

A rose by any other name?

In this month's Inside Story, **Kenneth Rijock** explores international naming conventions and how money launderers exploit the inconsistencies to hide their true identity



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COMPLIANCE and money laundering reporting officers in Europe (or its ex-colonies) are from societies that overwhelmingly share a common approach to identifying and naming their nationals. As a result, they often struggle to appreciate the important differences that exist in other cultures taking a different approach. As a rule, they do not use the first name, middle name and surname (family name) convention.

Money launderers, however, recognise and capitalise upon this difference, and unless compliance officers are knowledgeable on this topic, inaccurate or incomplete identification of customers may be the unfortunate result. Failure to obtain the correct legal name of a new client is compliance malpractice. In this, the first article of our series, we endeavour to ensure that it does not occur in your office.

Names in Latin America, with rare exceptions, are influenced by the countries that originally settled them e.g. Spain and Portugal. We shall start with Spanish names and their unique characteristics.

Complete Spanish names for males consist of:

- First name
- Middle name
- Father's last name (paternal surname)
- Mother's last name (maternal surname).

Thus, a typical name would be: Jaime Antonio García Lopez. He will refer to himself as Señor (Mister) García, not Sr. Lopez. Sometimes, the mother's family name is abbreviated in daily use: Jaime Antonio García L. There may also be multiple middle names, such as: Jaime Jose Antonio García Lopez (although this is the exception rather than the rule) or no middle name at all.

It is thus critical to obtain the full name from an official identification document, such as a passport, or national identification card, with a photograph affixed. We strongly suggest that two official forms of identification be required, and that photocopies be retained.

As in any culture, a customer may be known by a short form of his full first name, or by an affectionate or diminutive form, often referred to as a pet name. For that reason, we must insist upon government-produced forms of identification, as counterfeit unofficial, and even official, identification is easily obtained in countries with rampant corruption, such as some countries in Latin America.

Complete Spanish names for married females generally (but not always) contain:

- First name
- Middle name
- Father's last name (paternal surname)
- Husband's father's last name, preceded by the Spanish word 'de' meaning 'of'.

Compliance officers in Europe and North America often mistake a male's maternal surname as his last name. This can prove to be a truly unfortunate error if the new customer later turned out to be a known narcotics trafficker, money launderer, corrupt politically exposed person (PEP), or even terrorist financier. Check, and double-check to ensure you have it right.

Remember also that Spanish contains a diacritical mark called a tilde, which is the unique curved accent over the letter 'ñ' that gives the word a 'ny' pronunciation. Many non-Hispanic fonts do not contain this term, while others substitute a symbol for the letter. It is important to learn how your information systems and databases will handle this.

Is Portuguese the same? After all, it is the official language in Brazil, also in Latin

America. Portuguese names follow the format in common use in most European and English-speaking countries, to wit: first name, middle name and last name. So don't confuse the Portuguese format with the format of Spanish names.

Here are some helpful hints:

- The full name, including middle name, is critical; otherwise there is a chance of two or more customers with the exact same name.
- Official identification documents – such as passports – are vital as a first know your customer step. Bear in mind, however, that there is a flourishing trade in counterfeit passports, so it is vital that you verify the authenticity of these documents by using an independent source like World-Check. Its new Passport-Check service will reveal in seconds the legitimacy or falsehood of the document.
- The nationality of the individual will tell you how to interpret the name; find this out first so you will know what to look for in the name and correctly identify them. □

Kenneth Rijock is believed to be the only former banking attorney-turned career money launderer who actively consults with law enforcement and the financial community. He has more than 25 years' experience in the field of money laundering, as a practicing 'laundryman', financial institution compliance consultant, and trainer/lecturer to law enforcement and the intelligence services of both the United States and Canada. After serving as a banking lawyer in an international law firm, he spent the decade of the 1980s as a money launderer and advisor to narcotics trafficking organisations operating in North and South America. Whilst serving a federal prison sentence for racketeering and money laundering, he assisted with the first joint Swiss-American money laundering investigation of bankers and lawyers, which resulted in a major seizure of the proceeds of crime. Kenneth writes a daily AML column. For more information visit www.world-check.com