



Chasing the money trail

by Paul Cochrane

Money laundering brings to mind images of the Mafia, drug cartels, and other illegal activities that we are used to seeing through the lenses of Hollywood directors. But such activities do of course occur, and one of the fastest growing sectors in the financial world is in the fight against money laundering.

Money laundering, as defined by Interpol (the France-based organization that coordinates police investigations into international crime), is “any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources.” In other words, to make “dirty” money from illegal sources such as gun running or drug dealing “clean,” useable money - hence money laundering.

To try and stop money laundering from happening, governments and central banks established financial investigations units (FIU). Lebanon’s anti-money laundering unit, the Special Investigation Committee (SIC), was established by the Central Bank of Lebanon in 2000, and is headed by Dr. Muhammad Baasiri.

“Basically, you are doing a service for the economy,” he explains. “Money laundering tends to destabilize the economy by denying fair and equal opportunities for everybody. Also, it adds to moral values because money laundering involves illegal money made from illicit acts such as terrorism and organized crime. The exciting thing about money laundering is that it is like puzzle solving; you have to fit the pieces together like a kind of financial detective.”

A threat to the financial sector

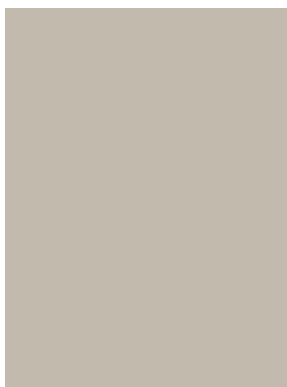
But, as Baasiri admits, stopping money laundering, which is estimated at \$2.7 trillion per year worldwide, is an uphill battle. New laundering techniques are continuously being developed, and the normal flow of money within a given country is difficult to keep an eye on. “We are not here just to just stop money laundering, but reduce the risk to the financial sector,” he says.

Money laundering first became a crime in 1986, and the oldest FIU has been around for 17 years. While the sector may be relatively new, it has seen high growth, particularly after the events of September 11, 2001, which led to international regulations to stop the funding of terrorist groups.

“Employees handle many cases at once, which could take days or months, depending on complexity,” Baasiri says. “Many times we investigate cases with our counterparts in other countries, communicating and exchanging information.”

As the SIC is a fairly young institution, its first employees came from the Central Bank, typically with banking and finance backgrounds or with legal or IT experience. The second batch of employees, which totalled 37 people, consisted mostly of fresh university graduates.

Money laundering destabilizes the economy by denying fair and equal opportunities for everybody





"I am looking for people who can commit to the job and excel in what they do with a good level of integrity and seriousness," says Baasiri. "A creative mind with lateral thinking is required, and an employee must love reading to keep up with the latest trends as people are learning new ways to launder money."

However, Baasiri stresses that he does not only employ finance or business graduates exclusively. "History or literature graduates can supplement their knowledge through seminars and training. I look for good personality and character. Grades are an indicator of seriousness, but not a conclusive factor, in my opinion."

Training is a central part of the first two years of the job at the SIC, with over 15% of the unit's budget set aside for training.

"As we conduct financial investigations,

it takes a lot of on-the-job training. The more you stay, the more you learn. We have formal, in-house training (continuous professional education), and staff also attend conferences and seminars on a regional and international basis," he says.

After two years of working at the SIC, employees take the Certified Anti-Money Laundering Specialist (CAMS) exam, which is awarded by Money Laundering Alert, a Miami-based company.

Baasiri says the job can be exciting, but notes that a lot of the work involves informing banks of what to look for, shifting through data, and searching for suspicious activities. "We have ears, people talk and you hear things. We have a lot of communication with banks who report suspicious transactions to us," he says. 🍀

The job can be exciting

