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Money Laundering (January 2013)

Money laundering has wide-ranging negative impacts on the economy and can take on a number of forms that are not easily identifiable. The practice is difficult to control and its extent is difficult to measure, but the one thing that can be conclusively stated is that the negative impacts of money laundering are quite serious and can be global in nature. Money laundering can be said to facilitate not only the proliferation of many types of crime, but terrorism as well. As such, money laundering, poses a significant problem world-wide.

What is Money Laundering?

Money Laundering is generally understood to be the practice of converting the illicit proceeds of criminal activity into funds that are “clean” or that cannot be demonstrated to have come from criminal activity, thus making them useable for spending or investment. The conversion process involves several steps, all of which are designed to avoid detection by law enforcement and conceal the illicit proceeds of criminal activity in such a manner that they appear as the proceeds from some legitimate endeavor. The U.S. Code criminalizes knowingly engaging in a broad array of financial transactions that involve money either derived from or meant to promote various illegal activities. Money laundering charges may come along with accusations of prostitution, selling drugs, committing mail or wire fraud, "structuring" a transaction by carving up cash deposits to avoid currency reporting requirements, narcotics trafficking, bribery, gambling, counterfeit merchandise, copyright infringement, and a wide range of other white collar crimes, and illegal activities. Any illegal activity that either uses or generates money can also lead to charges of money laundering.¹

Why Launder Money?

Illicit activities such as drug dealing, embezzlement and large scale fraud schemes tend to yield considerable sums of money. The problem the criminal faces is how to spend and invest this money in such a manner as to avoid the notice of the law enforcement community or taxing authorities. Avoiding the notice up front, at the point of purchase may not present as much of a problem as when the person comes to the attention of law enforcement for some reason. Certainly there is no law against purchasing a vehicle, house or even a sky scraper with a large quantity of cash. When, for whatever reason, the purchaser comes to the attention of the law enforcement community, explaining how they happened to come by that truckload of cash may prove quite difficult and the very real possibility of forfeiture begins to become a serious reality. A person of no visible (legal) means of support, spending or investing large amounts of money that cannot be legitimately accounted for, may raise suspicion in the eyes of the law enforcement community and could conceivably lead to detection of the illegal activity. In addition, investment in real estate and many other costly items that the criminal may wish to purchase could require that they establish the legitimacy of the source of their funding before making a purchase or obtaining financing. The larger the item to be purchased, the more likely that the purchaser is going to have to be able to provide the seller with some legitimate explanation of where the funding is coming from. As already discussed, there is certainly no law against any of the above financial transactions but drawing attention to oneself is not advisable if you are involved in an illegal occupation.

The Process of Money Laundering

Although money laundering can take a variety of forms, there are a number of basic steps that need to be completed before the proceeds of a criminal activity can be concealed to the extent that they are considered “clean” (meaning that law enforcement cannot prove that the funds are the proceeds of a crime).

- **Placement:** “The goal in this stage is to deposit criminal proceeds into a bank account at home or abroad. For this purpose, cash could be switched into other valuables like trade goods, diamonds, gold bars or checks. It could also be exchanged into other currencies, in larger denominations and/or split up in smaller sums which allow easy transportation by cash couriers. The cash or other valuables can be transported abroad, away from the country where the crime was committed, to the country of residence of the criminal or a specific country where cash can be easily deposited or invested. Transportation can be by car, plane (passengers or cargo) or by using an underground banking system. For all of these acts, criminals can use third parties, whether individuals or corporations. Money derived from fraud, like tax fraud or investment fraud, could easily be money held in a bank account and capable of being exchanged electronically. Not all criminal proceeds are in the form of cash or even money. Illicit proceeds can be exchanged for other valuables.”²

- **Layering:** Layering is a phase of the process involves a series of complex financial transactions that move the funds in order to distance them from their illegal source and make them as difficult to trace as possible. The deposits from the above process might then be used to purchase gold, jewelry, more stocks and bonds or any other item of value. It can then be reconverted to cash or ownership transferred to another person, loaned to a non-existent borrower, or simply transferred to another account. Another example of layering might be an e-fraud that accomplishes its layering step by sending the payment through a number of different online banks and virtual currencies before eventually landing in someone's online bank account.
 - “The summary of the 2009 Strategic Surveillance exercise indicated that a noteworthy proportion of ML/TF activity continues to involve cash. The use of cash or currency (*i.e.* banknotes and coins used as a medium of exchange) is attractive to criminals mainly because of its anonymity and lack of audit trail. Criminals look for as much flexibility as possible and are interested in avoiding detection.”³
 - “Bearer negotiable instruments are also attractive to criminals, as they are paper documents which have monetary value to the individual possessing them and are in a form that ownership or title passes upon delivery.”⁴
- **Integration:** Integration can be described as the process in which the illegal funds re-enter the legitimate economy and become virtually indistinguishable from legal funds. The newly cleaned funds, often comingled with legitimate funds, are then ready for use.
 - “Common elements that drive the efforts of money launderers throughout this three step process include” the need to conceal the origin and true ownership of the proceeds, the need to maintain control of the proceeds, and the need to change the form of the proceeds in order to shrink the huge volumes of cash generated by the initial criminal activity.”⁵

It is important, when reviewing literature on money laundering, to be aware that a conviction for the crime of money laundering may not necessarily reflect activity that would traditionally be understood to constitute money laundering. For example, someone who buys legitimate goods online commits money laundering, under the federal statute, if the supplier is outside of the country and the supplies are intended to facilitate one of several crimes – even if the product is itself legal and is being used in a legal way. (Purchasing napkins in such a way would be money laundering, if they were to be used in an illegal casino.)

Costs and Statistics

Determining the costs to the economy of activities such as money laundering is never easy. Depending on the source, estimates of the costs of this activity vary widely. Estimates based on crimes that are reported or discovered and investigated by law enforcement will never capture the true volume of money laundering activities that takes place. According to a report by the United Nations, the amount of money laundered (as expressed as a percentage of GDP or

Gross Domestic Product), has varied over the last two decades with the rise and fall in illicit drug trade. An indication of the major illegal industry involved in money laundering. A United Nations report on published in 2011, "Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Organized Crimes" discusses the estimated impacts of Money Laundering in several countries. In discussing its impact in the United States, the report stated;

"... estimates on the generation of illegal income, including tax evasion, suggest that earnings from criminal activities increased in nominal terms over the last few decades to some US\$780bn, though – after an initial rise between 1965 and 1985 - they remained stable over the 1985-2000 periods if expressed as a proportion of GDP. Excluding tax evasion, criminal income increased from 2.5% of GDP in 1965 to 4% in 1985 (in line with the massive increase in drug consumption and trafficking over that period) but then gradually declined to 2.3% of GDP by 2000 (which also appears to be linked to the subsequent fall in drug use, notably the use of cocaine and related falls in acquisitive crime and trafficking over the 1985-2000 period). The proportion of overall criminal income (some US\$220bn in 2000) to total illicit income (including tax evasion of some US\$780bn) fell from almost half in 1985 to less than a third two decades later and to less than 30% in 2010. Assuming that the proportion for crime-related income (2.3% of GDP) remained largely stable over the subsequent decade – which can be assumed as no increase in crime was reported – the criminal income in 2010 (excluding tax evasion) may have amounted to some US\$350bn in the world's largest national economy."⁶

Not surprisingly, the DEA suggests that a major portion of money laundering is, in some form, related to narcotics trafficking. Alarming amounts of U.S. currency are being laundered through Mexico, according to a DEA study:

"A 2005 DEA study determined that during 2003 and 2004 there were excess U.S. dollars present in Mexico that could not be accounted for from legitimate sources totaling at least \$9.2 billion and \$10.2 billion, respectively. It is estimated that the four major drugs that are smuggled into the United States from Mexico (i.e. methamphetamine, heroin, cocaine, and marijuana,) generate as much as \$22 billion per year for the sources of supply.

DEA has identified the following as the major money laundering threats relating to movement of drug proceeds to Mexico:

- Bulk currency smuggling to include the transportation organizations that service the Mexican DTOs.
- Mexican currency exchange houses, referred to as Casas de Cambio and Centros Cambiario.
- The remission of drug proceeds through cash-based money remitters."⁷

Money Laundering Trends

The traditional methods of money laundering have centered on the use of cash-based businesses. While this remains an important area, criminals will continue to seek out innovative methods to exploit weaknesses in financial systems and to try to keep ahead of investigators. Real estate, loans and money laundering are preferred methods for criminals to launder the proceeds of crime and tax fraud. These are described later. The use of credit cards issued by offshore banks has increased and it is expected that criminals will begin to explore the vulnerabilities of technology-based products such as electronic money and internet-based trading and gambling.⁸

Enforcement

The investigation and enforcement of money laundering violations falls to a number of agencies working either individually or on collaboration with one another.

The Financial Crimes Enforcement Network (FinCEN) is one of U.S. Treasury's primary agencies to oversee and implement policies to prevent and detect money laundering. FinCEN uses legislation such as the Bank Secrecy Act, to require reporting and record keeping by banks and other financial institutions. By enforcing these record keeping regulations, the efforts of this agency preserves a financial trail for investigators to follow as they track criminals and their assets. FinCEN's analysts provide case support to more than 165 federal, state, and local law enforcement and regulatory agencies, issuing close to 7,000 intelligence reports each year.⁹

The Criminal Investigation Division of the Internal Revenue Service (IRS) focuses on money laundering where the underlying conduct is a violation of the income tax laws or violations of the Bank Secrecy Act. In the view of the IRS, money laundering is a means by which criminals evade paying taxes on illegal income by concealing the source and the amount of profit. In essence, the IRS views money laundering as tax evasion in progress.¹⁰

The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 by the ministers of its member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. As a policy-making body, the FATF is charged with working to generate the political will to bring about standardized policy and regulatory measures in countries around the world, to reduce the impacts of money laundering by reducing the jurisdictions in the world that make it possible. While not every governmental entity in the world adheres to the policy recommendations of the FATF. On their website, the FATF posts current statements and advisories as to the status of their efforts to combat this problem. The organization also lists those countries that are uncooperative in their financial policies, meaning that those governments are failing to implement the majority of the FATF's guidelines aimed at controlling and reducing money laundering and the concealment of illicit finance. In its most recent statement as of the writing of this brief, the following comments were made:

“The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.”¹¹

Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdictions.

[Iran](#)
[Democratic People's Republic of Korea \(DPRK\)](#)

Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.

[Bolivia](#) [Cuba](#) [Ecuador](#) [Ethiopia](#) [Indonesia](#) [Kenya](#) [Myanmar](#)
[Nigeria](#) [Pakistan](#) [São Tomé and Príncipe](#) [Sri Lanka](#) [Syria](#) [Tanzania](#)
[Thailand](#) [Turkey](#) [Vietnam](#) [Yemen](#)

Examples/Case Studies

- On December 11, 2012, in Phoenix Ariz., David Steven Goldfarb, of Scottsdale, Ariz., was sentenced to 36 months in prison and ordered to pay \$19,567,512 in restitution. Goldfarb, along with co-defendants, owned and operated CORF Licensing Services, LP (CLS) and CORF Managements Services, LP (CMS) from 1999 until May 2003, when the companies declared bankruptcy. During the life of the CLS and CMS, the defendants convinced hundreds of investors to contract with CLS to establish a for-profit Comprehensive Outpatient Rehabilitation Facility, which they claimed would provide an alternative to hospitals for rehab services. For an investment fee of \$100,000 to \$165,000, CLS was supposed to establish a profitable, Medicare-certified, business for the investor. The defendants entered into 338 contracts and collected over \$40,000,000. However, CLS was unable to establish medical business for over two thirds of its clients. At the facilities CLS did establish, its clients were losing substantial sums of money. Goldfarb and his co-defendants placed ads in newspapers and magazines that falsely represented that an investor could expect to make \$450,000 in net profit during the first year. Goldfarb and his co-defendants gave prospective investors a false impression that CLS clients we successful and were collecting more than \$1,000,000 per year. Investors were directed to speak to owners who were

- identified as “independent” references. Goldfarb and his co-defendants paid the “independent” references approximately \$2,000,000 to provide misleading information. The “independent” references falsely confirmed the financial representations Goldfarb and his co-defendants had made. Goldfarb received over \$3,000,000 from CLS during the life of the company.¹²
- On December 3, 2012 in Martinsburg W. Va. David F. Brackett, Jr., of Shepherdstown, West Virginia, was sentenced to 282 months in prison and three years of supervised release. Brackett obtained “loan” money from victims and falsely promised to repay the victims by making materially false statements about his assets and expected profitability of his business ventures. In total, Brackett fraudulently obtained over \$5.5 million from his victims and laundered his money through a variety of bank transactions involving different banks and accounts.¹³
 - July 2012: One of Mexico’s most violent narcotic-trafficking drug cartels has been laundering money into the U.S. through accounts with Bank of America. Beginning in or around 2009, members of the infamous Los Zetas cartel had been sneaking drug earnings past federal authorities into Texas and then laundering them through Tremor Enterprises LLC, a horse training and racing business that was run, in part, by José Trevino Morales, a brother of cartel leaders, Miguel Angel Trevino Morales and Omar Trevino Morales. The Morales brothers in Mexico would purchase Quarter Horses, known for their potential in short sprint racing, through transactions from two accounts established at Bank of America. Once the horses were considered in prime racing condition, they were sold cheaply to José Trevino Morales, at which point he could put the horses up for auction. The resulting profit allowed the Morales brothers to disguise their huge drug earnings as legitimate margins. This scheme hit its peak in September 2010, nearly a year after the Bank of America accounts were opened. *Mr. Piloto*, one of the horses allegedly bought with cartel money, won the \$1 Million first prize at the All American Futurity at Ruidoso Downs, in New Mexico and the winnings were deposited into a Bank of America account owned by Tremor Enterprises LLC. José Trevino then purchased the horse from his brothers for \$100,000 and one auction later, the Moraleses could claim a legitimate source for their earnings. Since December 2009, Bank of America filings reported an estimated dozen transactions between the two accounts, totaling \$1.5 Million.¹⁴
 - August 2010 Bloomberg Markets Magazine reported that in April 2006, smugglers in a DC-9 Jet were intercepted by Mexican authorities at an airport in Ciudad Del Carmen, 500 miles east of Mexico City and in their possession authorities found 5.7 tons of cocaine, valued at \$100 million. The investigation later established that the DC-9 the smugglers used was

purchased with laundered funds they transferred through two of the biggest banks in the U.S., Wachovia Corp. and Bank of America Corp. Wells Fargo & Co. Which bought out Wachovia in 2008, admitted in court that its unit failed to monitor and report suspected money laundering by narcotics traffickers – including the case used to buy four planes that shipped a total of 22 tons of Cocaine. As a result of the ensuing investigations, Wachovia admitted that it “didn’t do enough to spot illicit funds” in handling \$378.4 billion for Mexican currency exchange houses from 2004 to 2007. That’s the largest violation of the Bank Secrecy Act in U.S. history.¹⁵

- January 2013, CNBC.com reported that Julio Chaparro, a 48 year old father of four who owned three factories that made children’s clothing in Colombia was arrested in Colombia and extradited to the U.S. where he pleaded guilty to money-laundering and conspiracy and is awaiting sentencing. Chaparro, was the mastermind of an operation taking drug cartel proceeds from selling narcotics in the U.S. having it smuggled across the border into Mexico where it would be put into bank accounts at HSBC Holdings plc (commonly known as HSBC) is a British multinational banking and financial services company headquartered in London, United Kingdom. The money would be deposited into HSBC’s Mexico unit, where large deposits could be made without arousing suspicion, according to U.S. Justice Department documents. Chaparro and others allegedly utilized accounts at HSBC Mexico to deposit drug proceeds and then wire those funds to businesses located in the U.S. and elsewhere. The funds were then used to purchase consumer goods, which were exported to South America and resold to generate ‘clean’ cash.¹⁶

Current Efforts to Combat Money Laundering

The U.S. has imposed a number of legislative and regulatory standards to deter money laundering. The most significant of these are the following:

- The **Racketeer Influenced and Corrupt Organizations (RICO) Act** identified violations of money laundering statutes as “predicate offenses” that constitute racketeering activity and provided for both civil and criminal actions against violators. (Codified 18 U.S.C. §§ 1961-1968)
- The **Bank Secrecy Act (BSA)**, signed into law in October 1970, implemented a reporting system for large financial transactions (over \$10,000) to monitor and deter the flow of criminally obtained proceeds. (codified 31 U.S.C. §§5311-5330)
- The **Money Laundering Control Act of 1986** amended the BSA and specifically made money laundering- spending, saving, transporting, or transmitting proceeds of criminal activity – a federal felony. (Codified 18 U.S.C. §§1956 and 1957)
- The **Anti-Drug Abuse Act of 1988** increased the penalties and sanctions for money laundering crimes and amended the money laundering provisions of 18 U.S.C. § 1956 to

- include financial transactions with the intent to violate §7201 (attempted tax evasion) or §7206 (false tax return) of the Internal Revenue Code of 1986 (26 U.S.C.). (Pub. L. 100-690)
- **Section 2532 of the Crime Control Act of 1990** enhanced the federal banking agencies enforcement position by giving it powers to work with foreign banking authorities on investigations, examinations, or enforcement actions dealing with possible bank or currency transaction-related violations.
 - The **Annunzio-Wylie Anti-Money Laundering Act of 1992** increased penalties for depository institutions found guilty of money laundering. The act added several significant provisions to the BSA, including the reporting of suspicious transactions. The act also made the operation of an illegal money transmitting business a crime, and required that banking regulatory agencies formally consider revoking the charter of any depository institution convicted of money laundering.
 - The **Money Laundering Suppression Act of 1994** required regulators to develop enhanced examination procedures and to increase examiner training to improve the identification of money laundering schemes in financial institutions.
 - The **Money Laundering and Financial Crimes Strategy Act of 1998** required that the Secretary of the Treasury coordinate and implement a national strategy to address money laundering. (Pub. L. 105-310)
 - The **U.S.A. Patriot Act of 2001** established new rules and responsibilities affecting financial institutions and commercial businesses to prevent, detect, and prosecute terrorism and international money laundering. For example, the Act required banks to actively monitor customer transactions, expanded the ability of public and private institutions to share information, and increased civil and criminal penalties for money laundering. (Pub. L. 107-56)

Since the attacks of September 11, 2001, efforts to reduce money laundering – throughout the world – have increased significantly, with particular attention paid to associations with terrorist activities. Effective September 24, 2001, for example, President Bush issued Executive Order 13224, “blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism.” Initially, 27 individuals and organizations were identified as specially Designated Global Terrorist (SDGT) entities under Executive Order 13224. As of December 31, 2011, a total of 626 individuals and entities had been identified or designated and remained listed as “SDGTs” for having met one or more of the criteria for designation set forth in E.O. 13224.

The U.S. Justice Department and its multiple enforcement agencies continue the battle against illegal money laundering on a daily basis. The nexus between narcotics trafficking and terrorist financing is undeniable and agencies from U.S. Treasury, DEA and Immigration and Customs Enforcement, the F.B.I. and law enforcement agencies at the state and local levels all continue to devote significant efforts to combat money laundering

WASHINGTON, D.C. – “DEA Administrator Michele M. Leonhart and U.S. Attorney for the Southern District of New York Preet Bharara announced today the filing of a civil money-laundering and in rem forfeiture complaint (the “Complaint”) alleging a massive, international scheme in which Lebanese financial institutions, including a bank and two exchange houses linked to Hizballah, used the U.S. financial system to launder narcotics trafficking and other criminal proceeds through West Africa and back into Lebanon. As part of the scheme, funds were wired from Lebanon to the United States to buy used cars, which were then transported to West Africa. Cash from the sale of the cars, along with proceeds of narcotics trafficking, were then funneled to Lebanon through Hizballah-controlled money laundering channels. Substantial portions of the cash were paid to Hizballah, which the U.S. Department of State designated as a Foreign Terrorist Organization in 1997. As alleged in the Complaint, the Hizballah-linked financial institutions involved in the scheme include the Lebanese Canadian Bank (“LCB”) and two Lebanese exchange houses – the Hassan Ayash Exchange Company and Ellissa Holding – and their related subsidiaries and affiliates.

The Complaint alleges that the assets of LCB, the Hassan Ayash Exchange, and Ellissa Holding, along with the assets of approximately 30 U.S. car buyers and a U.S. shipping company and related entities that facilitated the scheme, are forfeitable as the proceeds of violations of the International Emergency Economic Powers Act (“IEEPA”), together with Executive Orders and U.S. Department of the Treasury regulations, and as property involved in and the proceeds of money laundering offenses. The Complaint also seeks civil money laundering penalties totaling **\$483,142,568.00** from these entities, representing the sum of the funds they laundered.”¹⁷

Conclusion

The practice of money laundering is a very complex field of investigation and requires far more attention than is possible in a short research brief such as this. In the last decade alone, the field has expanded from money laundering associated predominantly with narcotics trafficking using methods that have been known to law enforcement for years, to new and unique methods of laundering illicit funds obtained in the commission of a wide array of illegal activities. As law enforcement delves deeper into the enforcement of anti-money laundering statutes we become more and more aware of the importance of finding ways to control money laundering.

For More Information/Links

- Financial Action Task Force on Money Laundering – www.fatf-gafi.org
- Financial Crime Enforcement Network – <http://www.fincen.gov>
- Internal Revenue Service. Criminal Investigation Division – <http://www.irs.gov/uac/Criminal-Enforcement-1>
- General Accounting Office – <http://www.goa.gov/>
- U.S. Patriot Act of 2001 – <http://www.thomas.loc.gov/cgi-bin/query/z?c107:H.R.3162.ENR>
- Department of the Treasury, Comptroller of the Currency: – <http://www.occ.treas.gov/index.html>
- MoneyLaundering.com – <http://www.moneylaundering.com/>

Due to the extensive nature of this topic, there will be additional related white papers dealing with Informal Value Transfer Systems, Hawala, E-commerce etc., topics that all relate to the issue of money laundering. If you'd like to read more about NW3C's white collar crime initiatives, please visit us on the web at www.NW3C.org. For internet crime statistics, or to report an internet-based crime, please visit us at the Internet Crime Complaint Center, at www.IC3.gov. If you are actively involved in the field of white collar crime research, please consider joining the White Collar Crime Research Consortium. More information is available at http://www.nw3c.org/research/white_collar_crime_consortium.cfm

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ENDNOTES

¹ 18 U.S.C. § 1956

² Organization for Economic Cooperation and development: “Money Laundering Awareness Handbook for Tax Examiners and Tax Auditors. 2009 p. 13 Retrieved November 9, 2012 from <http://www.oecd.org/tax/exchangeofinformation/43841099.pdf>

³ Financial Action Risk force on Money Laundering: Global Money Laundering and Terrorist Financing Threat Assessment, July 2010, p. 15 retrieved from www.FATF-GAFI.ORG

⁴ Ibid. p. 15

⁵ Ibid. p. 16

⁶ United Nations Office on Drugs and Crime research report “Estimating Illicit Financial Flows Resulting From Drug Trafficking and Other Transnational Organized Crimes” October 2011 p.21

⁷ Press Release on DEA web site. Retrieved from <http://www.justice.gov/dea/divisions/hq/2011/hq2011/hq121511.shtml>.

⁸ Organization For Economic Cooperation and Development: Money Laundering Awareness Handbook for Tax Examiners and Tax Auditors. 2009. P. 14 retrieved from <http://www.oecd.org/tax/exchangeofinformation/43841099.pdf>

⁹ U.S. Treasury Financial crimes Enforcement network home page retrieved November 9, 2012 http://www.fincen.gov/about_fincen/wwd/faqs.html#addressed

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¹¹ Financial Action Task Force web site, FATF Public Statement October 19, 2012, retrieved on November 8, 2012 from <http://www.fatf-gafi.org/topics/high-risk-andnoncooperativejurisdictions/documents/fatfpublicstatement-19october2012.html>

¹² IRS web site “Examples of Money Laundering Investigations – Fiscal Year 2013” <http://irs.gov/Examples-of-Money-Laundering-Investigations-Fiscal-Year-2013>

¹³ Ibid.

¹⁴ Retrieved from the Internet January 24, 2013 <http://www.policymic.com/articles/10959/bank-of-america-laundered-drug-cartel-money-according-to-FBI>

¹⁵ Bloomberg Markets Magazine, “Banks Financing Mexico gangs Admitted in Wells Fargo Deal” by Michael Smith, June 29, 2010 retrieved January 24, 2013 from <http://www.bloomberg.com/news/2010-06-29/banks-financing-mexico-s-drug-cartels-admitted-in-wells-fargo-s-u-s-deal.html>

¹⁶ “How Colombian Drug Traffickers Used HSBC to Launder Money” CNBC.com, January 1, 2013 retrieved on January 2, 2013 from <http://www.cnbc.com/id/100347235/print>

¹⁷ Press release: DEA web site. Retrieved from <http://www.justice.gov/dea/divisions/hq/2011/hq121511.shtml>