

**U.S. Department of the Treasury  
Office of Technical Assistance  
Economic Crimes**

**Program Report  
Cumulative for Activities September 30, 2007 - September 30, 2010**

**Final Report to USAID  
Office of Middle East Programs (OMEP)  
Cairo, Egypt**

**Background:**

USAID entered into a Participating Agency Program Agreement (PAPA) with the U.S. Treasury's Office of Technical Assistance (OTA), Economic Crimes Team on September 30<sup>th</sup> of 2007 that was initially scheduled to expire on September 30<sup>th</sup> 2009. The purpose of this PAPA was to provide an initial \$500,000 of funding to implement an anti-money laundering (AML) program to increase regional capacity to combat money laundering in the Middle East and North Africa (MENA) through a series of capacity building events and technical assistance. Initial plans were to partner and support the Middle East North Africa Financial Action Task Force (MENA FATF) in the delivery of training to participants from its member countries.<sup>1</sup> Via Modification 1, the completion date of this agreement was extended to September 30<sup>th</sup>, 2010 and funding increased by an additional \$300,000 in FY 2008 for a total of \$800,000. The purpose of this report is to discuss activities undertaken from September 30, 2007 until September 30, 2010 towards fulfilling the PAPA objectives. This report also includes an accounting of expended PAPA funds to-date in support of activities undertaken under the agreement.

**Cumulative Activities**

**Bulk Cash Smuggling on March 10 - 13, 2008 in Amman, Jordan – 33 participants**

In the first quarter of 2008 OTA coordinated and participated in the delivery of a regional Bulk Cash Smuggling (BCS) seminar to 33 participants from 12 countries within the MENA region. Topics covered by the training were:

- International AML/CFT standards with emphasis on FATF Special Recommendation IX, Cash Couriers
- Methods, techniques and schemes in physical transportation of currency, monetary instruments and illegal contra band across country borders

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<sup>1</sup> Due to restrictions prohibiting the use of USAID funding for certain MENA FATF countries all MENA FATF member countries could not be included in regional training events. As a result a full partnership with MENA FATF, as originally envisioned under the project, could not be realized since MENA would only co-sponsor events where all if its members could participate.

- Best practices and procedures in detection
- Follow up investigations of border currency seizures
- Asset forfeiture
- Interviews
- Interdiction practical exercise

**Financial Intelligence Unit (FIU) Work Shop in November 2008 MENA Plenary Meeting in United Arab Emirates – No attendance record maintained by MENA FATF**

OTA along with other presenters participated in a two-day workshop held November 12 and 13, 2008 for MENA member countries and discussed the following topics:

- Defining the FIU, its duties and requirements
- Experiences of MENA region countries
- The relationship of the FIU and local institutions
- International cooperation
- Financial analysis

**Targeted Economic Sanctions Workshop January 12 - 14, 2009 in Rabat, Morocco – 26 participants**

Targeted Economic Sanctions workshop was held in Rabat, Morocco January 12 -14, 2009. Attendance included representatives from Egypt, Morocco, Algeria and Libya. Topics covered during the three days included:

- Discussions on the importance of a sanctions regime and the international framework
- FATF Special Recommendation III (SR III) and the 4 pillar approach
- Designation process and issues in represented countries
- Development of the evidence to support designations and legal review
- Domestic and International Cooperation

The three day session concluded with bilateral meetings with delegations from the represented countries.

**OTA Regional Financial Analyst Training Course (FATC) March 31 - April 2, 2009 in Beirut, Lebanon – 41 participants**

An OTA Regional Financial Analyst Training Course (FATC) hosted by the Lebanon Special Investigation Commission and the MENA FATF Secretariat was held in Beirut March 31 - April 2, 2009. Representatives from 12 of the 15 MENA member countries attended the training with a total of 41 attendees. Algeria, Tunisia and Morocco did not send representatives. Topics discussed included prioritization of suspicious transaction reports (STR), sources of information available for analytical purposes, use of data bases,

link analysis, analytical software applications, tactical, operational, and strategic analysis, STR case management practices, reporting writing and data presentation.

**Regional Bulk Cash Smuggling Training April 12 -14, 2009 in Manama, Bahrain – 32 participants**

A Regional Bulk Cash Smuggling Training was held in Manama, Bahrain April 12 -14, 2009 for Customs Authorities from Bahrain, Oman, Qatar, Saudi Arabia, Kuwait, U.A.E. and Yemen. Thirty-two (32) customs officials were involved in training focused on interdiction efforts and follow up investigations related to currency, drugs and other contraband. Topics stressed the need for comprehensive follow up investigations following successful interdiction and based on actionable intelligence to fully identify criminal organizations and activities.

**Anti - Corruption Workshop on April 20 - 22, 2009 in Amman, Jordan – 39 participants**

OTA, in collaboration with the United Nations Development Program (UNDP) Lebanon Regional Office, held an anti corruption work shop to promote the adoption of requirements of the United Nations Convention Against Corruption (UNCAC) involving representatives for Morocco, Yemen, Bahrain, and Jordan during week of April 20 - 22, 2009 in Amman, Jordan. The Jordan Ministry of Justice and the Jordan Anti Corruption Commission hosted the conference. Each country sent representatives and 39 total participants participated. This conference was presented jointly by the U.S. Department of Justice, Office of International Assistance United Nations Development Program and OTA. The U.S. Department of Justice Office of Overseas Prosecutorial Development, Training and Assistance (OPDAT) also participated. Countries made presentations of the current status of anti corruption efforts in their respective countries and participated in various discussions concerning measures to discourage and prevent corruption and the necessary enforcement measures and tools available. At the conclusion of the conference, each country presented an outline of next steps to be undertaken to further the adoption of the UNCAC requirements in their respective countries.

**Law Enforcement Work Shop May 22, 2009, following the MENA Plenary meeting in Manama, Bahrain- No attendance record maintained by MENA**

OTA, in cooperation with MENA FATF, joined the World Bank at a Law Enforcement Work Shop which was held for MENA countries May 22, 2009, following the MENA Plenary meeting in Manama, Bahrain. Topics included:

- Basics of Terrorist Financing
- Execution of Search Warrants
- Sources of Information in Financial Investigation
- Planning and Conducting Investigations
- Handling Electronic Devices Found at Crimes Scenes

## **Regional FIU/Law Enforcement Work Shop October 23 – 26, 2010 in Amman, Jordan – 65 Participants**

A three-day FIU/Law Enforcement workshop was co-organized by OTA and the AML/CFT Unit. Delegations comprised of financial intelligence unit staff, law enforcement officers, as well as prosecutors and judges participated from Jordan, Egypt, Iraq, Lebanon, the Palestinian Authority, Saudi Arabia and Yemen. Presenters included officials from the U.S. Department of Justice, Office of International Affairs, Counterterrorism Section, and the Office of Prosecutorial Development and Training (OPDAT). Ambassador Stephen Beecroft joined with Jordanian Central Bank Governor Umayya Toukan to give opening remarks.

### **Progress on Project Objectives**

The PAPA program agreement set targets for training 35 participants for calendar year 2007, 70 for 2008, 70 for 2009 and 70 for 2010, for a total of 245. The following numbers of officials were trained during the life of the project: 2007 - 0, 2008 - 33, 2009 - 138 and 2010 - 65 for a total of 236<sup>2</sup>. Records of attendance for officials attending the one-day FIU and the two-day Law Enforcement Work Shops were not available but estimated to be 35 – 40 attendees per session.

### **Challenges in Implementation**

MENA FATF would not co-sponsor regional training events where all of its member countries could participate. Restrictions imposed by USAID on certain countries participating in regional training prohibited a full co-sponsor relationship with MENA FATF in regional training events. To maximize available funding, most training events were held involving MENA member countries without direct MENA FATF sponsorship.

### **Impact of Program**

The project provided critical support to the MENA FATF and its member countries in providing training during the period when it was getting organized and acquiring human expertise and financial resources to provide anti money laundering/combating terrorist financing (AML/CFT) technical assistance in the region. This USAID funding provided critical training to MENA FATF countries as they established their AML/CFT enforcement and regulatory regimes and supported minimal training from other donors.

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<sup>2</sup> The corrected number of participants trained during the life of the project is reflected in this report after an audit of attendance records.

