

FOR IMMEDIATE RELEASE

## **FINANCIAL INTELLIGENCE UNIT OPERATION: TO IDENTIFY MONEY LAUNDERERS IN SAMOA**

**Date:** 23 February 2016

Money laundering is the process of trying to make illegally-obtained money look like it came from a legal source. Money laundering goes on, to a greater or lesser extent, in all countries in the world and in late 2014, Samoa's efforts to address money laundering were evaluated by an international team.

The evaluation report commended Samoa for progress made in recent years but required that Samoa undergo certain activities and actions. This is to ensure that the protection of Samoa's financial institutions and systems are absolutely water-tight and adaptable in order to keep up to date with ever changing circumstances in the money laundering arena.

The Samoan Financial Intelligence Unit ("FIU"), which is located within the Central Bank of Samoa, is in this week commencing the first of a series of operations to identify and address some of the challenges raised in this report. This particular operation is focused on professional money launderers in Samoa, as well as international money launderers who may be using Samoa as a stage in their money laundering processes.

International experience has shown that professional money launderers are more likely to be found in industries such as lawyers, accountants, real estate agents and bankers, as well as financial sectors that commonly handle large amounts of cash, or that can move funds internationally as part of their legitimate business.

The FIU has a range of powers and sanctions to address this issue through enforcement of the anti-money laundering legislation which it expects it may have to exercise for the first time over the coming months.

The FIU expects all financial institutions that come under the Money Laundering Prevention Act 2007 to know their obligations and be prepared for a heightened level of scrutiny of their transactions, records and anti-money laundering processes during this operation.

The Financial Intelligence Unit would particularly like financial institutions to re-acquaint themselves with Section 10 of the MLPA which provides the FIU the power to enter financial institutions, examine and copy records *without* a warrant and Section 12 which allows the FIU to execute search warrants on financial institutions as well as the premises of their employees where circumstances dictate.

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*The Central Bank of Samoa is the country's reserve bank and acts as banker to the government and the commercial banks.*

*The main objective of the Central Bank is to promote sustainable economic growth by managing inflation, foreign cash reserves and a sound financial sector.*

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Entities that do not receive a visit from the Financial Intelligence Unit should be aware that their transactions are still being scrutinised under an expanded financial analysis process that has recently commenced. The FIU will be working more closely with banks in particular during this current operation to ensure that they are doing all they can to report suspicious transactions, reject business that involves the proceeds of crime and assist with the restraint and forfeiture of criminal assets.

Governor Maiava Atalina Emma Ainuu-Enari, the head of the Money Laundering Prevention Authority, said:

*“The Financial Intelligence Unit knows that most entities that will be examined under this operation are doing the right thing but it is that 1% that are operating outside the law that are on notice. One professional money launderer can move tens, or hundreds of millions of tala out of, or through Samoa in a matter of minutes. It is these people we must, and will, shut down to reduce the harm caused to Samoans by money laundering and the crimes that generate laundered funds such as drug crime, corruption, tax evasion, fraud, scams and extortion”.*

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