



GAFIC – FELABAN FORUM

**CITIZEN CULTURE TO PREVENT AND CONTROL MONEY-LAUNDERING
AND TERRORISM FINANCING**

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POSITION ON CITIZEN CULTURE AGAINST MONEY-LAUNDERING AND TERRORISM FINANCING

IS IT POSSIBLE WINNING THE BATTLE TAKING THE BULL BY THE HORNS?

Throughout history vast pandemics¹, taking many lives away, have occurred. Based on such experiences, the society's response has been the creation of health systems that enable a massive fight against such factors that could jeopardize general wellbeing.

As any other, the health system has an inherent value chain which, at least, should have three basic fronts:

1. The preventing front, which objective is informing community of possible epidemics, the way to fight them and pointing out the consequences or problems they could affect day-to-day life of those exposed to risky conducts that serve as an environment for the dissemination of the illness.
2. The detecting front, which consists in identifying the niches where the illness begins, as well as analyzing the behavior of the disease. This way, it is possible exercising controls on environments where the disease persists so the social impact might be mitigated.
3. The responsive front, it takes place whenever there are epidemic outbreaks and the health-related social security system must provide assistance to those people being infected and affected by the illness.

The last resort for an infected individual should be accessing a hospital for treatment of the disease, as the individualized handling of patients affected by a disease developed in an organism demands tremendous efforts, prophylactic methods, advanced analysis equipment, complex treatments with the latest medications, trained personnel, among many other resources demanding large costs which undoubtedly shows that prevention is much more beneficial, while reaction results expensive.

The responsiveness of this model is quite significant; if the disease is not treated by any of these fronts, sustainability and social order could be seriously compromised.

The situation above could be compared with the fight against money-laundering and terrorism financing, being understood that these offences involve consequences similar to a pandemic as it is a

¹ It is worth noting that based on its Greek roots, pandemic denotes a disease affecting all population.

“disease that attacks all population” and by now society organization has responded from the fronts mentioned in the preceding paragraphs.

It would seem that efforts have been focused on detecting behaviors associated to these offences, as well as establishing standards that hinder such channels used by criminals for mobilizing their illicit resources and, on a responsive basis, the establishment of criminal liabilities demanding large costs to society. For example, an analysis carried out by the US Criminal Justice Institute proved that in average the annual reclusion costs per person exceeded 2.62 times the annual higher education costs per student. Likewise, it has been proven that the cost for Latin-American countries is in average an amount above a minimum monthly salary per each prosecuted individual presently in jail.

INADVERTENT SWITCHING OF ROLES

The different disciplines involved in the study of human behavior are supported in a number of factors that make the criteria upon which social dynamics is determined, to focus on generating principles and values serving as a guideline in the development of daily nature.

These principles and values include solidarity, understood as one of the most precious virtues, exercised without interest and distinction of gender, race or political affiliation. A supportive individual is featured by having unselfish feelings and the willingness of disinterestedly helping other needed individuals to achieve the development of an objective. Solidarity is also dignifying and has allowed the abolition of systems proscribed by mankind such as slavery, racial discrimination and in general causes related with the achievement of a balanced and fair society.

However, mankind is currently facing a disjunctive of comparing these principles and values with different facts which, from the social point of view, make people disregard the same and have to endure different difficulties which cause could be the lack of awareness under a system where information is scarce and restricted.

Being criminals aware of the above, this strength of human feeling, solidarity, becomes a weakness by the use of maneuvers and cheating --many times resulting upon the ignorance of their victims-- employed for perpetrating diverse offences that make citizens becoming co-participants of the same.

Due to the unfortunate corruption capacity and the high level of criminal's incorporation into society, expressions as “let me use your account to deposit some money” or “let me use your name for

conducting some business” have become common in different socio-economic stratum where concealing the origin or destination of resources coming from or devoted to illicit activities require the use of strategies that exploit human being’s disposition towards solidarity, with an additional ingredient: necessity.

Any individual having any sort of unsatisfied need becomes a target for improper proposals, as criminals know when and how to take advantage of this condition, by offering in exchange retributions undertaken by the victim in consideration for the “favor” or “service” provided, similar to the tip received by a waiter, and rationally he/she does not reprove this behavior as he/she does not have sufficient knowledge to be aware that by using his/her name or his/her financial products, he/she is participating in the commitment of an offence.

In most Latin-tradition criminal codes, the so-called “invincible ignorance” results whenever it is impossible for a person being aware of a specific situation, either because of his/her ignorance or because he/she has tried coming out of the same but cannot do so. In this particular case, the victim is used by criminals who, taking advantage of his/her innocence and ingenuity, induce the same to harm a legally protected interest such as, the social and economic order. This way, in a country where the State is not prone to raise awareness and disseminate a culture reproving the commitment of illegal activities, the likeliness of occurrence of acts where invincible ignorance takes place is quite high.

COLOMBIAN EXPERIENCE

Being aware of all the above, the Institutional Coordinating Commission for Money-laundering Control (*Comisión de Coordinación Institucional para el Control de Lavado de Activos, CCICLA*)) of Colombia, jointly with the Information and Financial Analysis Unit (*Unidad de Información y Análisis Financiero, UIAF*)², decided to implement a nationwide campaign where the leadership of authorities, diverse economic resources and the financial system support joined altogether to issue TV commercials and radio, press and Internet advertising, among others, obtaining significant results in the handling of risks associated to the exposure of criminal activities in the country.

The campaign has focused on sensitizing people on offers made by criminals to common citizens, this way, the message expressly states that those who cooperate with these proposals become

² Colombian Financial Intelligence Unit

aiders and abettors of drug trafficking groups, kidnappers, human and arm traffickers, extortionists and in general any profitable offence, as these criminals are behind easy money.

In addition, the language used in “EASY MONEY”³ is enriched by expressions proper to the criminals’ profile that use these tricks to stain people’s reputation. Phrases such as “I have a business for you...deposit this money under your name and I’ll pay for the small favor”⁴ or “I have a business for you...I have a property registered in your name, and you win a couple of easy bucks”⁵ are permanently broadcasted in different media to assure that Colombians understand these situations.

In addition, it is necessary replicating examples where citizens tell people of their experience that spoiled their reputation. Following are some of these situations featured in the campaign and others just for information purposes:

- To pay a ransom for a kidnapping, criminals use various accounts from innocent people to deposit the money of such family members that have suffered procuring the same.
- A student is involved in an offence for lending his data (ID number, financial products, among others) to a college mate in order to make some deposits; in turn, he received a “small percentage” for the money mobilized through his account, without being aware he was being part of a criminal band engaged in drug trafficking.
- An almost bankrupted supermarket owner receives a tempting offer from a “businessman” that wants to invest money arguing that in the future this business will be promissory. However, after some time, this investment exceeds the requirements proper to this economic sector and the sales are “suspiciously” high compared with the market performance. The business accounts receive large money amounts, in cash. At the end, the supermarket is seized and the legitimate owner is investigated by authorities.
- A citizen has saved money for a long time to enjoy the vacations he deserves in other country; a “friend” asks him to take a package that will be picked up by an

³ This is the name of the campaign promoted in Colombia.

⁴ www.dinerofacil.com.co

⁵ *ibidem*

acquaintance of his when going out of the airport. When this citizen is checked, he is asked to open his suitcase and authorities find that this package contains money in cash that exceeds the restrictions. This citizen is taken in custody and prosecuted for money-laundering.

- A clothing tradesman receives a proposal by a supplier to commercialize pants imported from other country; these garments bear a high quality and the unit price is much below the average cost. The tradesman thinks he has made the business of his life ignoring that these pants were acquired abroad by a human trafficking network that intended funding its activities in the country to continue taking girls away for prostitution purposes.

TO END

It is important inclining towards knowledge of cause where society's awareness is the main mechanism for prevention, insofar as people should understand that the use of their name is an intensely personal right that involves full responsibility, and enabling others to use it is like lending personal effects as a toothbrush.

The holders of knowledge are obliged to inform citizens so that in the event they get involved with criminals, the decision on either committing or not an offence is to be conscious, that is to say, that ignorance should not be an excuse to continue with unlawful activities.

In view of globalization, it is necessary investing and using different technological resources, disclosure mechanisms, marketing that raise this awareness in citizens. As a policy, countries should rely on a budget to accomplish this objective insofar as this situation, directly or indirectly, helps generating positive or negative effects to calculate the risks inherent to the Country.

The financial system is designed to render a more agile, efficient and safe society; however, criminals have used it as an instrument for illicit capitals making it vulnerable due to the lack of information of such agents using its products. For this reason, it is necessary joining efforts and sharing experiences that enable forming general criteria and judgment elements to identify events where a person may react before risk-generating circumstances; this duty should be performed by private institutions, authorities and citizens who, working on an orderly and harmonic basis, will determine and disseminate the modalities that allow reprovving this sort of situations.

As it is known, money-laundering and terrorism financing is a transnational issue that affects one of the most important assets held by the worldwide financial system: trust. In front of this situation, it is necessary reacting which, in turn, requires creating anti-money-laundering and anti-terrorism financing citizen culture.

A well-informed population positively impacts society, leading it to a common cause which, along with financial institutions, real economy and the most important, authorities, can procure situations where everyone wins, because conscious citizens will like to have their data updated, the trend for tax evasion decreases, stability of democracy is guaranteed as a respectful society reproves indecent proposals and facilitates accusations, makes control systems proposed by authorities more efficient, decreases tax evasion and definitely, neutralizes illicit flow movements that seriously affect society.