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Money Laundering: The State of Play

GRAHAM PINNER

The purpose of this paper is to put together a number of issues that I believe are significant in relation to the present state of play in the money laundering arena. In the first place I should state that the work that is being done by not only Australian law enforcement but international law enforcement, governments and regulators is directed at anti-money laundering measures as opposed to money laundering. In other words, we are trying to stop the dirty money from being turned into “clean” money.

Financial Action Task Force Achievements

The first substantive point I want to make is that, much has been achieved through the 1990s by Governments, regulators and law enforcement in conjunction with financial institutions, other financial dealers and their industry bodies. As an example, the twenty-six members of the Financial Action Task Force (FATF)¹ have largely implemented the “40 Recommendations” of the Task Force and the mutual evaluation program (a joint audit of each country’s implementation of the measures) is almost complete. To illustrate the pace of that progress, Australia was originally examined in September 1991 being, I believe, the

third country examined as part of that process and it is about to be re-examined in May 1996 to check upon the progress that has been made since that time and to ensure that we are still in compliance.

It is worth saying that there might have been some scepticism amongst the law enforcement community within Australia and elsewhere about some countries, for example, Switzerland cooperating internationally in opening up its banking system for law enforcement investigations for the purposes of following dirty money. Switzerland is a member of the Financial Action Task Force and like all member countries has implemented the FATF measures. It was recently announced that Swiss criminal authorities will be sharing with US authorities US\$150 million seized in accounts in the Union Bank of Switzerland which were the proceeds of the importation and sale of cocaine and marijuana in the US (*see The Money Laundering Bulletin*, No. 17, August 1995, p. 3).

In this region it was recently reported that Hong Kong, which had led the way in introducing effective money laundering has secured its first ever conviction against two men who had helped drugs boss Law Kin-man launder proceeds from massive heroin smuggling operations. The two men were each sentenced to twelve years imprisonment. According to a report on the case in the *South China Morning Post*, Law had used casinos, jewellery and

¹ The FATF is the G7 inspired anti money laundering group made up of the members of the OECD, Singapore, Hong Kong who aim to make the International financial systems hostile to money laundering.

underground banks as some of the means of laundering his money (*see The Money Laundering Bulletin*, No. 21, December 1995, p. 1). It is interesting to know that Law Kin-man was also associated with one of the major money laundering prosecutions in Australia when his wife was charged and convicted of money laundering and assets were forfeited to the Commonwealth.

However, having said that a lot has been achieved, there are some still considerable concerns. There are many countries that appear to be willing facilitators of money laundering. There are also concerns about countries not covered by the FATF recommendations and about newly emerging economies such as some of the former Soviet Union (FSU) countries and other members of the former Eastern Bloc. Much remains to be done in this regard.

Bringing the Rest of the World on Board

The use of the international financial system by organised crime poses a major threat to all economies and nothing makes this so clear as the recent address by President Clinton of the United States to the United Nations on its 50th Anniversary. One of the major themes of the President's address was the fight against international organised crime. He said:

To stem the flow of narcotics and stop the spread of organised crime, we are cooperating with many nations, sharing information, providing military support, initiating anti corruption efforts: and results are coming. With Colombian authorities we have cracked down on the Cartels that control the world's cocaine market. Two years ago, they lived as billionaires, beyond the law; now many are living as prisoners behind bars.

The President then went on to outline five steps that the US would be taking. The first of these is particularly relevant to the theme of this paper:

First, the steps we will take: Yesterday, I directed our government to identify and put on notice nations that tolerate money laundering. Criminal enterprises are moving vast sums of ill-gotten gains

through the international financial system with absolute impunity. We must not allow them to wash the blood off profits from the sale of drugs from terror or organised crimes. Nations should bring their banks and financial systems into conformity with the international anti-money laundering standards. We will work with them to do so. And if they refuse, we will consider appropriate sanctions (President Clinton, address to the UN General Assembly, 22 October 1995).

Only a few weeks before at the Commonwealth Finance Ministers' meeting in Jamaica the British Chancellor of the Exchequer, Kenneth Clarke, had used a more persuasive approach when he urged third world countries profiting from money laundering to take action to stem the flow of dirty money moving around the globe—for their own good. He said that there were those that argue that only large industrialised countries needed to act against the launderers. He said:

They see conflict between the introduction of effective anti-money laundering measures and development based on structural reform and economic liberalisation.

He went on to tell the meeting that:

They say that action will hamper investment and slow down the development of their financial services sector, they say that anti-money laundering provisions will place them at a competitive disadvantage and with their potential rivals flourishing at their expense.

But honest investors do not want to put their money in financial centres propped up by dirty money, which could flee the country at the drop of a hat.

Serious investors wanted their money to be safe and secure in prudent and well

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regulated institutions. Effective action against the money launderers will not put developing economies at a competitive disadvantage. On the contrary, it will make it easier for them to attract money from honest long-term investors with a genuine interest in the well-being of the economy.

The FATF, Commonwealth Secretariat and other bodies have continued to push the anti-money laundering message in those countries they are able to influence and the US has threatened those who do not take heed. Nevertheless, in January the Republic of Seychelles announced a new law which it is believed will open the doors to money laundering by virtually guaranteeing immunity from prosecution for financial investors who bring in US\$10 million or more to the island state (see *The Money Laundering Bulletin*, No. 22, January 1996). It will be interesting to see what the overall international response will be to this challenge which cannot go unanswered. I understand that the FATF has already asked its member countries to monitor all financial transactions to and from the Seychelles with a view to further action.

Asia Pacific Region

Although a great deal of work has been done, a lot more remains to be done. Not every country in the Asia/Pacific region for example has FATF type legislation. However, quite a lot is happening to address this issue. A number of countries in the region are looking at legislation and a number of jurisdictions are receiving assistance from the FATF Asia Secretariat in addressing anti-money laundering issues. For example, Thailand is presently looking at a range of measures and I am aware that draft legislation is in the pipeline in Taiwan.

On the other hand, there are continuing problems in the region. It has been reported that up to two-thirds of banks in Cambodia are involved in laundering money. The former Deputy Governor of the Bank of Cambodia, Ms Tioulong Saumura, had gone public warning about the scale of money laundering, saying that Cambodia risked becoming a paradise for money laundering and that the practice was spreading like a cancer in the country. It was

also reported that Hong Kong based Triads had joined with local gangs to set up cash oriented businesses in the country's legitimate business sector to launder illegal funds. (There is no requirement in Cambodia for the reporting of large cash transactions.) (see *The Money Laundering Bulletin*, No. 17, August 1995, p. 4). Unfortunately, Ms Saumura recently resigned as Deputy Governor of the Bank of Cambodia and is no longer involved in the Anti-Money Laundering Task Force which she was the driving force behind (see *The Money Laundering Bulletin*, No. 20, November 1995, p. 6).

From an Australian standpoint, the lack of money laundering controls in the region pose considerable problems. In many cases the money laundered from Australia will pass through the banking systems within the region. In the report of the National Crime Authority into Money Laundering they noted that it seemed to be a feature of Australian criminal activities that funds were moved offshore and in many cases returned as part of a laundering cycle (National Crime Authority 1991). Recent major operations conducted by the National Crime Authority joint task forces has indicated that the trend of movement of funds offshore continues. There are a number of major drug joint operations that were brought to fruition shortly before Christmas last year which are either continuing or yet to go before the courts which indicates that large amounts of money are moving through to the Asia region, in particular Hong Kong. It is to be noted that the recent report lodged by Hong Kong to the FATF indicates that money laundering of drug profits from Australia, Canada, and the US continues to

be a major problem for Hong Kong authorities. I am very pleased to say that there is close cooperation between Australian law enforcement agencies and the Hong Kong authorities.

We must recognise that the Asia region is one of the fastest growing regions in the world and that they have sophisticated banking systems and in many cases do not yet have in place anti-money laundering measures. Criminals will try and exploit the gaps in this market. In addition, the Asia region is known for its underground banking systems and criminals will also try to exploit those systems. A great deal of effort will be needed not only to increase the regulatory role over the legitimate banking system but to also have law enforcement bring to book the underground bankers and other facilitators of money movements which are designed to escape that net.

Money Trail Investigation— Some New Approaches

In that regard, I want to point to a number of recent major investigations undertaken by National Crime Authority task forces. The first case concerns charges brought against two Manager's of the MidMed Bank of Malta. They were convicted of conducting cash transactions in a manner to avoid the reporting requirements of the *Financial Transaction Reports Act 1988* (Cwlth). The case involved depositing monies in amounts of less than A\$10 000 through the MidMed Banks' accounts with one of the major Australian banks. The monies came from multi-million dollar cannabis dealings as well as other sources. In addition to fines being imposed upon the bank managers and another being committed to trial on money laundering charges (*The Australian*, 4 November 1995, p. 4; *Sydney Morning Herald*, 20 October 1995, p. 5), the Reserve Bank of Australia has suspended MidMed's restricted licence.

The case followed an eighteen-month investigation by the National Crime Authority involving the Australian Taxation Office, the Reserve Bank, and AUSTRAC. The case also shows the difficulty in these kinds of operations of determining which money was sourced from

drugs and which money may be from tax evasion or from other sources. The point that I want to make here is that it is not always easy to tell whether money comes from criminal sources or represents evaded revenue and long and difficult investigations may be needed to determine the source. The wider the legislation can be to assist law enforcement and revenue authorities, in my view, the better.

The next case that I want to refer to involves another joint Task Force coordinated by the National Crime Authority. In that case, investigators seized A\$600 000 in cash from the officers of a finance company, Wall Street. A senior official of the company was arrested and charged with tax evasion and money laundering offences. It is alleged that the company operated an underground banking service purporting to act as a foreign exchange dealer catering for tourists and business clients. It is alleged that the company imported money reported as being sent from the company's Hong Kong offices overstating the amount of money imported in reports made to AUSTRAC and that undeclared cash from Australian sources was later exported (*Sunday Telegraph*, 22 October 1995).

Before I go on to make a couple of points in relation to these Australian cases, I want to refer to a very recent Canadian case reported in the Canadian press. On 24 January 1996 the Royal Canadian Mounted Police announced that they had closed down a front currency exchange business conducted in Vancouver, British Columbia. All of the staff of the exchange business were undercover police. At the end of the operation the Police seized C\$2.5 million in currency as well as quite significant amounts of drugs. Drugs and money crossed the US/Canadian border and money was deposited into the undercover

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business. Ninety suspects face 1100 charges in Canada and the US for money laundering, tax evasion and other offences.

According to the report there were a mixed bag of people involved. Some were hardened criminals who had shown extreme cruelty and some were yuppie business men. In the course of the operation a number of the suspects died violently. Some of the business people involved were very successful. A number of them were engaged in the securities industry (*The Province*, 25 January 1996, p. 1). According to a second report the front exchange handled in excess of C\$40 million in criminal monies. Of that amount, C\$8 million was tracked to profits from the smuggling of tobacco and liquor from the US and provinces in eastern Canada. The remaining money was proceeds of drug trafficking (*Vancouver Sun*, B3, 26 January 1996, p. 1).

Establishing the Money Trail through "Fringe" Financial Dealers

The first point I want to make from these three cases is how successful operations can be when they are aimed at establishing the money trail to the criminals, through the facilitators even where the facilitator is a "fringe" financial organisation. In the Australian cases the facilitators themselves were attacked. In the Canadian case police posed as the facilitators. In relation to all three cases we would expect that other operations might be instigated as the documentation seized by law enforcement is analysed and subsequent investigations taken.

Money Laundering/Tax Evasion

Another point I want to make is that the monies going through these facilitators will be a mixture of criminal monies including drug trafficking as well as tax evasion and other forms of revenue evasion. In a number of jurisdictions the reporting of suspect transactions and other transactions is limited to criminal activities and does not cover tax evasion. Although that is obviously a matter for the individual jurisdictions, it seems to me that it is unreasonable to expect legitimate financial institutions to be able to distinguish between unusual transactions involving either tax evasion or drug trafficking. From the banks' standpoint they simply see an amount of money which is unusual which forms the basis for suspicion. They are probably more often than not able to determine whether the source of the funds is from drugs, some other criminal activity or tax evasion.

I am pleased to say that what I regard as an artificial distinction is being recognised as too difficult for financial institutions to assist law enforcement in the detection of criminal activity. If it is difficult enough for the investigators who have seized the records from the kinds of facilitators that I have described above to determine exactly what money represents what, it is almost an impossibility for bank and other staff to make that kind of distinction. In the recent speech given by the British Chancellor of the Exchequer, referred to earlier, Mr Kenneth Clarke told the Commonwealth Finance Ministers that it is quite artificial to draw a distinction between drug related crimes and other crimes. He said that this applies as much to fiscal crimes as other crimes. He said that the victim was irrelevant and that tax crimes make the law abiding suffer (*see The Money Laundering Bulletin*, No. 20, November 1995, p. 3).

According to *The Money Laundering Bulletin* these comments represent the first admission to be made by UK Treasury that the proceeds of tax crimes and other fiscal offences may be treated the same way as money received from the sale of drugs. *The Money Laundering Bulletin* notes that the reporting of tax evasion is not specifically covered under the UK legislative regime except where there is a

suspicion that someone exactly committed a
specific taxation offence under the UK taxation

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laws (see *The Money Laundering Bulletin*, No. 20, November 1995, p. 3). The point is that it is very difficult for the bankers to be able to draw this distinction. That was recognised by Professor Michael Levi in his recent book (Levi 1991, p. 67).

Controlled Deliveries and Sting Operations

The next point I want to make about the three cases I outlined above and in particular the very recent Canadian case is that it would not be possible under Australian law to conduct those kinds of operations in the way that the Royal Canadian Mounted Police did. Although controlled deliveries of drugs and other things is a well recognised international law enforcement practice and is covered by international agreements, the High Court takes the view that without some legislative authority Australian law enforcement agencies cannot be involved in such practice.

In the case of *Ridgeway v. R* 129 ALR 41 delivered by the High Court on 19 April 1995 the majority found that in relation to a controlled heroin delivery that, per Mason C J, Dean and Dawson J J:

The illegality of the police conduct was grave and calculated, created an actual element of the charged offence; the involved police had not been prosecuted; there was an absence of any real indication of official disapproval or retribution; the objective of the criminal conduct would be achieved if the evidence were admitted. These factors made the case an extreme one. The legitimate public interest in the conviction and punishment of the appellant was reduced by the fact that the appellant's possession constituted any one of a variety of offences against the law of South Australia of which illegal importation was not an element but for which he remained liable to be prosecuted.

Per Brennan J:

The importation was a grave offence and to admit evidence of the offence it would be an encouragement to the Australian Federal Police to continue to flaunt the

parliament's unqualified prohibition against the importation of heroin.

Likewise it would be expected that if that Australian law enforcement were involved in a process of money laundering of criminals' money without some form of parliamentary approval of that process that they would be involved in unlawful activity and expose themselves to criminal liability as well as running the risk of any illegally obtained evidence being inadmissible in any prosecution against their targets. Until there is some kind of legislative response to the *Ridgeway* case that includes operations not only in relation to controlled drug operations, but in relation to money laundering then in Australia the type of case conducted by the Canadians could be only done, I would suggest, at the peril of Australian law enforcement officials. There is at the moment a Bill addressing the specific *Ridgeway* controlled drug importation operations to give such parliamentary approval, but the proposed legislation does not encompass either the kind of sting operation referred to above, or a controlled money laundering operation. If Australian law enforcement officers are going to be involved in controlled deliveries of money which constitute money laundering, further legislation will be necessary.

Resource Intensive Investigations

One of the other points that needs to be made about these operations whether they be controlled deliveries or stings or indeed investigations following a more conventional trail, is that they are very resource intensive. A great deal of resources are required to conduct surveillance to look into financial transactions and to follow the transactions through to the Mr Bigs in order to seize their assets. At the

end of the day, although assets may then pass into an Assets Forfeiture Fund for the benefit of law enforcement and drug rehabilitation programs, there is no actual pay-off for the operational agency in terms of the overall cost of such an operation—a cost which can be very high. Some thought needs to be given to this issue.

Estimates of the Size of the Money Laundering Problem

When the Financial Action Task Force was originally set up in 1989 the underlying figures which had been provided by the United Nations estimate of the size of money laundering of drugs throughout the world was US\$300 billion per year. Since that time there are all sorts of reports which claim to provide estimates of the extent of money laundering. These vary greatly. Recently an AUSTRAC commissioned report on the extent of money laundering in Australia estimated the figure at around A\$3.5 billion per year. The report prepared by John Walker sets out the methodology which he follows in some detail (Walker 1995). John Walker provides a number of estimates based on particular information provided to him and concludes that perhaps the most likely figure is around A\$3.5 billion per year for Australia. His report does not purport to be either exact or by any means the only methodology that could be employed to determine such an estimate. However, it has received considerable praise from many external sources for both the work and its ground breaking nature. At this stage, a number of other FATF countries are making similar estimates of the size of money laundering in their own jurisdictions employing various methodologies.

Increasing Sophistication of Money Laundering Methodologies

One of the factors that has become quite apparent is the fact that money laundering has now moved from the more simple placement of cash into financial institutions in two major respects. First, there has been a movement away from the traditional banking system, to a degree, to use the other avenues of cash placement such as gold bullion dealers in Australia, and other fringe financial organisations as indicated in the

examples above. Second, the other factor that is occurring is that there is an increase in the sophistication in the layering of transactions (that is the adding of all sorts of complex financial transactions on top of the original placement transaction) and in the integration of those funds into the legitimate economy. That means that the effort required from law enforcement to deal with the more sophisticated approach by organised crime has increased accordingly.

In Australia, we have seen that the National Crime Authority and the Australian Federal Police, State Crime Commissions and State Police have responded to the challenge. A National Crime Authority Money Laundering Task Force has been set up to look at the output of AUSTRAC's automated targeting system, ScreenIT, as well as financial institution generated suspect transaction reports. This is already proving extremely successful. However, it is likely that the criminals will continue to move into more sophisticated financial transactions that are not the bread and butter of most investigators and it will be necessary that the skills of the investigators continue to be enhanced to keep up with not only the criminals but the highly paid professional advisers which they employ.

The law enforcement community will continue to require the support and cooperation of financial institutions and other financial dealers to assist in the detection of these activities.

For its part, AUSTRAC has increased its emphasis on furthering its computer based watching brief on unusual transactions and signalled to incorporate its software into banking systems (AUSTRAC 1995). In adopting this

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approach AUSTRAC acknowledges that much of the initial watching brief by the banks in reporting suspect transactions had been based on human observation. AUSTRAC has recognised that human intervention in banking transactions is diminishing as the use of technology is increasing and that there is potential to utilise the latest technology to assist humans to make judgments about the nature of unusual transactions.

AUSTRAC is continuing to work closely with banks and other financial dealers to integrate AUSTRAC software into the financial dealer systems. A system called COMPASS (Compliance Assistance) has been developed which will reduce information for the financial dealers to consider which might then result in suspect transactions being lodged, having a regard to the range of information that the financial dealer also has in relation to the particular transaction.

We believe that human suspect reporting systems will have less viability in the longer term and that if we are going to keep up with the criminals, increased investment into technology is required.

Globalisation of Financial Markets and Sophistication of Money Laundering Methodologies

In relation to the use of professional advisers to layer and integrate transactions, we have seen in Australia, as early as the *Snapper Cornwell* case, very sophisticated transactions used to launder criminal monies. Since that time, increasingly sophisticated means have been used to hide the money trail presenting a very daunting task for investigators (National Crime Authority 1991, pp. 191-7). The bad news is that the types of transactions will become increasingly more sophisticated. For example, in a recent paper, Professor Romeo Ciminello, Professor of Business Finance, University of Trieste warned of the use of financial derivatives to launder drug monies. He said:

For decades, organised crime in Italy and other countries has been committing the most varied kinds of crimes against society. Of particular concern to government is

economic crime, which is a threat to world economic equilibrium.

More recently a new kind of danger has appeared, with criminal organisations the world over using illicit (or completely lawful) financial activities to hide the illicit origin of income realised illegally (laundering) or to make further profits, or for both purposes at once.

It seems increasingly probable that the use of telematics markets and the new financial instruments makes money laundering easier, allowing capital to be transferred from one country to another and one account to another in a matter of moments, without any physical movement and virtually anonymously. The same capital can in this way be passed thousands of times through tax havens, in some cases on economic grounds, and finally deposited in its own accounts once it is perfectly clean and backed by a completely lawful activity (Ciminello 1995).

So not only do we have the globalisation of international financial markets but we have very sophisticated types of financial transactions both of which criminal groups can exploit.

Globalisation of Crime

We have seen within the examples that I have given above, both in Australia and in Canada and elsewhere in the world, that organised crime is becoming increasingly international.

Criminals will try to exploit the globalisation of the international financial system and the fact that these systems operate across multiple jurisdictions. This strategy by the criminals makes it difficult and costly for law enforcement to follow their transactions.

It has been suggested that the world's organised crime groups have in some

cases, made strategic alliances and are moving towards further strategic alliances so that we end up with almost a criminal United Nations (Sterling, 1994, p. 87). I do not know whether that is correct or not but it is clear that organised criminal groups have continued to expand notwithstanding recent successes by law enforcement against the Sicilian Mafia in Italy and the Medellin and Cali Cartels in Colombia. As such groups have continued to grow and their empires have become increasingly more sophisticated so has the importance of laundering money become more important.

One of the other emerging concerns for most of the FATF countries is the acquisition of banks by criminal organisations for the purposes of moving their monies. It has been suggested that more than 50 per cent of all newly created banks in Russia have been acquired by the so called “*Russian Mafia*” (see Schneider & Zarate 1994, p. 167). The international community is very concerned about the situation with the Russian banks. The UK and the US financial authorities are endeavouring to utilise their new authority under the Basle Committee to limit the proposed expansion of activities of a growing number of Russian banks that want to operate in London and New York. The financial supervisory agencies, particularly the Bank of England and the US Federal Reserve are worried about the instability of the Russian banking system, the immaturity of the Central Bank and banking supervision, the haphazard financial accounts of Russian banks, their typically weak capital bases and the alleged links of some with criminal organisations and the potential vulnerability of the banks to criminal activities (*International Law Enforcement Reporter*, vol. 11, p. 427).

In discussions with our international colleagues of other financial intelligence units (FIUs) like AUSTRAC, they tell us that although they are seeing very unusual financial transactions coming from the former Soviet Union (FSU) and the Eastern Bloc in many cases which are obviously criminally related, they have found a great deal of difficulty in trying to check information in the country of origin, particularly Russia. There appears to be a proliferation of law enforcement agencies with very vague delineation of responsibilities so that the law enforcement agencies do not know with whom they should be in contact and there

appears to be no shared central intelligence repository against which information can be checked.

International Cooperation between Financial Intelligence Units

Having outlined some of the bad news I want to say something about the good news on the money laundering front. I believe that international cooperation between law enforcement is the key to dealing with these international criminal organisations. We have seen in recent times very good cooperation between the National Crime Authority and its task force members and Hong Kong law enforcement in relation to a number of matters. Indeed the National Crime Authority coordinated task forces are themselves very good examples of cooperation between law enforcement domestically and internationally. The Australian Federal Police’s international liaison network, run through International Division, and those of Australian Customs Services liaison network are also a very important part of Australia’s international cooperative effort.

In addition to traditional law enforcement cooperation we are now entering into a new phase, with a growth of financial intelligence units and cooperation between organisations like AUSTRAC.

There are presently some seventeen countries with autonomous anti-money laundering financial intelligence units with another nine countries having the responsibility for these functions placed within other organisations, for example, in

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Canada within the Royal Canadian Mounted Police. In addition, at least nine countries are presently in the process of formulating autonomous units:

Aruba	Ireland
Chile	Panama
Czech Republic	Poland
Ecuador	Switzerland
Honduras	

The FIUs met in June last year and will probably be meeting every six months to discuss anti-money laundering measures, training of analysts to undertake the more specialised work of these agencies and money laundering methodologies and counter strategies. One of the most important strategies is the implementation of the FATF recommendation to enable the free exchange of financial information between countries.

I am very pleased to say that last week an agreement was finalised to allow for the exchange of financial transaction information between the US (FinCEN—Financial Crimes Enforcement Network) and Australia (AUSTRAC). This adds to the agreement that is already in place between France (TRACFIN—Traitement du Renseignement et Action Contre Les Circuits Financiers Clandestins) and Australia and in addition, Australia has held discussions with Belgium (CTIF—Cellule de Traitement des Informations Financiers); and preliminary discussions with Italy (Guardia di Finanza); the UK (National Criminal Intelligence Service); and our colleagues across the Tasman, New Zealand (New Zealand Police). I believe that these agreements will prove to be a very important law enforcement tool. For example we have recently made a request for information in relation to certain transactions from our counterparts in France.

In conclusion, although money laundering is a fairly recent issue, organised crime has been with us for a very long time. Although the number and size of international organisations seems to be increasing it must be recognised that in the early days of work against organised crime in the US that the early successes came through the use of financial investigations. It was financial investigators and the use of taxation powers in the US that resulted in Al Capone being brought to justice. We need to

exploit the weakness that criminal organisations have in needing to have access to the financial system in order to deal with their profits. Money laundering is a worldwide problem and we need international law enforcement cooperation, regulatory cooperation and the expansion to other countries of the very good cooperation being received from financial institutions in countries like Australia, in order to make money laundering a key area of vulnerability for organised crime.

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