



GLOBAL ORGANIZATION OF PARLIAMENTARIANS AGAINST CORRUPTION  
ORGANIZATION MONDIALE DES PARLEMENTAIRES CONTRE LA CORRUPTION  
ORGANIZACIÓN MUNDIAL DE PARLAMENTARIOS CONTRA LA CORRUPCIÓN

## **Anti-Money Laundering Training for Latin American and Caribbean Parliamentarians: A Proposal**

Money laundering is a device for making funds obtained illegally accessible for the personal use of perpetrators without being traceable back to their illicit source – typically by transferring the funds across international borders to legitimate financial institutions. The central concept of the Anti-Money Laundering Initiatives (AMLI) is to reduce the motivation for economic crimes by making access to their proceeds more difficult.

AMLI initiatives are important to discourage supply of funds to international terrorists and their organizations. Impeding the international flow of such funds reduces the means available to terrorists and identifying their sources discourages their funders.

The negative effects of terrorism are obvious. Those of corruption also are well known. Some of the poorest countries in the world are the most corrupt, as measured by Transparency International's Global Corruption Report. According to Transparency International a one unit decline on a 10-point corruption index lowers real GDP by 0.3 to 1.8 percentage points. Looked at from the perspective of an individual firm, bribery adds to the cost of doing business.

### **Introduction**

The proposed Latin Anti-Money Laundering Training for Latin American and Caribbean Parliamentarians is a joint initiative of the Global Organization of Parliamentarians Against Corruption (GOPAC) and International Compliance Association (ICA). Both GOPAC and ICA recognize the important role parliamentarians have in combating money laundering and the financing of terrorism. Parliamentarians play an important role through their influence on legislation, by vigorous oversight of government activity and support of parliamentary auditors, and perhaps most effectively through personal leadership. They can engage the public and help build political will to act. However, to do so, they must understand how money laundering occurs and the mechanisms for its mitigation. They also need the support of recognized experts and a global voice. This program attempts to address this need.

### **Objectives**

To build and strengthen the capacity and knowledge of parliamentarians in the Latin American and Caribbean region in the following areas:

- Parliamentary action regarding Anti Money Laundering (AML) and Financing of Terrorism (FT) Legislation ;
- AML/FT procedures and mechanisms on the national and regional level;

- Parliamentary responsibilities as regards international treaties and conventions as well as Financial Action Task Force (FATF) recommendations for improved global action against AML, FT and corruption;
- Information and legislative channels between Latin American and Caribbean regional parliaments. Encourage the regional legislative sectors to share information on AML-FT cases, ongoing investigations as well as the need of ratification and implementation of UN resolutions, particularly the UN Security Council Resolution #1373<sup>1</sup> and the UN Convention Against Corruption.;
- Legislation and tools in the area of asset recovery;
- Preventive legislation.

## **Methodology**

The Anti-Money Laundering Training for Latin American and Caribbean Parliamentarians program proposes a unique approach to AML education for parliamentarians. The ICA will design a training program consistent with GOPAC's belief that parliamentarians require tailor made training for their needs. In order to achieve this, a team of international parliamentarians – lead by Hon. Roy Cullen (MP, Canada) – with a background on AML issues will work with the experts of the ICA to design the content of the program and materials provided. This international team will also participate as panelists during the course of the program to share their own experiences and lessons learned in AML and CFT.

The training seminar itself will be a three day event which will begin with a general introduction anti-corruption, AML and FT and the role/importance of parliamentarians, followed by a comprehensive approach to the UN international treaties and conventions and FATF recommendations. The training will illustrate models of legislation on AML/ATF based on successful and non successful cases and how to assess national compliance with the FATF 40+8 Recommendations. The emphasis in this program will be on building political will. The region has a number of AML measures in place but is lacking the political will and understanding to effectively implement and oversee much of these initiatives.

## **Participants**

AML Training will be provided to participants chosen from a choice group of parliamentarians from the Latin American and Caribbean Region - selected by their own sub-regional parliament's organizations (i.e. LAPAC ( Latin American Parliamentarians Against Corruption), PARLATINO (Latin American Parliament), PARLACEN ( Central American Parliament), PARLANDINO ( Andean Parliament), PARLAMAZ (Amazonian Parliament) and the MPC ( Mercosur Parliamentary Commission ) and through parliamentary commissions on the national level involved with AML Legislation – in consultation with GOPAC.

## **Training Materials**

Each participant will receive a "Legislative Reference Manual on AML/FT" prepared by ICA for the training program.

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<sup>1</sup> UN Security Council Resolution #1373 (2001) is a wide-ranging, comprehensive resolution with steps and strategies to combat international terrorism – including the financing of terrorism. To read the resolution in its entirety <http://www.state.gov/p/io/rls/othr/2001/5108.htm>

They will also receive a copy of “Controlling Corruption: A Parliamentarians Handbook” prepared by GOPAC and the World Bank Institute. This handbook, now in its third edition (2004) provides an accessible, practical reference tool to parliamentarians, members of civil society and other interested individuals on the issue of globalize corruption and the role of parliaments and parliamentarians in controlling it. Topics covered include: definitions of corruption and its causes and consequences, building political will, parliamentary tools, building effective parliamentary networks and case examples.

## **Program**

### **Day 1**

#### ***What is AML and What is the Role of Parliamentarians in Reducing its Incidence?***

Panel: Hon. Roy Cullen (MP, Canada), Chair of GOPAC-AML International Program  
Hon. Anel Townsend (MP, Peru), President of LAPAC/Senator César Jauregui (Senator, Mexico, Vice President of Senate), Vice-President of LAPAC, GOPAC Treasurer  
+ MP from Africa  
Frederick Staphenurst (TBC), World Bank Institute

- a) Introduction to Anti Corruption, Money Laundering and Financing of Terrorism (International and Regional scope) and the Role of Parliamentarians
- b) Principles of AML Legislation
- c) Institutional alternatives for AML activities
- d) International Mutual Legal Assistance

#### ***Core Features of International Regimes***

Panel: Hon. Roy Cullen (MP, Canada), Chair of GOPAC-AML International Program  
+ MP from Asia  
+MP from Europe

Technical Expert(s): Kristhian Holgue, United Nations  
+Representative from ICA

- a) International Treaties and Conventions on AML and Terrorism Financing - Legislative considerations and recommendations
- b) International AML/FT Legislation and Legislative Considerations and Recommendations (European Union - Canada - United States)
- c) Control Organisations and Regulatory aspects on AML/FT
- d) Effective Legislative Tools

### **Day 2**

#### ***Financing of Terrorism and Asset Recovery***

Panel: + MP from Latin America/Caribbean  
+MP from Africa

Technical Expert(s): Steven Platt

- a) Rationale for Asset Recovery
- b) Dynamics of offshore financial centers
- c) Terrorism methodologies to cover financial movements
- d) Identifying underlying problems of predicate criminality
- e) Optimizing International Mechanism for Assets Recovery
  - e.1. Criminal Recovery Methods
  - e.2. Civil Recovery Methods - Legislative considerations
  - e.3. Combining civil and criminal methods
- d) Formulating a specific assets recovery legislation

***Core Features of A Latin American/Caribbean Regional Response***

Panel: + MP from Latin America  
+ MP from Caribbean

Technical Expert(s): Representative from ICA.

- a) AML Legislation in Latin America
- b) Good Legislative Practices from the Latin American Region (Country Case Examples)
- c) Operational Control Organizations
- d) The Regional Investigative Parliamentarian Commissions on AML (Cases and resolutions)
- e) Towards a more effective Legislative framework on AML and Terrorism Financing
- f) Mechanisms of the International Juridical Co-operation on AML

**Day 3**

***Action Planning***

Panel: Hon. Roy Cullen (MP, Canada), Chair of GOPAC-AML International Program  
+ Hon. Anel Townsend (MP, Peru), President of LAPAC/Senator César Jauregui (Senator, Mexico, Vice President of Senate), Vice-President of LAPAC, GOPAC Treasurer  
+ Representative from Caribbean Chapter of GOPAC

- a) Discussion on the need for further briefing and orientation
- b) How to provide political support and motivation on AML in the Latin American/Caribbean region
- c) Discussion of next steps.

## **Appendices**

### **About the Global Organization of Parliamentarians Against Corruption (GOPAC)**

GOPAC is an international network of parliamentarians based in Ottawa, Canada, organized for the single purpose of fighting corruption by promoting integrity in governance through improved effectiveness of the parliament (or legislature) as the institution which has constitutional responsibility for oversight of government.

GOPAC is a family of organizations including country chapters, regional chapters, and a global organization. Although all chapters and the global organization are separate legal and financial entities, they share membership and work together. Incorporated under Canadian law as a not-for-profit organization, GOPAC is guided by a global Board of Directors selected by regional chapters. The Board's Executive Committee manages and oversees the activities and resources of the global organization, and is chaired by John Williams, Member of Parliament, Canada and Chair of the Public Accounts Committee of the House of Commons.

GOPAC has a professional Secretariat based at the Parliamentary Centre and incorporated under Canadian law that supports the Executive and Board, undertakes programming and communications, and manages GOPAC finances.

### **About the International Compliance Association (ICA)**

The ICA is a non-profit making professional organization dedicated to the furtherance of best compliance and anti money laundering practice in the financial services sector. The ICA seeks to transcend national boundaries by educating and supporting compliance and anti money laundering professionals globally, through the provision of internationally recognized qualifications, member information exchange and training.

As a membership based association, the ICA has support and co-operation from a number of global professional, academic and private sector organizations. ICA has trained more than 300 financial institutions around the world as well as governments, control organizations, enforcement agencies and international organizations worldwide.

Certificates and diplomas are awarded in association with the University Of Manchester Business School (MBS) and the British Banker's Association (BBA) are a joint awarding partner on the UK anti-money laundering and compliance courses and qualifications.

Globally, the ICA has the backing and support of the Society of Trust and Estate Practitioners (STEP) and the International Trust Companies Association (ITCA).

The training arm of the ICA, International Compliance Training (ICT), conducts programs and in-house training in multiple jurisdictions.

### **General Coordination**

The General Coordination team is responsible for dealing with all matters regarding the conference seminar, but with a specific focus on organizing the event and good participation by parliamentarians.

Hon. Roy Cullen, Member of Parliament, Canada, Chair of GOPAC- AML Initiative  
Meaghan Campbell, Program Manager, GOPAC  
William Howarth, ICA  
Marcelo Decoud, ICA

### **Parliamentarian Coordination Council**

The Parliamentarian Coordination Council (PCC) will, as noted in the Methodology section, work with the experts of the ICA to design the content of the program and materials provided. This international team will also participate as panelists during the course of the program to share their own experiences and lessons learned in AML and CFT. The PCC will include, but is not limited to, the following:

#### Africa

+MP to be identified.

#### Asia

+ MP to be identified.

#### Europe

+MP to be identified.

#### Latin America and Caribbean

-Congresista Anel Townsend, Member of Parliament, Peru  
President, Latin American Parliamentarians Against Corruption (LAPAC)  
-Senador César Jauregui , Senator, Mexico  
Vice-President, Latin American Parliamentarians Against Corruption (LAPAC)

+ Others as appropriate.

#### North America

-Hon. Roy Cullen, Member of Parliament, Canada, Chair of GOPAC- AML Initiative

### **Trainers Team**

#### **JACK BLUM**

Jack Blum is a US Attorney admitted at the district of Colombia Bar, the US Court of Appeals for the district of Colombia Circuit and the US Supreme Court. He is based in Washington D.C.

He is an expert on controlling government corruption, international financial crime, money laundering, international tax havens and drug trafficking.

He has been a consultant to the United Nations Centre on Trans-national Corporations, the United Nations Office of Drug Control and Crime Prevention and he has acted as the Chair of

the experts group on international asset recovery, convened by the United Nations Centre for Drug Control and Crime Prevention.

Formally Special Counsel to the Committee on Foreign Relations of the United States Senate, he was involved in a number of well known investigations including BCCI, General Noriega's Drug Trafficking, and Lockheed Aircrafts Overseas Bribes.

Jack Blum has also been involved in a wide range of civic and charitable activities. He served for five years as the president of the National Consumers League, for four years as a trustee of Bard College and for two years as the Treasurer of the International Centre, a Washington D.C. Foreign Policy Organisation. He is presently on the boards of the Violence Policy Centre, the Fund for Constitutional Government and the International Labour Rights Fund.

Jack Blum speaks regularly at both domestic and international conferences on issues of corruption, money laundering and terrorist financing.

He is widely published and is regularly the subject of television and radio interviews. Some of the most notable of these include: ABC's Prime Time Live and Nightline, the PBS Mc Neill Lehrer News Hour and the PBS documentary 'The Prize', NBC Nightly News, the Today Show, CBS's Evening News and West 57th Street, Canadian Broadcasting Corporation's 'The Fifth Estate', BBC Television News, BBC Radio, Canal Plus's 'Transit', NHK Television (Japan), NPR's All Things Considered and Morning Edition, McLaughlin's, One on One and Voice of America.

#### STEPHEN PLATT

Stephen is an internationally recognized expert on regulation of financial services and money laundering.

Stephen is an English barrister, a visiting lecturer to the University of Manchester Business School and a door tenant at the chambers of David Farrer QC, 7 Bedford Row, London.

Stephen was called to the English Bar in 1994. Formerly in legal practice from 1 Essex Court, Temple, London. Stephen joined the leading offshore commercial law firm Ogiers where he was involved in the structuring of investment funds, securitisations and other commercial structures. He then set up the firm's compliance group. He worked on a number of highly complex money laundering cases involving the proceeds of drug trafficking, fraud, and corruption.

Stephen's key skill in relation to money laundering investigations and asset recovery is his understanding of the nature of offshore financial services. He is able to analyse and advise on:-

- \* how a structure is likely to have been established so as to give it the appearance of legitimacy;
- \* the ways in which the structure will be used to disguise beneficial ownership; and
- \* how the structure will have been used to inhibit the tracking of assets.

Stephen specializes in legal and regulatory issues in the financial services sector. He advises governments and regulators on the implementation of effective regulatory and anti money laundering rules. He is regularly instructed to undertake regulatory inspections and to advise on enforcement action.

He has advised a number of substantial non-European states on their responsibilities to meet the Financial Action Task Force regulatory requirements. He has written or co-written the Anti Money Laundering Guidance Notes for Mauritius, Jersey, the Isle of Man and the United Kingdom.

He has also advised on the development of insider dealing and market manipulation legislation and banking business codes of practice.

Stephen's expertise can be an important lever in securing the repatriation of funds to countries which have suffered from corrupt leadership. Often, there will be breaches by institutions of legal and regulatory rules. A full knowledge of these rules and requirements means that pressure can be put upon the financial institutions to repay funds to the victims of crime.

#### ALICIA BEATRIZ LOPEZ

Alicia Beatriz Lopez is an Accountant, actually President of the Argentine FIU, past Director of the Financial Information Unit, Argentina (2004) and the past President of the Financial Information Unit, Argentina (re-elected 2003). She was the first President of the Financial Information Unit in Argentina in 2002. Alicia is also a Member on behalf the Central Bank of the National Secretary Against Narcotics, the Commission of Money Laundering Prevention & Control, a

Representative of the Central Bank for the Common South Cone Market (Mercosur), and she also sits on the Financial Affairs Commission: Money Laundering Prevention Sub-Committee.

Alicia has also given several AML courses in Latin American for organisations such as the OAS-CICAD, FATF-GAFISUD, Federal Police, and the Justice Department, etc.

She trains and speaks on anti money laundering prevention and investigative procedures. Alicia was also the General Manager of the Argentine Central Bank Special Operations Department (1982).

#### MARCELO DECOUD

Marcelo Decoud, is the General Regional Director of the International Compliance Association for Latin American and Hispanic Caribbean, Course Director on AML of the Argentine Institute of Public Finance and Member of the Latinamerican American Public Administration Council.

He has extensive experience in the prevention of money laundering, terrorist financing and corruption having been a trainer at the US Treasury Training Programme against Money Laundering (Paraguay) (2001), a Member of the Latin-American Commission for Development - Anti-Corruption Committee and the Course Director of Money Laundering and Terrorism Finance Prevention at the Federal Police University.

Furthermore, Marcelo has acted as an Assessor of the National Parliament in Argentina from 1983-85 and again in 1988. He has also acted as the Assesor of the Senate in Paraguay in 1990.

Marcelo was a founder member and the General Secretary of the the Latin American Interparliamentary Commission on Environment and Sustainable Development 1996-2003 and



was the Member of the Earth Council Committee for the Earth Summit in Rio de Janeiro in 1997.

He has also been both the Technical Assesor and a member of the High Level Committee of Latin American External Debt to the Latin-American Parliament in Brazil.

#### ASTRID LEIGH

Astrid Leigh is a Peruvian Lawyer with a Degree in Taxation and one in Financial Law. She has previous experience in the establishment and counseling of transnational companies in Peru, and has worked both in the Private Sector and in Public Administration.

For over three years, Peru has been facing a complex process against the corruption inherited from former President Alberto Fujimori and his henchman, Vladimiro Montesinos. Since this process began, Astrid has been involved in tracing the public funds stolen throughout the ten years of government, and carrying out the necessary actions to recover the stolen funds.

At the Special State Attorney's Office, established for the Fujimori-Montesinos case, she was responsible for the creation of a Financial Unit, and in February 2002 she was appointed Assistant Special State Attorney for financial issues in the aforementioned case. During the time she was in Office, US\$ 205 million was frozen in Grand Cayman, Mexico, USA and Switzerland. Of that amount, US\$ 150 million was successfully recovered and deposited in the special fund created by President Alejandro Toledo

Astrid was a member of the Peruvian Delegation that attended the Second Session of the Ad Hoc Committee for the Negotiation of a Convention against Corruption, at the United Nations General Assembly; held in Vienna, Austria in June 2002.

She has been a speaker at international events about money laundering and fund recovery in several countries such as Mexico, United States, Thailand and South Africa. In Peru she works closely with all agents involved in the fight against Corruption and Money Laundering from her current position at the National Comptroller's Office.