or where there is suspected 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 to terrorist organizations. They also develop technical assistance programs for prosecutors, judges and, in collaboration with DOJ's International Criminal Investigative Training Assistance Program, police investigators to assist in the implementation of new money laundering and terrorist financing procedures.

In December 2004, OPDAT sent a counterterrorism RLA to Kenya to work on financial crimes and money laundering issues and, in general, to bolster the capacity of the prosecutor's office and assist the Kenyans in establishing a Financial Intelligence Unit. In 2004, the RLA in Paraguay, now in his second year, organized conferences to finalize a draft anti-money laundering law, including a meeting with representatives from the UN Counter Terrorism Center in New York and the UN Office of Drugs and Crime, Terrorism Prevention Branch, in Vienna. The final draft law has been presented to the Paraguayan legislature, which will consider it in February 2005. In 2005, OPDAT will place RLAs in Abu Dhabi, Egypt, Morocco, Bangladesh, Indonesia, and Pakistan. OPDAT will also assign ILAs to Malaysia and Turkey.

In April 2004, OPDAT conducted a regional conference on terrorist financing for Southeast Asia. Law enforcement officers, prosecutors, and financial sector officials from Thailand, Philippines, Indonesia and Malaysia participated in the event.

In December 2004, OPDAT organized a regional conference in Thailand, bringing together officials from Indonesia, the Philippines and Malaysia, to discuss Safeguarding Charities from Abuse by Terrorists. The conference focused on typologies where charitable organizations either wittingly or unwittingly support terrorism, as well as the methods of criminalizing, investigating and prosecuting such acts, the regulation of charities, and practical means for "red-flagging" suspicious activities. Presenters included representatives of the United Kingdom Charity Commission, the nongovernmental organization, Save the Children, officials from the Asia/Pacific Group on Money Laundering, and representatives from the Departments of Justice, State and Treasury, including the Internal Revenue Service. Following the conference the four governments requested follow-up bilateral assistance.

AFMLS provides technical assistance directly in connection with legislative drafting on all matters involving money laundering, asset forfeiture and the financing of terrorism. During 2004, AFMLS provided such assistance to 16 countries and actively participated in the drafting of the terrorist financing provision of the OAS/CICAD Model Regulations. AFMLS continues to participate in the UN Working Group to draft a model non-conviction based asset forfeiture law and the G-8 working groups on corruption and asset sharing. In 2004, AFMLS provided technical assistance to Afghanistan, Albania, Azerbaijan, Bangladesh, Brazil, Pakistan, Indonesia, Iraq, Kenya, Philippines, Paraguay, Sri Lanka, the Republic of Korea, Thailand, Turkey, and Uzbekistan.

During 2004, AFMLS and OPDAT participated in four Financial Systems Assessment Teams (FSAT) led by the Department of State's Coordinator for Counter-Terrorism Office and the Bureau for International Narcotics and Law Enforcement Affairs. These teams traveled to Morocco and Nigeria to determine the capacities and skills of prosecutors and judges, and the criminal justice system in general, to effectively address terrorist financing.

Office of Technical Assistance (OTA)

Treasury's OTA is located within the Treasury Department's Office of the Assistant Secretary for International Affairs. The office delivers interactive, advisor-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 more recently, financial enforcement reforms related to money laundering and other financial crimes. The program receives funding from the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL), USAID country missions, and direct appropriations from the U.S. Congress.

In 2004, advisors provided assistance to the governments of Albania, Armenia, Azerbaijan, Bulgaria, Chile, China, Colombia, El Salvador, Ethiopia, Georgia, Honduras, Hungary, Kazakhstan, Macedonia, Moldova, Mongolia, Montenegro, Morocco, Panama, Paraguay, the Philippines, Poland, Peru, Romania, Russia, Ukraine, Sri Lanka and the Maldives, Tanzania, Thailand, Uganda, Ukraine, Serbia, Venezuela, Zambia, Senegal, Lesotho, Kenya, Tunisia, Burkina Faso, Haiti and the Eastern Caribbean countries.

Training

OTA conducted several assessments of anti-money laundering regimes in 2004, often working in concert with the U.S. Embassies, other U.S. Government agencies and/or international bodies. These assessments addressed legislative, regulatory, law enforcement and judicial components of the various programs. The assessments included the development of technical assistance plans to enhance a country's efforts to fight money laundering and terrorist financing. In 2004, such assessments were carried out in Mexico, Colombia, Costa Rica, Venezuela, Ethiopia, Mongolia, Kazakhstan, the Philippines, Sri Lanka and the Maldives, Ethiopia, Kenya, Lesotho, Albania, Romania, and Bulgaria.

OTA provided a variety of training in a number of countries around the world. In Africa, OTA specialists provided a course on anti-money laundering and the countering of the financing of terrorism to the African Development Bank in Tunis, Tunisia, and held a series of awareness-raising seminars on money laundering and terrorist financing for officials of the government of Burkina Faso. In Europe: the OTA team in Bulgaria conducted financial investigation training programs including financial profiling; Romanian examiners and banks were trained in mortgage practices to manage the credit risk arising from the dramatic expansion of the mortgage market in Romania; in Armenia, OTA conducted a "train-the-trainer" program on auditing techniques for concerned officials; and in Montenegro, anti-money laundering seminars were conducted for Customs Administration, Securities Commission, Central Bank and Tax Administration, bank and non-bank institutions. In the Americas, OTA training included a course on anti-money laundering concepts and FIUs to Salvadoran and Honduran officials, a course on anticorruption to Honduran investigators, on-the-job training on suspicious activity detection for financial analysts in Paraguay, and a course on how to probe tax evasion cases for Paraguayan analysts, prosecutors and investigators. It also included a course on anticorruption practices for high-level executives, investigators and prosecutors, and a course on anti-money laundering and terrorist financing for judges in Peru. OTA has sent a team to Haiti to assist in the creation of a Haitian Financial Crimes Task Force and to continue mentoring investigators on a monthly basis. In China, OTA has partnered with the Financial Crimes Enforcement Network (FinCEN) and the Treasury's Office of Terrorism and Financial Intelligence (TFI) to assess China's need for an effective anti-money laundering regime. In Kazakhstan, OTA partnered with the Federal Law Enforcement Training Center (FLETC) to conduct the "Senior Executive Seminar" in Astana and Almaty in June 2004 to inform Kazakh officials of the nature and international requirements of an effective anti-money laundering and counterterrorist financing program, and what constitutes an effective financial intelligence unit

Support for Financial Intelligence Units

OTA also continued its training and technical support for the refinement and establishment of Financial Intelligence Units (FIUs) in various regions of the world. In Paraguay, OTA provided expert advice to the Paraguayan FIU. It also co-funded with OAS/CICAD and INL the procurement of software and hardware for the FIU, and two other Paraguayan entities that deal with anti-money laundering. In Montenegro, OTA experts undertook a variety of initiatives to help the country establish an FIU and make it operational. Similar assistance was provided to the Russian FIU. In Ukraine, OTA continued efforts to help streamline the national FIU and assisted Ukraine in developing a strategy for meaningful engagement with international money laundering control organizations and specific foreign enforcement and financial intelligence agencies. In Central America, additional training and technical assistance was provided to FIUs in Honduras, El Salvador, Panama and Venezuela.

Resident Advisors

OTA resident advisors continued international support in the areas of money laundering and terrorist financing. The resident advisors in Bulgaria and Serbia continued efforts to streamline and enhance host governments' FIUs. Supporting national efforts against financial crimes was the focus of the OTA resident advisors in Peru, Paraguay, Albania, the Philippines, Ukraine, Zambia and Romania. OTA no longer has a resident advisor in Thailand, but continues to provide intermittent technical assistance to the Thai Department of Special Investigation. OTA has placed a second Resident Advisor for the Caribbean with a focus on bank regulatory compliance. OTA finalized arrangements this year for the placement of a resident advisor in Dakar, Senegal. This advisor will work closely with the government of Senegal as well as other countries in the West Africa region to facilitate further development of GIABA, the FATF-style regional body for western African nations.

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