

:Tough on the cons:

:Laws here very strict, says former money launderer

:Conrad Raj

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SINGAPORE has never been and will never be a money-laundering centre, unlike the tax havens of the Caribbean or even Hong Kong, according to United States-born financial crime consultant Kenneth Rijock, himself a former money launderer who “washed” hundreds of millions in his 10 years on the job.

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Mr Rijock, a former lawyer, was here recently at the invitation of the Association of Banks in Singapore. He said the Republic’s laws were very strict “and bankers here actually ask the right questions” in trying to determine the source of funds.

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“Singapore is often unfairly termed and treated as a money-laundering centre, but such activities here are rare,” he said.

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“Perhaps, it’s a bit of gossip. Maybe these people are jealous of Singapore’s success as a financial centre. But there is little evidence of widespread money laundering in Singapore.”

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He defined money laundering as placing of proceeds from criminal activities, especially the sale of narcotics and prostitution, into untraceable legal assets. “They leave no paper trails of the origin of their source of funds,” he said, adding that these criminals do not mind paying taxes and large commissions of 10 to 15 per cent to have their money cleaned.

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Such activities are on the rise, he says, and governments and financial institutions have to be vigilant in ensuring that proceeds from these criminal acts do not go undetected and unpunished.:

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There are no true estimates of the amount of money being laundered worldwide each year, but Mr Rijock, who served four years in a US prison for money laundering, thinks they run into the billions.

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Said :the author of :Confessions of a Money Launderer:: “Just one client of mine laundered more than US\$200 million (\$274 million) through me.”

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Hong Kong is a money-laundering haven in this part of the world with its hundreds of thousands of shelf companies, mostly registered in the British Virgin Islands and other parts of the Caribbean, he said.

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“The Chinese government hasn’t caught on to these activities and is being taken advantage of by very sophisticated people,” he added.

Mr Rijock is also a consultant to World-Check, one of the leading global providers of highly-structured risk intelligence. It services over 2,500 institutions, including 47 of the world’s 50 largest financial institutions, with its database of known heightened-risk individuals and entities to effectively screen their clients, transactions and employees for potential risk relating to money laundering, terrorist financing and over a dozen other types of risk.

It also claims to be the risk intelligence solution of choice for more than 200 government and law enforcement agencies around the world.