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OAS CICAD
EXPERTS GROUP ON MONEY LAUNDERING CONTROL
WORK PLAN FOR 2003
AND CANDIDACY FOR THE PRESIDENCY OF THE EXPERTS GROUP
(United States)

Lic. Rafael Franzini Batlle
Manager – Anti-Money Laundering Unit
Inter-American Drug Abuse Control Commission
Organization of American States
1889 F Street, N.W.
Washington, D.C. 20006

Dear Lic. Franzini:

In November 2001 at its 30th Regular Session in Caracas, Venezuela, CICAD expanded the mandate of the Money Laundering Experts Group to include terrorist financing and to review the Model Regulations on Money Laundering Control to ensure their compliance with the FATF 8 Special Recommendations on Terrorist Financing. Under the able leadership of its President, Maria Luz Nuñez of Mexico's Office of the Attorney General, the Experts Group met in July 2002 and carried out its expanded mandate.

The Experts Group recommended that the original text of the Special Recommendations be adopted and included in an Annex to the Model Regulations. In addition the Experts Group proposed amendments to the text of the Model Regulations to incorporate the Special Recommendations and pertinent language from international and national juridical instruments. Finally, the Experts Group included in the Annex to the Model Regulations proposed draft legislation defining the financing of terrorism as a stand-alone crime.

On the occasion of its 32nd Regular Session in Mexico, CICAD will, among other important matters, consider the Report of the Experts Group and its Work Plan for 2003. Confident that CICAD will approve the recommendations of the Experts Group and conscious of the continuing importance of its work, the Government of the United States proposes the attached work plan to build upon the significant achievements of the Experts Group to date and offers itself in candidacy for the Presidency of the Experts Group.

Thank you for your consideration of our proposed work plan and presidency.

Sincerely,

OAS CICAD
EXPERTS GROUP ON MONEY LAUNDERING CONTROL
WORK PLAN FOR 2003

1. REVIEW THE MODEL REGULATIONS TO ENSURE THESE MAKE ADEQUATE PROVISION FOR THE ADMINISTRATIVE FREEZE OR BLOCKING OF TERRORIST-RELATED ASSETS IN ACCORDANCE WITH UN RESOLUTION 1373 AND FATF SPECIAL RECOMMENDATION III, AS INCORPORATED INTO THE MODEL REGULATIONS.
2. REVIEW AND REVISE THE MODEL REGULATIONS TO ENSURE THESE MAKE ADEQUATE PROVISION FOR FORFEITURE AND FORFEITURE ASSISTANCE. THE WORKING GROUP SHOULD FOCUS ON: (1) FORFEITURE OF CRIMINAL ASSETS WHERE THE CRIMINAL HAS DIED OR IS A FUGITIVE; (2) MUTUAL LEGAL ASSISTANCE IN FORFEITURE PROCEEDINGS; AND, (3) DEVELOPMENT OF MODEL MUTUAL LEGAL ASSISTANCE REQUESTS IN FORFEITURE AND MONEY LAUNDERING PROCEEDINGS.
3. REVIEW AND DEVELOP RECOMMENDATIONS REGARDING OBSTACLES TO THE EFFECTIVE PROSECUTION OF MONEY LAUNDERING, TERRORIST ACTS AND FINANCING OF TERRORISM. SUCH RECOMMENDATIONS COULD FOCUS ON (1) LEGISLATION AUTHORIZING THE USE OF SPECIAL INVESTIGATIVE TECHNIQUES (UNDERCOVER OPERATIONS, CONTROLLED DELIVERIES, ELECTRONIC SURVEILLANCE, AND THE USE OF INFORMANTS); (2) LEGISLATION GOVERNING PROOF OF THE NEXUS TO PREDICATE OFFENSES; AND (3) THE DEFINITION OF TERRORIST FINANCING AS A PREDICATE OFFENSE.
4. REVIEW EXISTING LEGISLATION AND DEVELOP RECOMMENDATIONS REGARDING IMPROVED DETECTION AND DETERRENCE OF THE LAUNDERING OF THE PROCEEDS OF OFFICIAL CORRUPTION.
5. COORDINATE WITH CICTE, WHERE APPROPRIATE, IN THE ABOVE ACTIVITIES.

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**TOPICS FOR THE 2002-2003 WORK PLAN
OF THE GROUP OF EXPERTS ON
MONEY LAUNDERING OFFENSES**

(Argentina)

Dear Rafael Franzini Batlle
Chief of Money Laundering Section
CICAD

Thank you for sending me the proposals put forward by Bolivia, United States, Mexico, and Uruguay, which confirm our common concern to boost and expand the work of the Group of Experts on Money Laundering.

It is with that objective in mind that we feel it would be advisable to consider “institutionalizing” the Group of Experts and endowing it with a kind of organic identity that will help it to organize its work schedule.

Thus, it would be useful to have a Standing Agenda and a biannual agenda or work plan (as found in other international organizations). This does not imply any kind of inflexibility, because new topics can be incorporated. It does, however, provide a “roadmap,” to ensure appropriate progress in the various different tasks.

Within this scheme, we believe that the subject of Education/Training merits particular attention.

At the same time, we believe that the Group of Experts, which has been functioning since 1996, should consolidate itself as the Hemispheric Forum for discussion, analysis, and conclusions regarding efforts to combat money laundering and terrorist financing, without duplicating activities carried out by Caribbean Financial Action Task Force (GAFIC), the South American Financial Action Task Force (GAFISUD), or CICTE.

The topics proposed by the various countries should be examined at the meeting in Mexico, after which no more than four or five of them should be incorporated into the biannual working agenda.

Setting up and running various informal working groups via e-mail (coordinated by the Secretariat or by a Coordinator chosen by the experts) strikes us as an excellent idea, which would enable us to move ahead with our work between sessions, as other international organizations do.

Finally, please forgive me for taking so long to get back to you. I wish you a successful and fruitful meeting in Mexico next week.

Sincerely,

Delegation of Argentina

PROPOSAL BY THE ARGENTINE REPUBLIC

STANDING AGENDA

1. Policies, strategies, and actions to combat money laundering and the financing of terrorism (Hemispheric Forum).
2. Review and updating of the Model Regulations.
3. Education and training of human resources specializing in this field.
4. Forum to guide the cooperation of the technical assistance projects Executing Unit/Agency.

BIANNUAL 2003-2004 WORK PLAN

1. National regulations on the reporting obligations of agencies remitting funds abroad (couriers).
2. Responsible persons: importance of including independent professionals in the anti-drug laundering system (accountants, auditors, attorneys, notaries, etc.)
3. Obligation to report and right to privacy.

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NOTE OF THE SECRETARIAT ON THE
2003-2004 WORK PLAN
FOR THE GROUP OF EXPERTS ON MONEY LAUNDERING OFFENSES

Based on the proposals received from Argentina, Bolivia, United States, Mexico, and Uruguay, the Secretariat presents this reference document aimed at consolidating items for a 2003-2004 Work Plan of the Group of Experts on Money Laundering. (See documents CICAD/doc.1202/02, add.1 and add. 2)

Two types of proposals can be distinguished in the documents received:

- Proposals of an institutional or permanent nature
- Specific proposals to be discussed at a meeting of the Group.

Proposals of an institutional or permanent nature

This group includes some of the suggestions put forward by Uruguay, Argentina, and, to a certain extent, United States. Thus Argentina proposes a Standing Agenda for the Group in order to “institutionalize it,” because, according to that country, the Group “should consolidate itself as the Hemispheric Forum for discussion, analysis, and conclusions regarding efforts to combat money laundering and terrorist financing.” (See the Note from Argentina, CICAD/doc.1202/02 add 2).

Along similar lines, Uruguay suggested “appointing permanent working groups on different subjects (predicate offenses, persons responsible, FIUs, typologies, etc.), which are connected via e-mail and assume responsibility for studying such topics, under the overall coordination of the Head of CICAD’s Anti-Laundering Unit” (See the Note from Uruguay, CICAD/doc.1202/02).

For its part, United States requests that the Group coordinate with the Inter-American Committee against Terrorism, which suggests a permanent activity.

Specific proposals to be discussed at a meeting of the Group

The specific proposals for the next meeting of the Group can be subdivided as follows:

I. Regulatory activities such as:

- Procedures for regulating and inspecting exchange bureaus (Bolivia)
- The obligation of agencies sending remittances abroad (couriers) to report any suspicious operations (Argentina)
- Rules governing the activities of accountants, attorneys, notaries, auditors, and other independent professionals (Argentina)
- Duty to report and the right to privacy (Argentina).

II. Activities designed to improve laws and mechanisms for combating money laundering:

- Review of provisions in the Model Regulations on the administrative freeze or blocking of terrorist-related assets, in accordance with Resolution 1373 of the United Nations Security Council (USA)

- Review of provisions in the Model Regulations on forfeiture of assets, covering the following points:
 1. Forfeiture of assets where the criminal has died or is a fugitive (USA)
 2. Mutual legal assistance in forfeiture proceedings (USA)
 3. Development of model mutual legal assistance requests in forfeiture and money laundering proceedings (USA)

- * Review and recommendations of national laws on the following points:
 1. The use of special investigative techniques – undercover operations, controlled deliveries, electronic surveillance, and the use of informants – for cases of money laundering and financing of terrorism (USA, Mexico)
 2. Legislation governing proof of the nexus to predicate offenses in cases of money laundering
 3. The definition of terrorist financing as a predicate offense (USA)

- * Mechanisms to enable authorities in the office of the Attorney General (*Procuración de Justicia*) to exchange information on current investigations with their international counterparts (Mexico).

III. Study and analysis of **prior offenses** and their impact on money laundering

- The offense of corruption (Mexico, United States, and Uruguay)
- Prevalence of predicate money laundering offenses in the Hemisphere, in order to identify forms of money laundering and regional tendencies (Uruguay)

IV. Study of **typologies** of asset laundering

- Exchange bureaus (Bolivia)
- Financing of terrorism (Bolivia)
- Legal repatriation of capital (Mexico)

Clearly, the Work Plan contains a large number of points to be discussed by the Group of Experts, which suggests that they could not be adequately dealt with at just one meeting. Here it might be worth considering the proposals to “institutionalize” the Group in such a way that the contents of the Work Plan can be fitted into a regular, full-time agenda.