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Global Partnership Should Be the Way Forward to Combat Money Laundering

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Global Partnership Should Be the Way Forward to Combat Money Laundering

Maame Nyakoa Boateng*

ABSTRACT

This Comment compares the major anti-money laundering (“AML”) laws in the United States and Iran. This Comment argues that even though the United States is advanced in its compliance approach, without a partnership with countries that are more vulnerable to money laundering attacks, its AML efforts could prove counter-productive because of the inter-connectedness of our world today. Accordingly, this Comment proposes a global partnership between countries with effective AML legislation and countries with less effective AML legislation to combat this complex crime.

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I. INTRODUCTION

According to the United States Department of the Treasury and the Federal Bureau of Investigation (FBI), terrorist groups, cross-border criminal organizations, internet fraudsters, and foreign intelligence services transfer more than 300 billion dollars through the international banking system to conceal the criminal origins of their funds.¹ Money laundering is one of the oldest, multi-faceted,

1. *Combating the Growing Money Laundering Threat, Special FBI Unit Focuses on Disrupting Professional Money Launderers*, FBI (Oct. 24, 2016), <https://bit.ly/3a9ki4l> [<https://perma.cc/S7BA-9VJV>]; UNITED STATES DEP'T OF TREASURY, U.S. MONEY LAUNDERING THREAT ASSESSMENT 11 (2005), <https://bit.ly/3K8OZaa> [<https://perma.cc/3FPB-95EW>].

and increasingly sophisticated white-collar crimes in the world.² This complex crime garnered more publicity after the September 11th terrorist attacks on the twin towers of the World Trade Center in New York City.³ Leads showed that the attacks were partially funded by laundered money.⁴ The September 11th hijackers utilized U.S. and foreign financial institutions to hold, move, and retrieve their money.⁵ The attack cost the hijackers between \$400,000 and \$500,000, of which approximately \$300,000 passed through the hijackers' bank accounts in the United States.⁶ As evidenced by the thousands of lives lost and injured during the September 11th attacks, money laundering is not a victimless crime. A single fraud scheme can pose security threats to nations,⁷ cost a government or company billions of dollars,⁸ devastate families, and fuel the criminal activities of illegal arms dealers, corrupt public officials, and sex

2. See JEFFREY ROBINSON, *THE LAUNDRYMEN: INSIDE MONEY LAUNDERING, THE WORLD'S THIRD LARGEST BUSINESS* 30–31 (Simon & Schuster Ltd. 2d ed. 1998) (1996); Heba Shams, *The Fight Against Extraterritorial Corruption and the Use of Money Laundering Control*, 7 L. & Bus. Rev. Am. 85, 110 (2001). See generally *The History of Money Laundering*, Int'l Bar Ass'n Anti Money Laundering, <https://bit.ly/341MuqA> [<https://perma.cc/VX9V-4A59>] (last visited Jan. 30, 2022) (noting the practice of disguising income derived from illicit activities can be traced back to the 13th Century B.C. when pirates originally used the oceans and seas as international trade routes for valuable commodities and assets).

3. JOHN ROTH ET AL., NAT'L COMM'N ON TERRORIST ATTACKS UPON THE UNITED STATES, STAFF REPORT TO THE COMM'N 3 (2004), <https://bit.ly/3Kf4AoH> [<https://perma.cc/L78G-LAWG>]. The September 11th

hijackers used U.S. and foreign financial institutions to hold, move, and retrieve their money. The hijackers deposited money into U.S. accounts, primarily by wire transfers and deposits of cash or travelers' checks brought from overseas. Additionally, several of them kept funds in foreign accounts, which they accessed in the United States through ATM and credit card transactions.

Id.

4. Kathleen A. Lacey & Barbara Crutchfield George, *Crackdown on Money Laundering: A Comparative Analysis of the Feasibility and Effectiveness of Domestic and Multilateral Policy Reforms*, 23 Nw. J. INT'L L. & BUS. 263, 266 (2003).

5. JOHN ROTH ET AL., NAT'L COMM'N ON TERRORIST ATTACKS UPON THE UNITED STATES, STAFF REPORT TO THE COMM'N 3 (2004), <https://bit.ly/3Kf4AoH> [<https://perma.cc/8M6M-B2AN>].

6. *Id.* at 3.

7. *Id.* at 2. After the September 11th attacks, high level U.S officials publicly declared that the fight against terrorist financing was as critical as the fight against terrorist groups themselves. *Id.* at 77.

8. See *United States v. Schlesinger*, 396 F. Supp. 2d 267, 271, 278–80 (E.D.N.Y. 2005). A clothing manufacturing business was charged with using shell corporations to carry out two self-organized bankruptcies. *Id.* The court held that the clothing company pay back \$11,480,629.41, representing the total value of the property allegedly involved in the money laundering. *Id.*

trafficking offenders.⁹ Money laundering has significant economic and political effects at the national and global levels. Part II of this Comment will examine money laundering as a crime and the anti-money laundering legislation that has developed over the years. Part III will include a comparative analysis between AML legislation in the United States and in Iran.¹⁰ This Comment ultimately proposes a partnership between countries that are considered high-risk and countries that are advanced in their AML regulations to effectively combat money laundering and its associated activities. In spite of numerous regulations established by the United States, such as the Bank Secrecy Act,¹¹ and global commitments to combat money-laundering, there still remains a gap in the fight against this crime. Global money laundering has increased exponentially, and offenders have found a variety of illegal methods to transfer money received through fraudulent means.

II. BACKGROUND

A. *Money Laundering As a Crime*

Money laundering is a process by which criminals disguise the illegal origins of their financial assets to avoid suspicion from law enforcement agencies.¹² It is also the process by which criminals mask the source of funds used to promote criminal activities such as terrorist attacks.¹³

9. *See, e.g.*, *United States v. Medeles-Arguello*, 701 Fed. App'x 390, 391 (5th Cir. 2017). Defendant was convicted by a jury of conspiring to commit sex trafficking, three counts of money laundering, and conspiring to commit money laundering. *Id.* She was sentenced to a total term of life in prison. *Id.*; *see also What Is Money Laundering?* FIN. ACTION TASK FORCE (FATF), <https://bit.ly/3BwBVZ8> [<https://perma.cc/ML4S-DBUB>] (last visited Feb. 18, 2022).

10. While this Comment conducts a comparative analysis between the United States and Iran because of their classification as low-risk and high-risk countries respectively, it does not propose a global partnership between the United States and Iran specifically. It proposes a global partnership between low-risk and high-risk countries generally but focuses on these particular countries primarily as a case study.

11. *See, e.g.*, Currency and Foreign Transactions Reporting Act of 1970, 31 U.S.C. § 5311 (2006).

12. *Money Laundering, Proceeds of Crime and the Financing of Terrorism*, U.N. OFF. OF DRUGS & CRIME (UNDOC), <https://bit.ly/3sQFVhi> [<https://perma.cc/D238-FXB8>] (last visited Mar. 6, 2021).

13. 18 U.S.C. § 1956; Steven M. D'Antuono, FBI, *Statement Before the Senate Banking, Housing, and Urban Affairs Committee: Combating Money Laundering and Other Forms of Illicit Finance: Regulator and Law Enforcement Perspectives on Reform*, FBI (Nov. 29, 2018), <https://bit.ly/3nIBTFk> [<https://perma.cc/9F3T-X5WA>].

Money laundering occurs in three overlapping stages: placement, layering and integration.¹⁴ Most of the anti-money laundering laws are designed to prevent money laundering at the placement stage.¹⁵

1. Placement

Placement involves introducing illegal funds into the financial system using various transactions and accounts to hide the source of the funds.¹⁶

a. The Payment of Funds into Traditional Depository Institutions

One method a money launderer may use to introduce illicit funds into the financial system is depositing the funds into a traditional depository institution, such as a bank.¹⁷ Since this process has become riskier due to stricter financial regulation and detection methods, money launderers have turned to a process called “smurfing.”¹⁸ Smurfing involves breaking up large transactions into small deposits and making these small deposits in a number of different depository institutions to avoid detection.¹⁹ As financial institutions have begun to recognize small deposits as suspicious,²⁰ “smurfers” have reduced the amount of the deposits they make even further, making it even harder for the banks to detect them.²¹ Additionally, the volume of business that banks handle on a daily basis makes it harder for them to track every single transaction and exposes them to significant money laundering risks.²²

14. Paul Fagyal, *The Anti-Money Laundering Provisions of the Patriot Act: Should they be Allowed to Sunset?*, 50 ST. LOUIS U. L.J. 1361, 1364 (2006). See generally RENA S. MILLER & LIANA W. ROSEN, CONG. RSCH. SERV., R44776, ANTI-MONEY LAUNDERING: AN OVERVIEW FOR CONGRESS (2017), <https://bit.ly/3ivB3IX> [<https://perma.cc/PB72-LD22>].

15. J. Mitchell Little, *The Basics of Money Laundering*, in 2018 TEXAS CLE ADVANCED FAMILY LAW (State Bar of Texas, 2018).

16. Fagyal, *supra* note 14, at 1364–65.

17. *Id.* at 1365.

18. *Id.*

19. *Id.* at 1361, 1364–65. A depository institution is a financial institution legally permitted to solicit and accept monetary deposits from the general public. These include commercial banks, thrifts, credit unions, and limited purpose banking institutions such as credit card banks, and industrial loan banks. *Id.*

20. *Id.* 1361, 1365–66.

21. *Id.* at 1366.

22. D’Antuono, *supra* note 13.

b. The Concealment of Funds Through Illicit Cash Transactions

Another alternative for money launderers is to boycott financial institutions and make several illicit cash transactions.²³ Cash provides no means of identifying its source or legitimacy.²⁴ People use cash all over the world and law enforcement agencies find it difficult to trace once people have dispensed it.²⁵ Criminals easily conceal and smuggle cash across the United States' borders in cars, ships, aircrafts, boats, and in special compartments hidden inside clothing or packages wrapped to look like gifts.²⁶ "Cash-intensive sources of illicit income include human smuggling, bribery, fraud, kidnapping, and prostitution."²⁷ In drug trafficking cases, customers use cash to purchase drugs from street drug vendors.²⁸ Then, the drug vendors use cash to purchase additional drugs from their distributors.²⁹ These distributors also use cash to purchase drugs from their wholesalers, who then make payments to their suppliers in cash.³⁰ This cycle makes it very difficult to trace the original source of the cash.

c. The Use of Emerging Technologies

Technological advancements also help money launderers to complete the placement stage.³¹ One technological advancement vulnerable to money laundering is virtual currency such as bitcoin. Virtual currency is a "digital representation of value that functions as a medium of exchange."³² Some web developers establish internet sites that use virtual currencies specifically for money laundering.³³ For example, in *United States v. Budovsky*,³⁴ the U.S. Attorney General's Office in the Southern District of New York charged Arthur Budovsky, the founder of Liberty Reserve, with

23. *Id.*

24. *Id.*

25. *Id.*

26. *Id.* Defendant was found driving toward the Mexican border with \$81,000 in cash. *Id.* The money was bundled in plastic bags and duct tape, and animal hair was spread in the rear of the vehicle. *Id.*; see also *Cuellar v. United States*, 553 U.S. 550, 554 (2008).

27. D'Antuono, *supra* note 13.

28. *Id.*

29. *Id.*

30. *Id.*

31. See *id.*

32. *Virtual Currencies*, IRS, <https://bit.ly/36U284Z> [<https://perma.cc/E43N-K4T3>] (last visited Nov. 30, 2020).

33. See D'Antuono, *supra* note 13.

34. *United States v. Budovsky*, No. 13cr368 (DLC), 2015 WL 5602853, at *1 (S.D.N.Y. Sept. 23, 2015).

creating and operating an unlicensed money-transmitting enterprise used to launder criminal proceeds.³⁵ Liberty Reserve classified itself as the largest internet payment processor that allowed users to send and receive payments using virtual currencies.³⁶ Until the U.S. government shut it down in 2013, criminals used Liberty Reserve to launder funds from credit card trafficking, identity fraud, and computer hacking systems.³⁷ Mr. Budovsky was sentenced to 20 years imprisonment.³⁸

2. Layering

The second stage of the money laundering process is layering. Layering occurs when money launderers move money in a series of unnoticeable processes that conceal the true source of the money, but the process still leaves the money launderers with maximum control over the funds.³⁹ Money launderers divide the illegal funds into smaller amounts and mix the money in with legitimate funds.⁴⁰ Money launderers typically use offshore banks with lenient reporting requirements during the layering stage.⁴¹ With the click of a button, using a computer application, money launderers can facilitate the movement of money between accounts and intermediaries in different nations.⁴² Once the money works its way into the banking systems of these jurisdictions, it is harder to trace, and usually will be detected only if law enforcement agencies conduct a criminal investigation.⁴³

Money launderers can also accomplish the layering stage by transferring the funds through shell companies.⁴⁴ A shell company is “a corporation, limited liability company, or trust that has no physical presence (apart from a mailing address), without signifi-

35. *Id.*

36. *See* D’Antuono, *supra* note 13.

37. *Id.*

38. *See* Press Release, Department of Justice, Liberty Reserve Founder Sentenced to 20 Years for Laundering Hundreds of Millions of Dollars (May 6, 2016), <https://bit.ly/2UO731E> [<https://perma.cc/B7JY-XWWN>]. Under 18 U.S.C. § 1956, the maximum penalty for individuals who commit the crime of money laundering is 20 years imprisonment for each violation. 18 U.S.C. § 1956(b)(2) (1986).

39. Fagyal, *supra* note 14, at 1361, 1367.

40. *Id.*

41. *Id.* at 1368.

42. JEFFREY ROBINSON, *THE LAUNDRYMEN: INSIDE MONEY LAUNDERING, THE WORLD’S THIRD LARGEST BUSINESS* 30–31 (Simon & Schuster Ltd. 2d ed. 1998) (1996).

43. Fagyal, *supra* note 14, at 1361, 1368.

44. Scott Sultzer, Note, *Money Laundering, The Scope of the Problem and Attempts to Combat it*, 63 TENN. L. REV. 143, 150 (1995).

cant assets, employees, or products.”⁴⁵ Most shell companies are legitimate and are used for transferring assets, facilitating corporate mergers and reorganizations, or holding another entity’s assets or stocks.⁴⁶ However, because they are easy to set up and most states do not require them to disclose their financial activities and ownership, they are vulnerable to money laundering.⁴⁷ The Financial Crimes Enforcement Network (“FinCEN”) has identified Delaware, Nevada, Oregon, and Wyoming as popular states for forming and operating shell companies for illicit activities because these states require little to no information about who owns or controls the company.⁴⁸ Internationally, the Cayman Islands, Panama, the United Kingdom, and the Bahamas are among the most popular havens for criminal purposes.⁴⁹

3. *Integration*

The final stage of the money laundering process is integration. Integration occurs when illegitimate funds are fully comingled with legitimate funds and transferred between banks, accounts, and nations, making them almost impossible to trace.⁵⁰ Criminals integrate their illegal proceeds into the financial system by purchasing expensive property, reselling it, and creating real businesses.⁵¹ Corrupt foreign government officials who seek and accept bribe payments are known to use this method to funnel illegal funds into the United States.⁵² FBI investigations and Department of Justice (DOJ) pros-

45. STEVEN MARK LEVY, FEDERAL MONEY LAUNDERING REGULATION: BANKING, CORPORATE AND SECURITIES COMPLIANCE § 2.12, (Aspen Publishers, 2d ed. & Supp. 2020).

46. *Id.*

47. *Id.*

48. FINANCIAL CRIMES ENFORCEMENT NETWORK (FINCEN), THE ROLE OF DOMESTIC SHELL COMPANIES IN FINANCIAL CRIME AND MONEY LAUNDERING: LIMITED LIABILITY COMPANIES 7 (2006), <https://bit.ly/39w90Zd> [<https://perma.cc/A4FA-3AKB>].

49. *Id.* at 11. Financial Institutions must submit Suspicious Activity Reports (SARs) detailing suspected money laundering activities to FinCEN. *Id.* These SARs reveal a wide variety of suspected shell companies in these locations. *Id.*

50. Fagyal, *supra* note 14, at 1368.

51. D’Antuono, *supra* note 13.

52. See U.S. SENATE PERMANENT SUBCOMM. ON INVESTIGATIONS, KEEPING FOREIGN CORRUPTION OUT OF THE UNITED STATES: FOUR CASE HISTORIES 2, 5, 9, 15, 20 (2010), <https://bit.ly/36hnVqq> [<https://perma.cc/4CXH-TNPF>]. A government minister, who was also the son of the president of Equatorial Guinea, transferred over \$110,000,000 of illicit funds into the United States with the assistance of 2 American lawyers. The government minister purchased a Gulfstream jet, a Malibu Mansion, and nearly \$2 million in Michael Jackson memorabilia. *Id.* at 2; see also Press Release, U.S. Dep’t of Justice, Department of Justice Seeks to Recover More Than \$70.8 Million in Proceeds of Corruption from Government Min-

ecutions have shown that corrupt foreign officials have purchased assets in the United States such as luxury homes, private jets, motion picture companies, and artwork to launder the proceeds of their corruption.⁵³

B. *Anti-Money Laundering Basics*

1. *Anti-Money Laundering*

Anti-money laundering (“AML”) refers to the measures by financial institutions and other entities to prevent illicit money laundering activities.⁵⁴ The U.S. Congress made money laundering a federal crime under the Money Laundering Control Act of 1986.⁵⁵ Money laundering amounts to 2 to 5 percent of global gross domestic product, which is about \$600,000,000,000 annually.⁵⁶ This large sum of money fuels criminal enterprises to conduct operations to the “detriment of the safety and security of American citizens.”⁵⁷

Money launderers rely on the gaps in the financial system to fund their global terrorism attacks on American citizens.⁵⁸ These terrorist attacks threaten the safety of American citizens and undermine the integrity of the financial institutions in the United States.⁵⁹ The attacks also threaten the global systems upon which “prosperity and growth depend.”⁶⁰ An example of a gap in the financial system is the fact that banks are only required to report transactions over \$10,000. Even when “smurfers” deposit smaller amounts of money that raise red flags, banks are not mandated to report these transactions. Since money launderers make smaller deposits, most

ister of Equatorial Guinea (Oct. 25, 2011), <https://bit.ly/36DXv06> [<https://perma.cc/H6MX-3E7P>].

53. D’Antuono, *supra* note 13.

54. RENA S. MILLER & LIANA W. ROSEN, CONG. RSCH. SERV., R44776, *ANTI-MONEY LAUNDERING: AN OVERVIEW FOR CONGRESS* (2017). The Summary briefly describes anti-money laundering and provides information on the scope of the crime. *Id.*

55. Money Laundering Control Act, 18 U.S.C. § 1956 (1986).

56. Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 107-56, 115 Stat. 296 (codified as amended at 31 U.S.C. § 7704(a)(1) (2006)); *see also* UNITED NATIONS OFFICE OF DRUGS AND CRIME (UNODC), *ESTIMATING IL-LICIT FINANCIAL FLOWS RESULTING FROM DRUG TRAFFICKING AND OTHER TRANSNATIONAL ORGANIZED CRIMES* 9 (2011), <https://bit.ly/3iukehY> [<https://perma.cc/KDF3-WAUY>].

57. Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 107-56, 115 Stat. 296 (codified as amended at 31 U.S.C. § 7704(a)(1) (2006)).

58. *Id.*

59. *Id.*

60. *See id.* § 7704(a)(3).

of these transactions pass through the financial system without being scrutinized by law enforcement agencies.⁶¹

2. *Anti-Money Laundering Legislation*

Anti-money laundering legislation comprises of national and international laws and regulations that determine the bounds of legal financial activities and the roles of financial institutions and related sectors to adhere to AML requirements.⁶² Globally, the Financial Action Task Force (“FATF”) establishes international standards to combat money laundering.⁶³ In the United States, Congress has mandated the FinCEN, a division of the Department of the Treasury, to safeguard the financial system from illicit use and money laundering.⁶⁴ FinCEN exercises regulatory functions under the Bank Secrecy Act.⁶⁵

3. *The Financial Action Task Force*

The FATF is the global money laundering and terrorist financing watchdog which sets international standards to prevent money laundering and the harm such illegal activities cause to society.⁶⁶ The FATF consists of a strong global network of regional bodies and 39 members.⁶⁷ In order for a country to become a member of the FATF, the organization considers the impact the country has on the global financial system and the size of its gross domestic product, among many other factors.⁶⁸ The process for becoming a

61. *Notice to Customers: A CTR Reference Guide*, FIN. CRIMES ENF’T NETWORK (FinCEN), <https://bit.ly/36WB06e> [<https://perma.cc/AY6M-E7CK>] (last visited Mar. 5, 2022). Federal law requires financial institutions to report currency (cash or coin) transactions over \$10,000 conducted by, or on behalf of, one person, as well as multiple currency transactions that in aggregate exceed \$10,000 in a single day. *Id.*

62. RENE S. MILLER & LIANA W. ROSEN, CONG. RSCH. SERV., RR44776, ANTI-MONEY LAUNDERING: AN OVERVIEW FOR CONGRESS 1, 5, 6, (2017), <https://bit.ly/3ivB3IX> [<https://perma.cc/2HLR-MSW2>].

63. *The Financial Action Task Force*, FIN. CRIMES ENF’T NETWORK (FinCEN), <https://bit.ly/3fUxGfb> [<https://perma.cc/ME8T-3PC2>] (last visited Dec. 1, 2020).

64. *What We Do*, FIN. CRIMES ENF’T NETWORK (FinCEN), <https://bit.ly/3HE-osQt> [<https://perma.cc/92B6-NQ3C>] (last visited Dec. 1, 2020).

65. *Id.*; see also *FinCEN’s Mandate From Congress*, FIN. CRIMES ENF’T NETWORK (FinCEN), <https://bit.ly/36swYTf> [<https://perma.cc/6YR8-9KLJ>] (last visited Dec. 1, 2020).

66. *Who We Are*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/34ueYqk> [<https://perma.cc/Z37W-WN3P>] (last visited Nov. 1, 2020).

67. *Countries*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/3kTLI80> [<https://perma.cc/4MN5-H4UM>] (last visited Nov. 1, 2020).

68. *FATF Membership Policy*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/3eh0MXo> [<https://perma.cc/YN95-7RWM>] (last visited Mar. 6, 2022).

FATF member includes countries agreeing to participate actively in the FATF.⁶⁹ Members ensure that countries comply with the FATF recommendations and provide expertise in policy-making.⁷⁰ The FBI is part of the Treasury-led United States delegation to FATF.⁷¹ The FATF monitors countries and ensures that they comply with and implement the FATF standards fully and effectively; it also holds countries that do not adhere to the FATF standards accountable.⁷² Additionally, the FATF identifies high-risk countries with deficiencies in countering money laundering.⁷³

The FATF has classified high-risk jurisdictions as those with significant strategic deficiencies in their efforts to counter money laundering, terrorist financing, and proliferation financing.⁷⁴ The list of high-risk countries is called the “Blacklist.” Iran and the Democratic People’s Republic of Korea are the two countries currently on the Blacklist.⁷⁵ The FATF requires all high-risk countries to “apply enhanced due diligence” and “apply counter-measures to protect the international financial system from money laundering.”⁷⁶

The counter-measures are divided into two categories: beneficiary financial institutions receiving money in high-risk countries and intermediary financial institutions assisting cross-border wire

69. *Process and Criteria for Becoming a FATF Member*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/3rof4c5> [<https://perma.cc/EPS8-JKP2>] (last visited Mar. 6, 2020).

70. *What We Do*, FIN. CRIMES ENF’T NETWORK (FINCEN), <https://bit.ly/3HE-osQt> [<https://perma.cc/8FDQ-89M3>] (last visited Dec. 1, 2020).

71. Steven M. D’Antuono, FBI, *Statement Before the Senate Banking, Housing, and Urban Affairs Committee: Combating Illicit Financing By Anonymous Shell Companies*, FBI (May 21, 2019) <https://bit.ly/2V4ghHe> [<https://perma.cc/3TBS-CXEJ>].

72. *The Financial Action Task Force, supra* note 63; *Mutual Evaluations*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/2N6rWUY> [<https://perma.cc/D3PU-2UG4>] (last visited Feb. 6, 2021). Through a “Mutual Evaluations Peer Review Process,” countries submit their relevant anti-money laundering laws to FATF and members from different countries assess the laws. *Mutual Evaluations*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/2N6rWUY> [<https://perma.cc/N7MP-UA5N>]. Countries submit mutual evaluation reports which include an analysis of a country’s laws as well as focused recommendations to further strengthen the country’s anti-money laundering legislation. *Id.*

73. *High-risk and Other Monitored Jurisdictions*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/2IYh6hS> [<https://perma.cc/73JZ-AWA3>] (last visited Nov. 1, 2020).

74. *High-risk Jurisdictions Subject to a Call for Action – 21 February 2020*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/3jv3Uxs> [<https://perma.cc/36KC-QFY8>] (last visited Nov. 1, 2020).

75. *Id.*

76. *Id.*

transfers.⁷⁷ Beneficiary and intermediary financial institutions utilize post-event monitoring or real-time monitoring to identify cross-border wire transfers that lack required originator or required beneficiary information.⁷⁸ These institutions also have procedures for determining “when to execute, reject, or suspend a wire transfer” that does not have the required identifying information of the originator or the beneficiary.⁷⁹

4. *United States Anti-Money Laundering Legislation*

The U.S. Congress has passed a number of important AML Laws. These include: the Bank Secrecy Act,⁸⁰ the USA Patriot Act,⁸¹ and the Money Laundering and Financial Crimes Strategy Act (1998).⁸² Congress made money laundering a federal crime under the Money Laundering Control Act of 1986.⁸³ In 1970, Congress also passed the Currency and Foreign Transactions Reporting Act, also commonly referred to as the “Bank Secrecy Act” or “BSA”,⁸⁴ to fight money laundering.⁸⁵

The Supreme Court in *California Bankers Association v. Shultz*, affirmed the constitutionality of Titles I and II of the BSA.⁸⁶ The BSA requires U.S. financial institutions to assist U.S. govern-

77. FIN. ACTION TASK FORCE, INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM & PROLIFERATION, THE FATF RECOMMENDATIONS 80–81 (2021), <https://bit.ly/2HSGdCK> [<https://perma.cc/FS4A-A6NT>] (last visited Nov. 28, 2020).

78. *Id.* at 81.

79. *Id.*

80. Currency and Foreign Transactions Reporting Act of 1970, 31 U.S.C. § 5311 (2006).

81. Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act) Act of 2001, Pub. L. No. 107-56, 115 Stat. 272.

82. Money Laundering and Financial Crimes Strategy Act of 1998, Pub. L. 105-310, 112 Stat. 2941.

83. Money Laundering Control Act, 18 U.S.C. § 1956 (1986) (introducing civil and criminal forfeiture for BSA violations).

84. Currency and Foreign Transactions Reporting Act of 1970, 31 U.S.C. § 5311 (2006).

85. *See Bank Secrecy Act, IRS*, <https://bit.ly/2VfE86S> [<https://perma.cc/4WSV-GE34>] (last visited Nov. 28, 2020).

86. *See California Bankers Ass'n v. Shultz*, 416 U.S. 21, 23–25 (1974). Plaintiffs questioned the constitutionality of the Bank Secrecy Act of 1970. *Id.* Plaintiffs alleged that the Act violated U.S. Constitution Amendments I, IV, V, IX, X, and XIV. *Id.* The Supreme Court affirmed the constitutionality of Title I of the Act under U.S. Constitution Amendment V because there existed a rational relationship between the objectives of the Act. *Id.* The Court affirmed the constitutionality of Title II of the Act and held that the Act did not impose unreasonable reporting requirements on banks, nor did it violate any rights of the depositor. *Id.*

ment agencies in detecting and preventing money laundering.⁸⁷ The purpose of the Bank Secrecy Act is to “require certain reports or records where they have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings . . . to protect against international terrorism.”⁸⁸

The BSA requires financial institutions to “keep records of cash purchases of negotiable instruments, file reports of cash transactions exceeding \$10,000 (daily aggregate amount), and to report suspicious activity that might signify money laundering, tax evasion, or other criminal activities.”⁸⁹ The Department of the Treasury also requires every national bank and savings association to have a written, board approved program to monitor compliance with the BSA.⁹⁰

5. *International Anti-Money Laundering Legislation*

a. The FATF Recommendations

The FATF recommendations are legally non-binding global standards that have been internationally endorsed by most countries to combat money laundering and terrorist financing.⁹¹ While over 200 jurisdictions have committed to the FATF recommendations and abide by them,⁹² each country has its own AML laws.

b. Iran’s Anti-Money Laundering Legislation

In January 2008, the parliament of the Islamic Republic of Iran ratified Iran’s AML law.⁹³ The law established an AML high council (“High Council”) to coordinate all the institutions responsible for preparing smart intelligence systems, identifying suspicious transactions, and combating money laundering.⁹⁴ The High Council

87. *FinCEN’s Legal Authorities*, FIN. CRIMES ENF’T NETWORK (FINCEN), <https://bit.ly/3rvolBn> [<https://perma.cc/P4LY-V7UT>] (last visited Apr. 1, 2020).

88. 31 U.S.C. § 5311 (2006).

89. FIN. CRIMES ENF’T NETWORK (FINCEN), *supra* note 87.

90. Procedures for Monitoring Bank Secrecy Act (BSA) Compliance, 12 C.F.R. § 21.21 (2014) (stating that under Subpart C and D, Procedures for Monitoring Bank Secrecy Act Compliance, the regulation stipulates that each compliance program at a minimum should provide for a system of internal controls to assure ongoing compliance, provide for independent compliance testing to be conducted by bank personnel or an outside party, designate individuals responsible for monitoring day-day compliance, and provide training for appropriate personnel).

91. *FATF Recommendations*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/2HQvQz1> [<https://perma.cc/UF9M-CZPH>] (last visited Nov. 1, 2020).

92. *What We Do*, *supra* note 64.

93. Anti-Money Laundering Law of 22 January, 2008 (Iran), <https://bit.ly/34K6M5F> [<https://perma.cc/6UTP-EF68>].

94. *Id.* at art. 4.

is also responsible for drafting AML regulations⁹⁵ and sharing best practices and information with similar organizations in foreign countries.⁹⁶ Iran's AML law requires all financial entities—including but not limited to the Central Bank of the Islamic Republic of Iran, insurance companies, and other financial institutions—to fulfill the regulations set forth by the High Council.⁹⁷ Iran's geographic location makes it a prime transition point for trafficking narcotics, specifically opiates originating from Afghanistan. Afghanistan produces 85 percent of the estimated global heroin and morphine supply which they transit to Western and Eastern European markets through the long-established Balkan route from Iran and Turkey.⁹⁸

In 2016, Iran submitted a high-level action plan to the FATF address its strategic deficiencies in dealing with money laundering.⁹⁹ In 2019, the FATF advised all jurisdictions to “require increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in Iran” and “increase supervisory examination for branches and subsidiaries of financial institutions based in Iran.”¹⁰⁰ In 2020, the FATF stated that Iran had not completed implementation of its action plan and re-imposed due diligence countermeasures on Iran.¹⁰¹

III. ANALYSIS

The FATF has classified the United States as a low-risk country with a well-developed and robust AML framework.¹⁰² However, the FATF also recognizes that because of the widespread global use of U.S. currency, the U.S. financial sector is exposed to “risks of cross-border illicit-flows including bulk cash smuggling.”¹⁰³ Addi-

95. *Id.* at art. 4(2).

96. *Id.* at art. 4(5).

97. *Id.* at art 5.

98. U.S. DEP'T OF STATE, BUREAU FOR INT'L NARCOTICS AND LAW ENF'T AFF. INTERNATIONAL NARCOTICS CONTROL REPORT 94 (2018) <https://bit.ly/2HZwPxd> [<https://perma.cc/NNK4-NXB7>]; see also UNITED NATIONS OFFICE OF DRUGS AND CRIME (UNODC), WORLD DRUG REPORT, THE GLOBAL HEROIN MARKET 38 (2010) <https://bit.ly/30kU3TS> [<https://perma.cc/J38B-9W9W>].

99. *Public Statement – October 2019*, FIN. ACTION TASK FORCE (FATF), <https://bit.ly/3oP6K4z> [<https://perma.cc/Z925-YSAR>] (last visited Nov. 1, 2020).

100. *Id.*

101. Toby Dershowitz, *FATF Reimposes Countermeasures on Iran for Failing to Meet Anti-Money Laundering Standards*, FOUND. FOR DEF. OF DEMOCRACIES (Feb. 21, 2020), <https://bit.ly/3HNSsV> [<https://perma.cc/Y6C6-HMVE>].

102. FIN. ACTION TASK FORCE (FATF), ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING MEASURES, UNITED STATES MUTUAL EVALUATION REPORT 3 (2016), <https://bit.ly/3ldYuIB> [<https://perma.cc/KY2D-MA7E>].

103. *Id.* at 17.

tionally, the World Bank and the United Nations report that the United States is one of the most popular places for corrupt government officials to create anonymously owned companies.¹⁰⁴ As previously discussed, the policies of Delaware, Nevada, Oregon, and Wyoming allow shell companies to flourish.¹⁰⁵

A. *Comparative Analysis of Iran and United States' AML Laws*

The BSA and Iran's AML legislation are similar in the sense that they both require all financial institutions to assist the government in combating money laundering. However, the differences between the two are worth noting.

The United States has an extensive AML legal framework. The AML laws include the Bank Secrecy Act; the USA Patriot Act; Money Laundering Control Act, (1986); Money Laundering Suppression Act, (1994); Money Laundering and Financial Crimes Strategy Act, (1998); and Annunzio-Wylie Anti-Money Laundering Act, (1992).¹⁰⁶

Iran, on the other hand, has consistently failed to enact AML laws that will remove it from the global Blacklist. In a 2019 interview with Reuters Staff, Paris-based FATF stated that: "The FATF expects Iran to proceed swiftly in the reform path to ensure that it addresses all of the remaining items by completing and implementing the necessary Anti-Money Laundering and Counter-Terrorist Financing reforms."¹⁰⁷ One of the reforms Iran is required to take is to join the United Nations Convention against Transnational Organized Crime (UNTOC), which is also called the Palermo Convention, a United Nations-sponsored multilateral treaty against transnational organized crime.¹⁰⁸ The other action is to ratify the International Convention for the Suppression of the Financing of

104. EMILE VAN DER DOES DE WILLEBOIS ET AL., PUPPET MASTERS, HOW THE CORRUPT USE LEGAL STRUCTURES TO HIDE STOLEN ASSETS AND WHAT TO DO ABOUT IT 121, 142 (2011), <https://bit.ly/2HWpIVT> [<https://perma.cc/EL4F-XTAR>].

105. FIN. CRIMES ENF'T NETWORK, THE ROLE OF DOMESTIC SHELL COMPANIES IN FINANCIAL CRIME AND MONEY LAUNDERING: LIMITED LIABILITY COMPANIES 7 (2006), <https://bit.ly/39w90Zd> [<https://perma.cc/GU3B-ZSLY>].

106. *History of Anti-Money Laundering Laws*, FIN. CRIMES ENF'T NETWORK (FINCEN), <https://bit.ly/2MLVFD3> [<https://perma.cc/BM85-GXL7>] (last visited Feb. 8, 2021).

107. *Global Watchdog Gives Iran Until Feb to Tighten Anti-Money Laundering Rules*, REUTERS (Oct. 18, 2019, 6:26 AM), <https://reut.rs/38cbScf> [<https://perma.cc/BCG3-RTXS>].

108. *Gov't Not Permitted to Join Palermo Convention: Rezaee*, TEHRAN TIMES (Oct. 15, 2019), <https://bit.ly/2OcyFO6> [<https://perma.cc/29DR-PEEP>]. Members who join the Convention take a major step forward in the fight against transnational organized crime and signify that they recognize the seriousness of the

Terrorism, (“CFT”), the convention combatting financing of terrorism.¹⁰⁹ On October 7, 2018, the Iranian parliament voted in favor of the CFT. However, the oversight Guardian Council rejected the bill by finding 22 faults with it, which put the fate of the bill in the hands of the Expediency Council.¹¹⁰ Some of these faults included items which were against the Iranian Constitution and the Islamic Law.¹¹¹ There were also some ambiguous clauses which the Guardian Council sent back to parliament.¹¹²

Secondly, the Bank Secrecy Act provides more details while the Iranian legislation is slightly vague and lacks specific action items for financial institutions.¹¹³ For instance, the BSA specifically requires all financial institutions to report transactions over \$10,000.¹¹⁴ In contrast, Iran’s AML legislation sets up a High Council that coordinates all the financial institutions responsible for combating money laundering.¹¹⁵ The High Council is also responsible for drafting anti-money laundering regulations.¹¹⁶ One would expect that Iran’s AML law would include more details and provide specificity as to what Iranian financial institutions should do to combat money laundering, as opposed to giving directives to a High Council to perform those functions.

B. *The Need for Global Partnership*

A global partnership between high-risk and low-risk countries should exist because: (1) the purpose of the Bank Secrecy Act and other United States AML laws recognizes the need for interna-

problems posed by organized crime, as well as the need to foster and enhance close international cooperation in order to tackle those problems. *Id.*

109. United Nations International Convention for the Suppression of the Financing of Terrorism G.A. Res. 54/109, (Dec. 9, 1999), <https://bit.ly/3rpN6wS> [<https://perma.cc/Z8A5-SCWX>].

110. *FATF Gives Iran Until Feb. to Pass Anti-Money Laundering Laws*, TEHRAN TIMES (Oct. 19, 2019), <https://bit.ly/2N6prSM> [<https://perma.cc/75GR-FBME>].

111. *Iran’s Guardian Council Finds Faults with CFT*, TEHRAN TIMES (Nov. 4, 2018), <https://bit.ly/3bnnjzA> [<https://perma.cc/CFH8-76SZ>].

112. *Id.*

113. *Compare* Anti-Money Laundering Law of 22 January, 2008 (Iran), <https://bit.ly/34K6M5F> [<https://perma.cc/5KLJ-EKAN>], *with* *Bank Secrecy Act*, IRS, <https://bit.ly/2VfE86S> [<https://perma.cc/7ABN-RZMJ>], (last visited Nov. 28, 2020).

114. *FinCEN’s Mandate from Congress*, FIN. CRIMES ENFT NETWORK (FINCEN), <https://bit.ly/34sYG1f> [<https://perma.cc/U4B4-TNZD>] (last visited Jan. 30, 2022).

115. *Anti-Money Laundering Law of 22 Jan. 2008* (Iran), <https://bit.ly/34K6M5F> [<https://perma.cc/RG89-8XGE>].

116. *Id.* at art. 4.

tional cooperation;¹¹⁷ (2) numerous incentives exist for low-risk countries in partnering with high-risk countries and vice versa; and (3) the FATF calls for international cooperation through its “40 + 8 Recommendations,” which provide countermeasures against money laundering.¹¹⁸ While the Bank Secrecy Act and the FATF call for international cooperation, they do not mention a global partnership between high and low-risk countries.

1. *United States AML Laws Support the Need for International Cooperation*

First, Congress asserts that the global war against money laundering is a policy priority for the United States and the United States continues to work bilaterally and multilaterally with international financial institutions.¹¹⁹ There is, however, more room for improvement. Congress should go a step further and make it an obligation for the United States to work with bilateral or multilateral bodies to achieve this objective.

2. *Incentives for Partnership*

Congressional findings in the Bank Secrecy Act indicate that technical assistance programs from the United States play an important role in helping other countries address deficiencies in their AML policies.¹²⁰ An example of a global AML partnership is the Bilateral Public-Private Banking Working Group, a partnership between United States and Mexican government representatives which has improved the United States’ understanding of how both legal and illegal dollars are transferred across the United States border.¹²¹

117. 31 U.S.C. § 5311 (2006). Congress asserts that the global war against money laundering is a policy priority for the United States and the United States continues to work bilaterally and multilaterally with international financial institutions. Pub. L. No. 108-458, 118 Stat. 3858–3860 §7701 (a) (1)).

118. FIN. ACTION TASK FORCE, INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM AND PROLIFERATION, THE FATF RECOMMENDATIONS 37–39 (2019), <https://bit.ly/33rXPxg> [<https://perma.cc/6QXF-A3VJ>].

119. 31 U.S.C. § 7701(a)(1) (1996).

120. Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 108-458, 118 Stat. 3858-3860 §7701 (a) (6) (codified at 31 U.S.C. § 5311 (2006)). Congress found that technical assistance programs from the United States and other nations play an important role in helping countries and jurisdictions address shortcomings in their AML and CFT regimes and bringing their regimes into conformity with international standards. *Id.*

121. Press release, U.S. Dept. of the Treasury, Statement of Deputy Assistant Secretary Jennifer Fowler Before the House Foreign Affairs Subcommittee on the

3. *FATF Recommendations Call for International Cooperation*

The FATF also calls for international cooperation,¹²² and the U.S. Congress has advanced the notion that international cooperation is necessary for the United States to curb financial risks and hinder terrorist financing around the globe.¹²³ In a similar vein, the Bank Secrecy Act calls for the U.S. Treasury Secretary to promote the international AML standards by the FATF.¹²⁴

C. *Proposed Recommendations for Global Partnership*

A thorough analysis of the current anti-money laundering legislation demonstrates a need for a global partnership between low-risk and high-risk countries. The United States and other countries should implement the following FATF recommendations: (1) Countries should share and exchange legal resources, ideas, and personnel to enhance cooperation;¹²⁵ (2) Countries should respect and promptly execute extradition agreements and requests pertaining to money laundering and terrorist financing;¹²⁶ (3) Relevant authorities should streamline processes for the prioritization and timely execution of requests, and for safeguarding the information received;¹²⁷ and (4) Information regarding ownership of legal per-

Western Hemisphere (May 23, 2018), <https://bit.ly/2St9rto> [<https://perma.cc/T24R-UJH2>].

122. FIN. ACTION TASK FORCE, INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM AND PROLIFERATION, THE FATF RECOMMENDATIONS 37–39 (2019), <https://bit.ly/33rXPxg> [<https://perma.cc/N3KK-XCWE>].

123. Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 108-458, 118 Stat. 3745 § 7701 (a) (7) (b) (codified at 31 U.S.C. § 5311 (2006)). The law states that

it is the sense of Congress that the Secretary of the Treasury should continue to promote the dissemination of international AML and CFT standards, and to press for full implementation of the FATF 40 + 8 Recommendations . . . The efforts of the Secretary in this regard should include, where necessary or appropriate, multilateral action against countries whose counter-money laundering regimes and efforts against the financing of terrorism fall below recognized international standards.

Id.

124. *Id.*

125. FIN. ACTION TASK FORCE, INTERNATIONAL STANDARDS ON COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM AND PROLIFERATION, THE FATF RECOMMENDATIONS 25 (2019), <https://bit.ly/33rXPxg> [<https://perma.cc/8V2E-AQYA>].

126. *Id.* at 27.

127. *Id.* at 28.

sons¹²⁸ and arrangements¹²⁹ should be easily accessible to countries that request for them.¹³⁰

Implementing these FATF recommendations would significantly aid in combatting the crime of money laundering. The International Criminal Police Organization (Interpol) is one example which shows the power and importance of global partnerships. Interpol is an inter-governmental organization (made up of 194 member countries) which coordinates a network of police and experts in different crime areas across continents to share ideas and experiences in order to combat crimes.¹³¹ In 2020, Interpol targeted international migrant smuggling and human trafficking networks and arrested over 200 criminals across continents.¹³² Interpol identified and rescued 100 potential victims of sex trafficking in Brazil, Chile, the Dominican Republic, El Salvador, Spain, and Uruguay.¹³³

The United States, despite its anti-money laundering legislation, fails to meet the terms of the fourth recommendation.¹³⁴ In 2010, the United States adopted the Foreign Account Tax Compliance Act, which imposes the obligation on countries to provide regular reports on the accounts of U.S. taxpayers or lose access to the U.S. financial system. However, the United States has failed to follow this rule.¹³⁵ It has failed to reciprocate or even collect the data

128. *Id.* at 125. A legal person is any entity other than a natural person that can establish a permanent customer relationship with a financial institution or otherwise own property. This can include companies, corporate bodies, foundations, partnerships, or associations and other relevantly similar entities. *Id.*

129. *Id.* at 125, at 128. A legal arrangement refers to express trusts or other similar legal arrangements. An express trust is a trust clearly created by a settlor, a natural or legal person who transfers ownership of their assets to trustees by means of a trust deed or similar arrangement, in the form of a document (e.g., a written deed of trust). They are to be contrasted with trusts which come into being through the operation of the law and which do not result from the clear intent or decision of a settlor to create a trust or similar legal arrangements (e.g., constructive trust). *Id.*

130. *Id.* at 20.

131. *What is INTERPOL*, INT'L CRIM. POLICE ORG. (INTERPOL), <https://bit.ly/2N4aEb6> [<https://perma.cc/ZLE8-54B6>] (last visited, Feb. 7, 2021).

132. *INTERPOL Operation Targets Migrant Smuggling and Human Trafficking*, INT'L CRIM. POLICE ORG. (INTERPOL) (Dec. 11, 2020), <https://bit.ly/2MPYZwO> [<https://perma.cc/YTV7-7X8P>]; International Criminal Police Organization, *What Is INTERPOL*, INT'L CRIM. POLICE ORG. (INTERPOL), <https://bit.ly/2N4aEb6> [<https://perma.cc/YT53-X64N>] (last visited, Feb. 8, 2021).

133. *INTERPOL Operation Targets Migrant Smuggling and Human Trafficking*, INT'L CRIM. POLICE ORG. (INTERPOL) (Dec. 11, 2020).

134. Bloomberg, *The US Should Stop Helping Criminals Hide Money*, MILFORD DAILY NEWS (Dec. 19, 202, 2:13 PM), <https://bit.ly/3oYjepn> [<https://perma.cc/9FV4-WK7K>].

135. *Id.*

needed to do so.¹³⁶ Congress has rejected multiple requests to empower the Treasury to gather information on the true owners of legal entities or on the balances of accounts at U.S. banks.¹³⁷ For instance, an international criminal can hide assets in a South Dakota trust and neither the U.S. tax authorities nor his home-country government will be aware of it.¹³⁸ Additionally, even with new rules enacted by Congress in 2021,¹³⁹ the United States still has to do more to meet the transparency obligations it demands of the rest of the world. For instance, the United States can improve its own transparency measures by giving executive branch departments such as the Treasury the power to obtain the necessary information from banks and by insisting that all relevant legal entities, including trusts, disclose their true owners.

The United States could also focus on the second FATF recommendation concerning respecting extradition requests. Historically, the United States did not extradite its citizens to foreign countries.¹⁴⁰ This practice changed in 1990 when Congress enacted new legislation that allowed for extradition of U.S. citizens so long as the terms of the said extradition treaty were met. Despite this provision, the United States is still known to be resistant in certain circumstances where it is required to extradite its own citizens. The United States does not have confidence in the due process mechanisms of foreign legal systems and their ability to render fair judgments because they believe most of the extradition requests are politically motivated.¹⁴¹

IV. CONCLUSION

Money laundering has significant economic and political effects at the national and global levels. Money laundering amounts to two to five percent of the global gross domestic product.¹⁴² De-

136. *Id.*

137. *Id.*

138. *Id.*

139. Jamie L. Boucher et al., *US Enacts Historic Legislation to Strengthen Anti-Money Laundering and Counterterrorist Financing Legal Framework*, SKAD-DEN (Jan. 7, 2021), <https://bit.ly/3vFWuBd> [<https://perma.cc/N5K3-4UHV>]. Congress enacted the National Defense Authorization Act, the “NDAA”, which, aside from allocating the annual defense budget, includes the Anti-Money Laundering Act of 2020 and other anti-money laundering legislation. *Id.*

140. See generally Rodrigo Labardini, *Life Imprisonment and Extradition: Historical Development, International Context, and the Current Situation in Mexico and the United States*, 11 SW. J.L. & TRADE AM. 1 (2005).

141. *Id.*

142. Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 107-56, 115 Stat. 296 (codified as amended at 31 U.S.C. § 7704(a)(1) (2006))

spite numerous anti-money laundering legislation enacted by the United States, other countries, and international organizations, money laundering continues to be a prevalent threat to the international financial system and society as a whole. This Comment has illustrated the need for a global partnership between countries with effective anti-money laundering laws and countries that are more susceptible to attacks.¹⁴³ Strategic global partnerships between low and high-risk countries could be the missing pipeline that will strengthen the existing laws and policies to combat money laundering.

This Comment proposed four steps in achieving these goals. First, high and low risk countries should share and exchange legal resources, ideas, and personnel to enhance cooperation. Second, countries should respect and promptly execute extradition agreements and requests pertaining to money laundering and terrorist financing. Third, relevant authorities should streamline processes for the prioritization and timely execution of requests, and for safeguarding the information received. Lastly, information regarding ownership of legal persons and arrangements should be easily accessible to countries that request for them. Together, these four actions will help minimize the threat and prevalence of money laundering.

As people, governments, businesses, and organizations continually operate and integrate on an international scale, global partnership could be the key to minimizing the numerous threats caused by money launderers.

143. See Part III.C.
