

June 2008

Welcome to this newsletter which aims to provide you with interesting news and useful information on money laundering and related topics.

FATF FOOTBALL FOCUS

A meeting of the inter-governmental Financial Action Task Force in London has agreed to launch a project related to possible use of football clubs and other sports teams to launder illicit monies through investments and player transfers.

The project is aimed at helping countries in Europe, Asia, North and South America to combat money laundering through sport. The FATF intends to produce toolkits for regulators and investigators.

POLICE RAID ON SAFE DEPOSIT CENTRES LTD

At the beginning of June more than 300 police officers and staff were involved in simultaneous raids on three branches of Safe Deposit Centres Ltd, a company offering safety deposit box facilities in London.

Police have already found substantial amounts of cash, jewellery, gold dust, drugs, guns, passports, works of renaissance art and counterfeit currency in the boxes. Investigations will continue into the ownership of the items in the boxes and the extent to which they may be tainted with criminality.

Speaking after the raids Commander Allan Gibson said: "I am confident that this operation will have a damaging impact on organised crime in London and around the rest of the country."

While investigations continue bona fide customers may have to wait until the end of July before their property is returned to them.

Three persons were arrested at the time of the raids.

EU COUNTRIES SLOW TO EFFECT ML DIRECTIVE

The European Commission has admonished 15 member countries for delay in implementing the EU Third Money Laundering Directive.

All EU countries should have implemented the Third Directive measures no later than 15 December 2007, but countries including France, Spain, Germany, the Netherlands and Luxembourg did not have the measures in force by the beginning of June 2008.

In the UK the bulk of the requirements of the Directive were met on time, but it is not yet the case that, for example, all businesses active in the regulated sector in the UK are subject to independent supervision of their compliance with the Money Laundering Regulations 2007.

US SUPREME COURT DECISION

The United States Supreme Court has ruled that prosecutors have over-stepped the mark in their use of money laundering charges.

The Court, in two rulings, found that the word "proceeds" in the US legislation meant "profits" not "receipts". Accordingly money laundering charges should only be applied to the profits from illegal gambling, not the entire stake monies. Furthermore in a case in which a person hid large amounts of cash in his car and headed for the border there was insufficient evidence to support a money laundering conviction. The prosecutor was required to prove that the purpose of transporting the money was to conceal it.

The Supreme Court's view was that the US Government was exaggerating the difficulties of enforcing a more narrow interpretation of money laundering.

NO MORE RIDES IN FLORIDA BEACH MOBILE BROTHEL

Undercover police officers paid \$40 each to enter a stretch limousine used as a mobile brothel cruising the beachfront in Florida.

Having viewed the pleasures on offer they arrested the six occupants of the vehicle on suspicion of "conducting business without a licence"!

If you require any assistance or have any queries concerning issues related to forensic accountancy, proceeds of crime or money laundering contact d.winch@AccountingEvidence.com or visit our website www.AccountingEvidence.com.

Kind regards

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