

Convergence of Financial Crimes: Fraud, Terrorism Financing and Money Laundering

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Why are you here?

TITLE 31--MONEY AND FINANCE

SUBTITLE IV--MONEY

CHAPTER 53--MONETARY TRANSACTIONS

SUBCHAPTER II--RECORDS AND REPORTS ON MONETARY INSTRUMENTS TRANSACTIONS

Sec. 5311. Declaration of purpose

It is the purpose of this subchapter (except section 5315) to require certain reports or records where they have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.

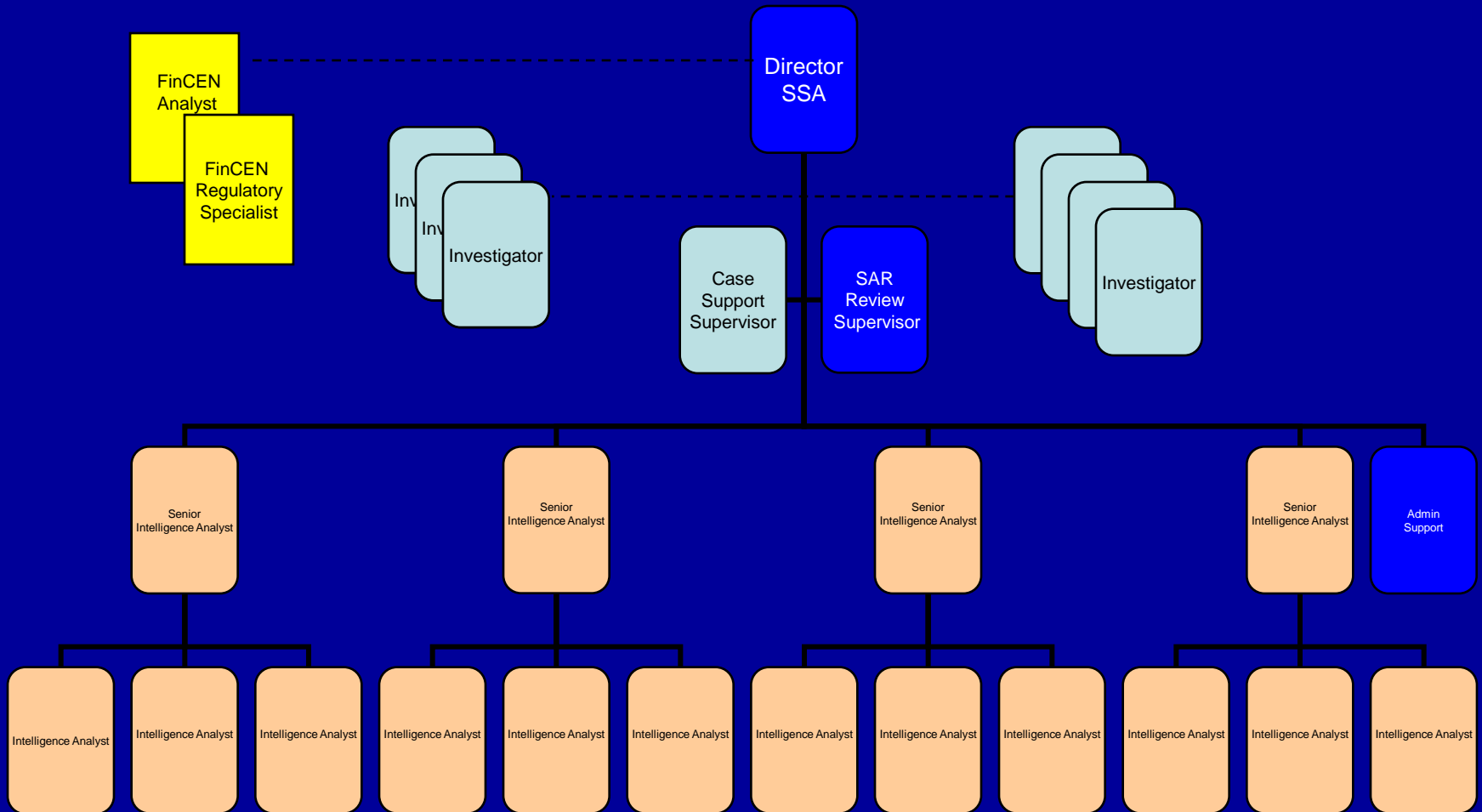
Origin of the HIFCA

Title 31 USC 5342, passed in 1999 by Congress, provides the authority and the mechanism to designate (high intensity financial crime) areas where money laundering or related financial crimes appear to be occurring at a higher than average rate.

HIFCA Core Missions

- STRATEGIC
- CASE SUPPORT
 - OUTREACH
 - SAR REVIEW

NY HIFCA



The SAR process

- Preparation
Urgent matters of significant ML or NS (file and call)
- Data Center
 - Into LE databases
- Review by standing SAR “teams”
 - Availability to LE in future

314 Requests

Banks

LEAs

Frauds Frequently Converging With CTF High Risk Regions

- Counterfeiting/Intellectual Property Rights
- Credit Card Fraud
- Account Takeovers/Social Engineering
- Unlicensed Remitters
- Auto Export “Rings” or Businesses
- Untaxed Cigarette Trafficking

Issues Involving Foreign Visitors and Bank Accounts

J-1 Exchange Visitors (Summer Work/Travel)

F-1 Academic Students

Azerbaijan



Where Can We Do Better?

- Increase the utilization of technology and advanced analytical tools
- Reinforce to reporting institutions the importance and utility of BSA filings
- Continue to cultivate partnerships with financial institutions for proactive initiatives and for better understanding of complex financial activities/transactions

Confluence of the proceeds streams of unlawful activities and funds intended to finance terrorism
(Unlicensed remitters, successful laundering organizations, etc.)

Effective KYC, CIP, EDD, and AML programs combined with timely reporting practices are effective in combating the laundering of illicit proceeds and in CTF

SAR filings are being broadly utilized to proactively initiate and to supplement ongoing investigations

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