



AML Advisor

April 2, 2009

We have been serving the precious metals and jewelry industries for thirty years.

We will be here for ongoing advice and to update our AML programs...free of charge.



Contact Us

www.MaterialsManagement.net

CHECKING CUSTOMERS AGAINST GOVERNMENT LISTS

Crime syndicates and money launderers have entrenched themselves on every continent and have become a significant part of global GDP. Organized crime is transnational and interlinked. It has thrived with globalization and with unrestricted international money flows. It is recession-proof, so its relative strength grows when the world's economy contracts. Overtly or indirectly, your company has probably been touched.

In the last newsletter, I described the tough policies we can expect from the Obama administration on organized crime, drug trafficking and money laundering. The present newsletter suggests a pro-active response to help block criminals from using your company and to help you stay in step with the new standards of financial regulation. (You can read previous editions of the AML Advisor on our website, www.MaterialsManagement.net)

Governments are expanding their lists of launderers, terrorists and other criminals and insisting that you check them. The Office of Foreign Assets Control says:

Because OFAC's programs are dynamic and constantly changing, it is very important to check ... on a regular basis to ensure that your SDN list is current and you have complete information regarding current restrictions affecting countries and parties with which you...do business.

In an audit or investigation, Government agencies will note whether you have checked your customers against Government lists in a systematic, comprehensive way.

As technologies improve and as organized crime intrudes itself as a global force, more governments are producing more lists, and the lists

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are getting longer:

- OFAC's SDN list has more than 16,000 individuals, organizations and vessels, half of which have been added in the last 18 months. Each entry has an array of complex identification data. *The list is 2901 pages long—and growing!*
- The U.S. Commerce Department, State Department and FBI have their own lists.
- Her Majesty's Treasury Sanction List has 6,600 names and the European Union Sanction List has 5,300.
- Australia, Canada, Japan, China and many other countries have long and growing lists.

If you do business with someone listed, you can be subject to fines and criminal prosecution—so you need to know if you are dealing with a listed person or company. But searches are complicated by variations in spelling, punctuation and format—and the complications are compounded by AKAs and abbreviations. The lists have to be “mined” to yield useful information. Sophisticated, transaction-based software is available to large banks and financial institutions but is too expensive for smaller companies.

Materials Management Corp. has designed an inexpensive, entirely new search program specifically for small and medium-sized non-bank financial institutions. Like Google, MMC Search presents an array of search inputs from which to choose—but it lets you sift through them much faster and more easily. MMC Search not only helps you conduct a comprehensive search, it records searches whether or not you come across a match. If you want to search other lists in addition to the eleven in our search package, we will add and continually update them, so whenever you do a search, the data will be current.

MMC Search is a pro-active barrier against criminality that meets increasingly-stringent Government standards. With MMC Search, you can:

- ✚ Search names, addresses, passport numbers—individual customers or whole lists.
- ✚ Do searches from your data base, Excel or a home-grown list—MMC Search accepts any search input you can type.
- ✚ Eliminate false-positives and false-negatives quickly and easily, and identify the list that produced a match.
- ✚ Run the program on a USB memory stick—No installation or Internet connection required, so your customer information is convenient and absolutely secure.

The idea of checking lists is simple; the practicalities are not. MMC Search lets you vet your customers and suppliers quickly, thoroughly—and affordably.

Questions? *Do you need to know more about how to set up or improve your anti-money laundering program? Training courses? AML audits? We can help.* And our precious metals and jewelry industry professionals are also accredited by the Association of Certified Anti-Money Laundering Specialists (ACAMS). Call me, Mike Riess, at: (203)661-6715 or reach me by e-mail at: MRIESS@MAT-MGT.COM

To find out more about the Patriot Group of Materials Management Co. and about our AML programs and services, visit our website at: WWW.MATERIALSMANAGEMENT.NET. There you'll also find the final regulations and a wealth of background information.

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Watch for future issues of the AML Advisor!

Check past issues at: WWW.MATERIALSMANAGEMENT.NET