



General Assembly: Money Laundering

Hello, delegates! My name is Kevin Champlin, and I will be your head chair for the MVHS MUN 2017 conference. This is my fourth in the MUN program. I am also on the baseball team here at MVHS and travel around the country for baseball in the summer and fall. In my free time I enjoy hanging out with friends and go to the beach. If you have any question, feel free to email me at: mvhsmunplenary@gmail.com

I. Background:

Money laundering is the act of taking money that was made illegally and passing it through legitimate businesses to make the money seem as if it were made legally. Finding the culprit is often very difficult to do. Money launders often know how to deposit the money without filing paperwork to the government. This allows the launders to file money as a tax return, which causes confusion for the government involved, and as a result the money goes to the launderers without the government's knowledge. This is especially difficult due to the fact that the government is unable to determine if the organization is criminal or not. Money can also be hidden within offshore accounts, the most notable place being Switzerland. Switzerland is a hotspot for this type of crime because within the banks it is illegal to reveal any personal information about their clients. This makes it impossible to track down the money once it has been deposited there. Roughly one and a half tons of the foreign currency that enters into the country each day is designated toward Swiss banks.

Money laundering plays a large threat to the financial sector as it can ruin financial institutions. It also risks losing the public trust as many people will begin to avoid businesses that are suspected of money laundering. A large problem is that banks will often launder criminal money. There is often a person on the inside doing it without the company's' knowing this can lead to big problems for the bank as this cause public distrust.

II. UN Involvement:



The UN has passed several resolutions that pertain to money laundering including: UN Security Council Resolution 1373 which strongly opposes money going to any criminal or terrorist organization. It calls for the governments to act strongly against these criminal organizations, and to avoid money laundering from happening within their country borders. It calls for the states to take notice to criminal activities and to stop the corruption that is apparent within each of the said countries today. It emphasizes the need for tighter local and national security in order to maintain global security. In 1990 the UNODC created the Financial Action Task Force (FATF), which has a lengthy set of standards. They created a list of 40 recommendations that were set to hopefully improve national legal systems to be able to crack down on the problem. The recommendations also emphasized the role of the private sector being used the help the prevention. It called for all organizations to come together in order to prevent money laundering. In 2003 the FATF revised and added recommendations, in which these were much more in depth. It included the importance of using customer identification to track their purchasing habits along with the type of purchases that should be monitored. In 2004, the FATF added the 9th special recommendation, which began to address the new tactics of laundering money. These included but not limited to misuse of wire transfer, non-profit organizations, and alternative remittance systems. It also calls for the use of asset freezing along with other tactics.

III. Possible solutions:

Delegates, in this committee, you will have to address money laundering and how to prevent this from occurring in the international community.. Give solutions such as educating businesses on ways to suspect money laundering and give ideas for how to do that. The solution section is a vital part of the paper and should be the longest section. Please create comprehensive, creative solutions to allow for a great day of committee.

The solutions to this topic should not be broad and should attempt to have a very narrow approach. Make sure to discuss each avenue of your solutions. The more in depth it is, the better your plan will be and the more prepared you will be for committee. For example, if you were to create a UN sponsored committee that educated public companies on the main ways that money



laundering is seen, you would need to discuss the what, where, when, and why aspects of the solution. This program would take place at a neutral country and would be held as a subsection of ECOFIN. The program would meet annually to discuss new methods of prevention. This would further help the government's role of each country to then relay this information to its main businesses in a separate conference specific to the country's own needs and desires in regard to money laundering. The government's duty would then be to take business owners and privately educate them on how to know if money is being laundered through the business without their knowing and what to do when that happens. You can also outline the specific points that would be highlighted at the conference to add to the complexity of this issue.

IV. Country Bloc Positions:

Western: In comparison to the other blocs, the western bloc has a relatively low level of corruption. It sees a majority of its corruption problems through banks.

Asian: Money laundering has been on the rise in the Asian bloc. One of the key reasons for money laundering in this region is government corruption and loose regulations. Also, there is many criminal organizations so containment is increasingly different

African: Due to the government being poor because of the rampant tax avoidance and loose regulations there is massive corruption in governments. This leaves the entire region extremely vulnerable to money laundering and makes it extremely easy to do so in the region.

Middle Eastern: Corruption in this bloc is very widespread and a large problem with money laundering. In the Middle East it is common for corruption cases to be found but never to be taken to court as seen in Iraq.



Latin: In some countries they have laws to protect officials guilty of corruption so it is unknown how bad the corruption is in those areas. This is coupled with the large amount of violence and criminal activities.

V. Questions to consider:

1. How do you detect money laundering efficiently?
2. How large of an impact does it have on your economy and how prevalent is it in your country?
3. What tactics are best at combating money laundering?
4. How large is the scale of criminal operations in your country?

VI. Works Cited:

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