



**ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM
(AML/CFT) NEWSLETTER FOR CENTRAL ASIA**

Issue 37 - April 2009
Available online at <http://www.imolin.org>

CALENDAR

1 U.S. Study Tour on AML Internal Controls and Risk Assessment for Central Bank of Russia [national]

Date: May 11-22, 2009
Organizer: Financial Services Volunteer Corps
Location: Washington, DC & New York City, US
Contact information: Tim O'Brien, tobrien@fsvc.org

5 AML/CFT Course on Financial Supervision and Risk Based Approach for Eastern Europe and CIS countries [regional]

Date: May 25-29, 2009
Organizer: IMF-Joint Vienna Institute [JVI]
Location: Vienna, Austria
Contact information: Terry Donovan, TDonovan@imf.org

2 EAG Evaluator training workshop [regional]

Date: May 18-22, 2009
Organizer: EAG
Location: Kiev, Ukraine
Contact information: info@euroasiangroup.org

6 EAG Plenary Meeting [regional]

Date: June 8-10, 2009
Organizer: EAG
Location: Saint Petersburg, Russian Federation
Contact information: info@euroasiangroup.org

3 UNODC financial investigations training course [national]

Date: May 22-25, 2009
Organizer: UNODC
Location: Issyk-Kul, Kyrgyzstan
Contact information: Simon Goddard, caractacus.consultancy@orange.net

7 FATF plenary and working group meetings [international]

Date: June 22-26, 2009
Organizer: FATF
Location: Paris, France
Contact information: contact@fatf-qafi.org

4 Egmont Plenary Meeting [international]

Date: May 24-28, 2009
Organizer: Egmont Group
Location: Doha, Qatar
Contact information: mail@egmontsecretariat.org

8 Moneyval evaluator training workshop [regional]

Date: July 6-10, 2009
Organizer: Moneyval
Location: San Marino
Contact information: dq1@moneyval.coe.int

AML/CFT Developments in Central Asia

AFGHANISTAN



Afghanistan enacted an AML/CFT law in 2004. The Financial Intelligence Unit was established in 2005. Afghanistan has commenced application process for Egmont Group Membership in 2007; sponsors are the USA and Malaysia. Afghanistan is scheduled to undergo an APG Mutual Evaluation in the 3rd quarter of 2009. Afghanistan is a member of the Asia Pacific Group (APG) and observer to the EAG.

BELARUS



Belarus became a full member of the Egmont Group in 2007. The Mutual Evaluation Report of Belarus was adopted by the EAG during its Plenary Meeting in Moscow in December 2008. Belarus is a member of EAG, and co-chairs the EAG Typologies Working Group.

CHINA



The AML/CFT law was adopted on 31 October 2006 and came into force on 1 January 2007. The Mutual Evaluation Report of China was adopted by FATF in June 2007 and by EAG in December 2007. China Progress report was adopted by FATF and EAG in July 2008. A follow up report was presented during the EAG Plenary Meeting in Moscow in December 2008. China is a member of EAG and FATF, and serves as co-chair

of the EAG Evaluation/Legal Working Group.

KAZAKHSTAN



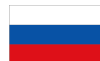
The draft AML/CFT law was adopted by Majilis [the Lower Chamber of the Parliament] on April 1, 2009. A decision to establish the Financial Monitoring Committee (FIU) within the Ministry of Finance was taken by the Government on 24 April 2008. The head of the Financial Monitoring Committee was appointed in September 2008. Kazakhstan is scheduled to undergo an EAG Mutual Evaluation in 3rd quarter of 2009. Kazakhstan is a member of EAG, and co-chairs the technical assistance working group.

KYRGYZSTAN



EAG 1st round Mutual Evaluation Report of Kyrgyzstan was adopted at the EAG Plenary in June 2007. Progress reports were presented during the 7th and 8th EAG Plenary meetings in 2007 and 2008. A follow up report was presented during the EAG Plenary Meeting in Moscow in December 2008. Eleven amendments to the AML/CFT legislation were accepted by the Parliament in 2008. The Kyrgyz FIU has commenced its application process for membership in Egmont, sponsored by the Russian Federation and Ukraine. Egmont Group shall decide about the Kyrgyz membership during its plenary meeting in May 2009. Kyrgyzstan is a member of EAG, and Deputy Chair of EAG.

RUSSIAN FEDERATION



Joint AML/CFT Mutual Evaluation of Russian Federation was conducted by FATF, Moneyval and EAG in 2007. Joint Evaluation Report was adopted by FATF/Moneyval/EAG in June and July 2008. Russian Federation is a member of FATF, Moneyval and EAG; chairs the EAG and co-chairs EAG Technical Assistance, Typologies and Evaluation/ Legal Working Groups.

TAJIKISTAN



The Agency for State Financial Control and Combating Corruption was established in Tajikistan in early 2007. The AML/CFT law is being drafted in the Office of the President in 2007, but is has not been yet presented to the Parliament. The World Bank mutual evaluation report was adopted by the EAG during its Plenary Meeting in Moscow in December 2008. The EAG decided to place Tajikistan under enhanced follow up procedure. Tajikistan is a member of EAG.

TURKMENISTAN



Draft AML/CFT law is being considered by the Parliament of Turkmenistan. On 20 June 2008, 16 October 2008 and 25 February 2009 the FATF reaffirmed its statement of 28 February 2008 regarding the anti-money laundering and countering the financing of terrorism risks posed by Turkmenistan. In the last FATF statement FATF urges Turkmenistan to adopt without

further delay a comprehensive AML/CFT regime, which meets international AML/CFT standards. FATF encourages Turkmenistan to continue to work closely with EAG and IMF to achieve this. Turkmenistan became an observer member of EAG in December 2007.

UZBEKISTAN



Pursuant to Presidential Decrees issued in January, February and April 2007, implementation of certain provisions of the AML/CFT law were suspended until the year 2013. A Decree of Feb. 20, 2008 prohibits banks and officials from enquiring into legality of sources of funds of transactions executed by physical persons. This Decree was effective from 1 April 2008 to 1 April 2009. On 20 June, 16 October 2008 and 25 February 2009 the FATF reaffirmed its statement of 28 February 2008 regarding the AML/CFT risks posed by Uzbekistan. In its last statement FATF stated that despite the progress undertaken by Uzbekistan to adopt comprehensive measures, concrete measures to address the identified deficiencies have not yet been implemented. In April, 2009 the amendments to the AML/CFT Law were adopted and signed by the president. Amendments to other 16 laws are currently being drafted. Uzbekistan is a member of EAG, and will undergo an AML/CFT Mutual Evaluation by EAG in the last quarter of 2009.

Euro-Asian Group (EAG) update

Schedule of EAG member-states' AML/CFT Mutual Evaluations:

Country	Evaluators	On-Site Evaluation	Plenary Discussion	Mutual Evaluation Reports [MER]
CHINA	FATF, EAG	Completed 2006	Adopted: FATF (June 2007) EAG (Dec 2007)	MER and Summary in English: http://www.fatf-gafi.org/dataoecd/24/45/39148209.pdf EAG First MER, Progress report in English: http://www.eurasiangroup.org/china.htm
BELARUS	EAG	July 27 – Aug 3, 2008	Adopted: EAG (December 2008)	MER and Summary in English and Russian: http://www.eurasiangroup.org/index-7.htm EAG Executive summary on first MER in English: http://www.eurasiangroup.org/belarus.htm EAG Executive summary on first MER in Russian: http://www.eurasiangroup.org/rus/belarus.htm
KAZAKHSTAN	EAG	3-d Quarter 2009	November 2009	-
KYRGYZSTAN	EAG	Feb 2007	Adopted: EAG (June 2007)	MER with Summary and Progress report in English: http://www.eurasiangroup.org/kyrgyz.htm MER with Summary and Progress report in Russian: http://www.eurasiangroup.org/rus/kyrgyz.htm
RUSSIA	EAG, FATF, MONEYVAL	Sept 24 – Oct 2, Nov 12-23, 2007	Adopted: FATF (June 2008) Moneyval (July 2008) EAG (July 2008)	MER and Summary in English: http://www.fatf-gafi.org/dataoecd/51/27/40945440.pdf

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TAJIKISTAN	EAG, World Bank	June 2007	Adopted: EAG (December 2008)	MER and Summary in English: http://www.eurasiangroup.org/tajikistan.pdf
UZBEKISTAN	EAG	2009	EAG (June 2009)	-

<http://www.eurasiangroup.org>

Technical Assistance Update & Regional news

⇒ From March 25 to April 4, 2009, **IMF held the first mission of a new AML/CFT project in the Kyrgyz Republic**. The project, funded by Swiss Government and managed by IMF, was aimed at further strengthening of the AML/CFT system in the country. Key elements of the new project involve the following areas: (i) assisting the Kyrgyz authorities in bringing the country's AML/CFT legislative and regulatory framework in line with the international standards; (ii) enhancing the effectiveness of Kyrgyz Financial Intelligence Unit (FIU), particularly in the processing and analysis of suspicious transaction reports and threshold-based transaction reporting as well as in deepening international cooperation; (iii) enhancing the National Bank's capacity in AML/CFT supervision using risk-based principles; (iv) assisting the insurance and securities markets regulators in developing AML/CFT measures for the securities and insurance sectors; and (v) improving the effective implementation of AML/CFT measures in the banking and non-bank financial sector (particularly with regard to customer due diligence requirements and detection and reporting of suspicious transactions).

The mission held meetings with the National Bank, FIU and the insurance and securities markets regulators to plan activities for the next six activities and jointly worked out an action plan for implementing the activities. The mission also involved working with the National bank and the insurance and securities markets regulators on developing procedures for conducting risk-based AML/CFT inspection.

The mission included a two-day workshop held on April 2-3, 2009 for the Kyrgyz National Bank to enhance examiners' understanding of risk-based approach to AML/CFT supervision. The workshop was attended by 32 participants and included representations by experts and authorities on AML/CFT examination issues and risk-based approaches; planning and preparing of AML/CFT on-site examination; as well as enhancing domestic cooperation between the National bank and the FIU in preparing for on-site examinations of banks. A primary feature of the workshop was interactive group exercises which required participants to analyze and present their assessments on two case studies.

⇒ From March 30 to April 3, 2009 a **joint IMF and WB/UNODC AML/CFT Mentor programme Technical Assistance Needs Assessment (TANA) mission** took place in Tashkent, Uzbekistan. The mission members had several meetings with representatives of the Uzbek FIU and the General Prosecutor's Office (GPO), Central Bank, Center for Coordination and Control over Functioning of Securities Market (CCCFSM), Ministry of Finance, Fund for reconstruction and development as well as with representatives of two commercial banks. In addition to the amendments on the AML/CFT law and drafting the related bylaws, also other areas of possible AML/CFT technical assistance were identified and were agreed upon during the mission.

⇒ From March 31 to April 1, 2009 the UNODC ROCA jointly with the General Prosecutor's Office of the Republic of Uzbekistan and in cooperation with UNDP, OSCE, OECD and World Bank held in Tashkent a **workshop on implementation of the United Nations Convention against Corruption (UNCAC) into domestic laws and practice**. The workshop was organized with financial contributions of USA and UK.

Uzbekistan acceded to the UNCAC in June, 2008. The Government established a Working Group comprised of representatives from 12 key national agencies to draft a national anti-corruption action plan, which would include measures to implement the UNCAC.

30 Uzbek participants (including 16 members of the Working Group) representing the Supreme Court, the General Prosecution Office, National Security, Ministries of Interior, Justice, Finance, Economy, Foreign Affairs, State Committees on Customs, Tax, Statistics, NGOs and private sector attended the workshop. Other participants were officials from the national anti-corruption agencies of Latvia, Slovenia, and the Kyrgyz Republic, prosecutors from Kazakhstan, the Russian Federation and the United States, as well as representatives of UNDP, World Bank, OSCE, OECD, embassies of UK and USA.

The workshop was divided into six main sessions. The first session introduced international anti-corruption legal frameworks, initiatives and tools. The second was devoted to the anticorruption measures undertaken by Uzbekistan. The rest four sessions covered four main chapters of the UNCAC - Preventive measures, Criminalization and law enforcement, International cooperation, Asset recovery - as well as challenges and good implementing practice in each of these areas. Presentations made at the workshop generated active discussion by the Uzbek and other participants.

The participants evaluated the workshop very positively having noted that the topics presented/discussed and the materials distributed would provide a valuable contribution to the process of drafting/completing the national anti-corruption action plan and lobbying its adoption with relevant authorities. The workshop – the first one of this type in the country - received high Media attention.

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As a follow-up to the workshop, UNODC will further work with GPO and the Working Group to assist with the implementation of the UNCAC and development of the national anti-corruption strategy/action plan.

- ⇒ **WB/UNODC AML/CFT Mentor programme mission to Astana, Kazakhstan.** From April 6 to 10, 2009 the WB/UNODC AML/CFT Mentor in Central Asia and his team visited Astana, Kazakhstan. During the mission they met with the head and other members of the Kazakh FIU and discussed the activities carried out under Joint Economic Research Programme (JERP) – FY 2009 as well as the AML/CFT technical assistance activities which should be included in the JERP 2010 Program.

Although the draft AML/CFT Law was already adopted by the Majilis (Lower Chamber of the Parliament) the Kazakh authorities requested written comments on the draft AML/CFT law to be provided under the JERP 2009. On April 29, 2009 the WB/UNODC Mentor drafted the comments on the draft AML/CFT law and sent it to the authorities. During the mission the WB/UNODC team also discussed with the FIU the draft reporting forms and the draft IT Structure, which were delivered to the Kazakh FIU prior to the meeting.

- ⇒ From April 7 to 8, 2009 in the Banking School of the Central Bank of Turkmenistan, the IMF within the framework of the Swiss co-operation project with Turkmenistan and in collaboration with the Central Bank of Turkmenistan, conducted a seminar on “**International practices in Anti-money laundering and Countering the of financing of terrorism (AML/CFT)**”.

Mr. Giuseppe Lombardo, IMF legal expert and Mr. Daniel Thelesklaf, an international expert, Switzerland discussed with Turkmen officials the international best practices in AML/CFT systems of other countries, examples of establishment and operations of the specialized bodies responsible for anti-money laundering and counter financing of terrorism.

The seminar was attended by representatives of Turkmen judicial and law enforcement authorities, parliamentary organizations, as well as banking industry and other organizations involved in establishing of the AML/CFT system. Turkmen specialists showed great interest in learning about the experience of other countries and official presentations at the seminar were followed by an active discussion between the international experts and Turkmen officials.

FATF update

- In March 2009, 57 people from 29 countries graduated from an intensive workshop on the FATF mutual evaluation process and the detailed evaluation methodology. The mutual evaluation programme is the primary instrument by which the FATF and the FATF-style regional bodies (FSRBs) monitor progress made by member governments in implementing the FATF Recommendations. Trained experts capable of conducting these evaluations are highly sought after.

Recently, the content of this workshop was updated jointly by the FATF, APG, IMF, World Bank. The materials for this new version of the workshop will now be used by all who run this type of training – FATF, APG, CFATF, EAG, ESAAMLG, GAFISUD, GIABA, MENAFATF, MONEYVAL, the IMF and the World Bank.

In the first week of April GIABA also provided training for evaluators. In this case, to 41 people from 7 countries. Later this month ESAAMLG will run this workshop for experts in Mombasa. The EAG will provide the evaluator training course to experts in Kiev during May and the CFATF will provide this course to its members in June. In July, both GIABA and MONEYVAL plan to provide evaluator training for their members and GAFISUD will run the training in August. Together, all of these workshops will ensure that there is a strong pool of mutual evaluation experts available across the globe.

- The Asia/Pacific Group on Money Laundering (APG) and the FATF finalized a comprehensive joint report: *Money Laundering/Terrorist Financing Vulnerabilities of Gaming and Casinos Sector*. The report focuses on legitimate gaming operations that have a physical presence, but also considers high seas gaming and junket tours. Statistics from 2007 show that over 150 countries permit in some kind of legal gambling. Casinos generate enormous revenue streams for operators and for governments. In addition there is a proliferation of Internet gambling sites, as well as a significant amount of illegal gambling occurring around the world. The nature and expanding scope of the casino sector presents a number of challenges for AML/CFT implementation. The primary features of the sector which makes it vulnerable to money laundering and the financing of terrorism are:

- Casinos provide a range of financial activities as 24/7 ‘entertainment’.
- They are cash intensive businesses.
- There is often criminal interest in or around casinos.
- In some jurisdictions there is weak regulation of this sector.
- Law enforcement and FIUs may not understand casino business.

In order to assist countries and gaming operators in dealing with these issues, the report provides sector-specific money laundering and terrorist financing indicators and highlights possible policy implications for effective implementation of the FATF Standards that cover casinos and gaming. This report can be found on the websites of both the FATF (www.fatfgafi.org) and the APG (www.apgml.org).

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UNODC update

In joint collaboration with the Commonwealth Secretariat and the International Monetary Fund (IMF), the United Nations Office on Drugs and Crime (UNODC) has finalized the model provisions for common law legal systems on money laundering, terrorist financing, preventive measures and proceeds of crime, and the provisions have been uploaded to the International Money Laundering Information Network (IMoLIN) (<http://www.imolin.org>).

The model provisions are intended to be a resource in drafting legislation to address money laundering and the financing of terrorism. Taken together, the provisions incorporate a legislative base for many of the requirements of the relevant international instruments and the FATF 40+9 Recommendations. The provisions also strengthen or supplement these standards in some respects. They suggest an approach both to criminally confiscate and civilly forfeit proceeds, instrumentalities and terrorist property. The provisions were drafted by a group of experts, including participants from the Commonwealth Secretariat, IMF and UNODC, that met in London in March 2008, in Washington D.C. in October 2008, and that finalized the provisions in April, 2009.

Central Asian Regional Information and Coordination Center (CARICC) update

Intelligence analysts' meeting (under UNODC F23 project). From March 30 to April 1, 2009 a working meeting of the officers of the analytical divisions from the competent agencies of CARICC member states was held in Tashkent, Uzbekistan under the project AD/RER/F23 "Drug law enforcement systems for criminal intelligence collection, analysis and exchange".

The goal of the meeting was strengthening cooperation between analysts of the law-enforcement agencies, working within frameworks of the project F23 (Central Asian countries, Afghanistan and Azerbaijan).

The meeting was attended by Mr. James Callahan, Regional Representative of the UNODC office in Central Asia, Mr. Christer Brannerud, Coordinator of F23 project, Mr. Rasoul Rakhimov, Project Manager of F23, Mr. Tofik Murshudlu, Senior Coordinator of UNODC project on establishment of CARICC and also representatives of the analytical divisions of the law-enforcement and specials services of Azerbaijan, the Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan and Afghanistan. During the meeting General M. Saifi, the representative of the CNPA of Afghanistan expressed his interest in cooperation with CARICC.

Meeting of Interpol contact officers in Damascus. From April 5 to 9, 2009 the 8th Asian Contact Officers Meeting and the 4th Middle East and North Africa Contact Officers Meeting was held in Damascus, Syria.

62 officers participated in the meeting from 25 National Central Bureaus (NCB), 2 sub-offices of INTERPOL (Afghanistan, Algeria, Bangladesh, Brunei, China, Hong Kong-China, Macao-China, Egypt, India, Indonesia, Japan, Jordan, Iraq, Kuwait, Lebanon, Libya, Malaysia, Nepal, Oman, Qatar, Saudi Arabia, Singapore, Sri Lanka, Sudan, Syria, Thailand, United Arab Emirates), Arab Interior Ministers' Council, Naief Arab University for Security Sciences (Saudi Arabia), General Secretariat of INTERPOL and its Liaison office for South East Asia in Bangkok (Thailand) and also CARICC. The main goal of the meeting was to strengthen cooperation between Contact Officers of the region and to identify the major directions in the development of international cooperation in the field of combating trans-border crime. Mr. Uygun Gaipov, CARICC Representative made a presentation on the main objectives, achievements and future plans of the Centre.

For the first time, the meeting included two-day training on the use of I-24/7 system and data entry for the Contact Officers aiming at enhancing their knowledge and skills in exploring INTERPOL services and tools.

EAG representatives' visit. From April 28 to 29, 2009 representatives of the Eurasian Group on Combating Money Laundering and Terrorist Financing (EAG) visited a temporary office of CARICC. Colonel M. Madybaev, Deputy Director hosted the guests. Russian colleagues have familiarized with the basic normative documents of CARICC, its objectives, facing the Center, and the results of its activity. EAG representatives were also interested in issues of organizational nature. Thus, in the establishment of the Informational-Coordination centre within EAG it is expected to use the experience of CARICC. The meeting participants agreed on the need for close cooperation between CARICC and EAG in the fight with laundering of drug proceeds.

The meeting was also attended by Colonel S. Ramazanov, Senior Analyst CARICC and Major-General B. Bulgakbaev, plenipotentiary of the Republic of Kazakhstan to CARICC.

Italy and Finland have received observer status at CARICC. Italy and Finland have been granted observer status at CARICC. This decision has been taken based on the consensus by the members of the CARICC Council according to the article 5 of the CARICC Regulations. Italy and Finland take active role in the development of the Centre and render support in many activities. These countries are also donors of the CARICC project.

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Wolfsberg group update

The Wolfsberg Group has recently issued a paper entitled "Wolfsberg AML Guidance on Credit/Charge Card Issuing and Merchant Acquiring Activities." The purpose of this paper is to consider the threats to, and vulnerabilities of, credit/charge card "Issuing" activities in relation to money laundering and provide guidance on managing these risks as part of a comprehensive approach to AML compliance management. The paper also addresses merchant acquiring ("Acquiring") - the underwriting, provision and maintenance of Point of Sale relationships. Acquiring activities, and their attendant AML controls, may be closely aligned to the risks and controls associated with cards, and many large financial institutions extend services to both card and merchant customers. This paper does not consider Debit Cards, including "Automated Teller Machine" only products which are solely linked to deposit accounts or Stored-value / Pre-paid cards. This guidance should be considered in conjunction with other Wolfsberg Group papers as appropriate - in particular its principles on the Risk Based Approach.

For more info, please visit: www.wolfsberg-principles.com

Egmont group update

Library of court decisions: The Legal Working Group (LWG) is currently developing a library of court decisions for use by all Egmont members. The library will contain general information about each Financial Intelligence Unit (FIU) as well as a proposed work flowchart and court rulings. The court rulings will be summarized and translated into English.

Principles of information exchange: The LWG reinforced a ruling made by the Egmont Group that encourages the broadest information exchange and does not limit this exchange of information to between Egmont members exclusively. It is however, up to each FIU to decide which counterparts outside the Egmont Group they will share information with.

New Egmont members: The Legal and Outreach Working Groups continue to work with newly established FIUs to assist them in their application for Egmont membership. This work is also assisted by the Egmont Regional Representatives. During the 17th Egmont Plenary meeting the LWG will recommend a number of new candidates to the Heads of FIUs for Egmont Group membership.

Mutual Evaluation Training Package: The Training Working Group (TWG) is continuing to develop the Mutual Evaluation Training Package. This training package will provide information on how different FIUs are able to meet the FATF recommendations and examples of evidence that can be presented to demonstrate compliance. The training material will be used to train future Mutual Evaluators of FIUs and will also help FIUs who are preparing for an evaluation. The package will be submitted to the Heads of FIUs for approval at the next plenary meeting in May 2009.

Asset Recovery Predictive Intelligence System: The Operational Working Group (OpWG) reconstituted the pilot group to test and evaluate the Asset Recovery Intelligence System (ARIS). This tool is an information platform to notify FIUs of the names of individuals, their networks and proceeds related to corruption, using information from open and commercial sources that has been developed by the International Center for Asset Recovery (ICAR). ICAR will develop a project plan for the pilot which will be launched in May 2009 at the next Egmont Plenary meeting.

Information Exchange Enhancement Project: Members of the OpWG is preparing the methodology on the proposed study on the quantity of information exchanged among Egmont Group members to determine the effectiveness, efficiency and the value of the information. As part of the study a matrix/table will be developed to collect statistics on information exchanges, as well as qualitative data. In the future this information collection will be included in the Biennial Census.

Membership application documents: The OWG during the Guatemala City Working Group meeting finalized discussions on the "Membership Application Package" (MAP) which was created to assist and inform candidate FIUs on Egmont Group membership procedures. The package will soon be published on the Egmont Group Public Website and describes the different steps, processes and timelines that a prospective new member needs to follow before its candidacy is presented to the HoFIUs for decision.

"Egmont" Group Case study: "Use of false identities, documents, or straw men"

In a relatively quiet mid-European town, the local bank was pleased to attract a new customer – Bill. The bank clerk noticed immediately the expensive apparel and cultured manners of the new client, and foresaw few problems when Bill wanted to open a personal account. Bill explained that he was an agent acting for a foreign property firm dealing in real estate properties in Europe and America. He further explained that his commission payments would be credited into the new account. The bank-employee opened the account for the new customer, and subsequently huge sums of money flowed into the account from overseas.

Some time afterwards, Bill called his bank and said he wanted to close his account immediately. When asked why, Bill said that he had had a disagreement with one of his clients. Furthermore he claimed to be very upset, because a third party had informed him that the property firm he had been working for was, in fact, a front company for money laundering activity.

Not surprisingly, Bill's story aroused suspicion. The bank-employee decided to investigate the commission payments Bill had received. Bill was asked to submit the contracts on which the commissions were based. They turned out to be drafted amateurishly and could

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not possibly have been the genuine documentation. When Bill was confronted, his explanation was not plausible, and was to some extent even contradictory. Bill's attitude changed rapidly and he became increasingly reluctant to discuss the matter. On top of that, the existence of the company Bill claims to be working for could not be verified. The property firm wasn't registered in the Chamber of Commerce at the European country in which it was supposed to be incorporated.

At this point a disclosure was made to the national FIU. The bank disclosed the transaction report in respect of the fund movements and all additional information gathered in their own investigation to the FIU. The FIU detected that several of the individuals involved had already been implicated in property fraud cases elsewhere in the jurisdiction. Following further analysis to ensure that all possible intelligence had been collated, the intelligence package was forwarded to an investigating police unit. At the time of writing, a full criminal investigation was underway to determine the extent and scope of the property fraud activity.

Indicators:

- Illogical business activity: Why would a wealthy and successful businessman need to approach a small bank and without any supporting financial documentation
- Questionable rationale of underlying business
- Defensive stance to questioning

«Egmont» group 100 Sanitized cases are available at: http://www.egmontgroup.org/files/library_sanitized_cases/100casesgb.pdf

Publications and Websites of Interest

http://www.unodc.org	Official website of the UNODC. (In English, Russian, Spanish)
http://www.amlcft.org	World Bank's AML/CFT website. (In English)
http://www.worldbank.org/StAR	World Bank and UNODC's Stolen Assets Recovery Initiative (StAR) website
http://www.imolin.org	International Money Laundering Information Network administered by UNODC Global Program against Money Laundering (GPML) on behalf of a partnership of eleven international organizations and offering model laws, legal library, calendar of key events and other AML/CFT related information. (In English, with some Russian)
http://www.euroasiangroup.org	The EurAsian Group is the FATF-Style Regional Body serving Central Asia. (In English and Russian)
http://www.imolin.org/pdf/imolin/MLawRussian_IMoLIN.pdf	UNODC Model Law in Russian
http://www.fatf-gafi.org/dataoecd/43/46/38960576.pdf	The Guidance on the Risk-Based Approach to combating Money Laundering and Terrorist Financing adopted by the FATF. It outlines the high-level principles involved in applying the risk-based approach, and indicates good public and private sector practice in the design and implementation of an effective risk-based approach.
http://www.fatf-gafi.org/dataoecd/61/28/40248726.pdf	Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards Within Low Capacity Countries - is primarily intended to support low capacity countries (LCCs) in implementing the FATF standards in a manner reflecting their national institutional systems, is consistent with the ML/FT risks they face, and takes account of their limited resources
http://www.fatf-gafi.org/dataoecd/28/43/40285899.pdf	The study identifies four strategies which could help in further strengthening counter-terrorist financing efforts: (a) Action to address jurisdictional issues, including safe havens and failed states; (b) Outreach to the private sector to ensure access to the information necessary to detect terrorist financing; (c) Building a better understanding of terrorist financing across the public and private sectors; and (d) Using financial investigation, enhanced by financial intelligence.
http://www.eurasiangroup.org/rus/index-5.htm	Russian version of 40 FATF Recommendations [AML] Russian version of 9 FATF Special Recommendations [CFT] with Interpretive Notes

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http://www.fatf-gafi.org/dataoecd/45/31/40705101.pdf	FATF's first in-depth study, which examines its vulnerabilities to misuse for money laundering and terrorist financing in real estate sector.
http://www.unodc.org/documents/wdr/WDR_2008/WDR_2008_eng_web.pdf	<i>The World Drug Report 2008</i> provides in depth trend analysis of the four main drug markets in its first section. It also contains an in-depth look at the development of the international drug control system and a small statistical annex which provides a detailed look at production, prices and consumption.
http://www.assetrecovery.org	Asset Recovery Knowledge Center of the International Centre for Asset Recovery (ICAR)
www.egmontgroup.org	The Egmont Group of Financial Intelligence Groups
http://www.gfip.org/storage/gfip/executive%20-%20final%20version%201-5-09.pdf	Illicit Financial Flows from Developing Countries: 2002-2006 The objective of this study is to estimate the volume and pattern of illicit financial flows exiting the developing world through application of existing economic models using the most recent macroeconomic data available. Illicit financial flows in the context of this report includes the proceeds from both illicit activities such as corruption (bribery and embezzlement of national wealth), criminal activity, and the proceeds of licit business that become illicit when transported across borders in contravention of applicable laws and regulatory frameworks (most commonly in order to evade payment of taxes). This paper does not link illicit financial flows with the underlying activities (whether legal or illegal) that generated the capital to transfer abroad.
http://www.coe.int/t/dghl/monitoring/moneyval/	MONEYVAL - Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
http://www.caricc.org	CARICC - Central Asian Regional Information and Coordination Centre for combating the illicit trafficking of narcotic drugs, psychotropic substances and their precursors, established within the Memorandum of Understanding on sub-regional drug control cooperation dated May 4 1996 (Tashkent, Uzbekistan) between the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan and UN Office on Drugs and Crime (UNODC).

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