



## Fact Sheet Combating Money Laundering

"The prevention of money laundering and combating financial terrorism are a fundamental part of the state's comprehensive strategy against organized crime."

*Felipe Calderón  
President  
Mexico*

Financial gains are at the heart of all organized crime. Disrupting the ability to move and launder money is critical to curtailing the flow of cash and power to drug trafficking organizations in Mexico and the United States. Enforcement agencies in both countries are cooperating to create programs and develop strategies that will improve investigations and prosecutions, bulk cash seizures, and the overall reduction of money laundering activities among criminal organizations. Current bilateral initiatives include:

### Achievements:

- **Asset Forfeiture Enforcement in the US** – In March 2010, a four year case led by the Drug Enforcement Administration (DEA) with financial investigation cooperation from the Mexican Attorney General and Financial Intelligence Unit, concluded with charges against Wachovia bank, the fourth largest commercial bank in the US. Wachovia entered into a deferred prosecution agreement to resolve charges that it knowingly processed the proceeds of illicit activity and willfully failed to establish an anti-money laundering program. As part of the agreement, Wachovia must forfeit \$110 million to the United States, pay an additional \$50 million fine to the U.S. Treasury, and continue cooperation with the US Government. The case demonstrates that the US will not tolerate abuse of the financial system to launder illegal monies, and is a prime example of what is possible when the US and Mexico work together in financial investigations.
- **Seizures** – Increased US and Mexican bilateral efforts has yielded nearly \$60 million in seizures in FY2009 and FY2010.
- **Bulk Currency Operations** – In January 2010, Immigration and Customs Enforcement (ICE) re-initiated Operation Firewall, a joint Customs and Border Protection (CBP), Mexican Customs, and ICE initiative that targets known methods of currency and contraband smuggling within Mexico. The program has already resulted in the following seizures: \$3,616,745 in US currency; \$179,900 in counterfeit currency; 20 kilograms of cocaine; 3,390 kilograms of pre-cursor chemicals; and six (6) arrests.
- **K-9 Teams for Mexican Customs** – In April 2010, a total of 14 Customs officials graduated from the Border Patrol Canine Academy in El Paso, Texas with certificates of completions and certifications of handlers in detection of drugs, weapons and ammunitions, and currency. Two SAT officials successfully completed an additional 16-week "Train-the-Trainer" course, which teaches officials how to manage a 10-week canine handler courses and bolster Mexico's own canine training capacity.
- **New Asset Forfeiture Law in Mexico** – Mexico passed new legislation in May 2009 that strengthens its ability to enforce its asset forfeiture laws to deny the proceeds of illicit activities to criminal organizations and their leaders.
- **Equipment Delivery** – ICE has delivered \$250,000 worth of equipment for the ICE Border Enforcement Security Taskforce and Mexican Customs to use in their work with money laundering investigations and Operation Firewall. The equipment was purchased with Treasury funds.
- **Kingpin Designations** – Since 2008, the Office of Foreign Assets Control (Treasury) has designated 5 Tier I Kingpins (1 individual, 4 organizations) and 171 Tier II's (131 individuals, 40 entities). These individuals and organizations will be denied access to the US Financial System and designated individuals and family members will be denied US visas.
- **Developing Specialists** – The Office of Foreign Assets Control (Treasury) has supported nine training courses for approximately 60 Mexican personnel to be Association of Certified Anti-money Laundering Specialist (ACAMS) and Anti-Money Laundering (AML) certified.
- **Border Security** – CBP and Mexican Customs are coordinating southbound inspections activities to maximize coverage and avoid duplication of effort in stopping southbound flow of illicit cargo, including bulk cash smuggling and arms. CBP is also providing advanced training to Mexican Customs (SAT) to identify concealment techniques, advanced interviewing techniques, and risk-based targeting of cargo.

“... I recognize that the problem will not simply be solved ... if we're not also dealing with our responsibilities in the United States. And that's why we will take aggressive action to reduce our demand for drugs and to stop the flow of guns and bulk cash south across our borders.”

*Barack Obama  
President  
United States of America*

- **Asset Management and Money Laundering Assessment** – The Office of Overseas Prosecutorial Development, Assistance and Training (DOJ) hosted an Asset Management and Money Laundering team in Mexico City in January 2010 who met with Mexican agencies to determine the status of the current asset management system and determine next steps with regard to DOJ's Asset Forfeiture and Money Laundering efforts.
- **Targeting Strategic Nodes** – A bi-national assessment was released in June 2010 containing analysis of current illicit flows of US currency to Mexico to identify points of weakness that can be exploited by law enforcement. A June 2010 conference between US and Mexican participants immediately followed, and bi-lateral steps to address identified weaknesses in the financial system are being designed.

#### **Future Directions:**

##### **Investigative Capacity –**

- **Fusion Center** – Mexico is creating a groundbreaking anti-money laundering fusion center incorporating financial and law enforcement authorities to coordinate investigations, analysis, and prosecution of money laundering cases, allowing analysis of investment trends and ownership. US agencies (ICE, DEA, and OFAC) will contribute by working with Mexico's Financial Intelligence Unit to analyze matches, provide recommendations to combat money laundering activities, and exchange information with financial institutions regarding sanction designations and removal actions.
- **Property Register:** A property registrar will oversee the digitalization of property registers, allowing analysis of investment trends and ownership.

##### **Asset Forfeiture Capacity Building –**

- **Asset Forfeiture** – Pursuant to Mexico's new asset forfeiture law, 64 training courses in all 31 Mexican states and the Federal District have been scheduled with courses designed to strengthen Mexico's ability to investigate and prosecute money laundering cases. The training is sponsored by DOJ.
- **Asset Management Exchange** – A study tour of US asset management institutions in Washington, DC will be conducted for a high-level GOM contingent in May 2010.

##### **Investigative Training –**

- **COBRA Training** – A training course in the use of money counters, called COBRAs, is planned for representatives from Mexico's Attorney General and Customs. COBRA can read currency serial numbers, used to identify the origin of illicit deposits across the border or the origin of a financial transfer from the US to Mexico. The May 2010 training will be led by officials from ICE.
- **Financial Investigations** – The second Regional Money Laundering Conference will be held in May 2010, where US and Mexican authorities will continue development of Mexico's capacity to conduct financial investigations. An additional thirty training events will focus on Mexico's ability to conduct financial investigations related to money laundering and public corruption.
- **Money Laundering Training** – Money laundering training is being provided by the Office of Overseas Prosecutorial Development, Assistance and Training (DOJ) in June 2010 for Mexican judicial authorities. Courses will take place over five sessions with the first planned for June 2010. Fifty representatives will attend each course.

##### **Coordinated Operations –**

- **Bulk Cash Seizures** – US and Mexican authorities are developing a Bulk Cash Smuggling Strategic Plan, Bulk Cash Smuggling Operational Plan, training programs for undercover operations, methods to increase financial information sharing, and undercover operational capabilities between financial entities in Mexico.
- **Technology Improvements** – A contract is underway to provide for the delivery and integration of new technologies to the Mexican government. New infrastructure for the Mexican Financial Intelligence Unit (UIF) includes creation and implementation of a data center, software applications, servers, and link analysis tools. Conventional computer equipment and forensic analysis tools (used for extracting information from devices such as cell phones and hard drives that have been confiscated in counternarcotics operations) are also included. This technology will allow UIF to analyze information received from other entities and draw correlations between large value transactions and suspicious activity reports.
- **Crossborder Operations** – US and Mexican law enforcement agencies will start and expand coordinated crossborder operations targeted at detecting and seizing electronic transactions and investments.