

# **Intelligence Models and Best Practices**

**Professionalizing Intelligence Worldwide**

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# Introduction

*MARILYN B. Peterson, IALEIA PRESIDENT*

As a research and analysis oriented component of the law enforcement community, IALEIA attempts to provide to police managers key issues and solutions which are being tested and found effective in varied corners of the globe. These are presented in an effort to challenge current traditions and energize the future leaders.

This booklet, the fourth in a series\*, looks at what is being done in the US, the UK, Canada, the Netherlands and Australia in varied areas of law enforcement intelligence. From Australia, we have a model of financial intelligence in the form of AUSTRAC. From the Netherlands, a view of open source intelligence and its use is shown. From Canada, we have a look at border control intelligence and how intelligence can be used in community-directed policing. From the United Kingdom, we have a new 'national model' of policing. From the United States, models of a state-level intelligence sharing effort, a financial information clearinghouse (FinCEN) and an intelligence policy are demonstrated.

These booklets are distributed through IALEIA meetings, membership, affiliated organizations and other interested groups. To date, over 20,000 copies of these booklets have been made available around the world.

We hope that you will find some food for thought in these pages and will see this as a tool for innovation with your organization,

These are only a few of the intelligence models and practices seen around the world; space and availability of material are the primary limitations on this content.

We would like to continue providing information on these types of programs to the broader international law enforcement community and invite you to contact us if you believe you have a model which should be shared with that community.

\* The earlier booklets were: "Successful Law Enforcement Using Analytic Methods" (1996); "Guidelines for Starting an Analytic Unit" (1997); and "Intelligence Led Policing" (1998). All are available through IALEIA by writing to: P.O. Box 6385, Lawrenceville, NJ 08648 or contacting IALEIA through the Internet at: Peterson@ialeia.org

# IALEIA

The International Association of Law Enforcement Intelligence Analysts, Inc. has the mission of professionalizing intelligence analysis and law enforcement. It is a non-profit group that began in 1980 and has grown to 1,400 members in 50 countries on all continents.

IALEIA provides publications, training, networking and outreach to intelligence professionals. It publishes a journal twice a year and a newsletter three times a year. An annual member directory is printed and distributed to the membership. It also has an Internet site ([www.ialeia.org](http://www.ialeia.org)) on which an intelligence bibliography, training calendar and other items of interest are published.

IALEIA has two international conferences a year; a training conference in the second quarter and a joint conference with the International Association of Chiefs of Police in the fourth quarter. Because of its seminars at IACP, IALEIA reaches the thousands of police executives who participate.

Another part of IALEIA is an annual awards program in which analysts, writers and chief executives are rewarded. These are formally presented at the Annual Conference each fall.

As the premier analytic organization in the world, IALEIA participates in a number of law enforcement conferences each year. During 1999, IALEIA members spoke at the 5th Annual Crime and Intelligence Analysis Conference in Germany; the Law Enforcement Intelligence Unit in California; at the National Criminal Intelligence Service conference in the UK; the U.N. Eastern Europe Intelligence Conference in Bulgaria; at the National Insurance Crime Bureau Annual Partnership Conference in Illinois; for the U.S. Secret Service, for the Federal Bureau of Investigation, for the Financial Crimes Enforcement Network and for a number of others.

Membership in IALEIA is open to all law enforcement analysts, supervisors and managers, as well as military, international and private sector criminal analysts and officers. There is a special membership category for students and reduced rates for members from developing countries. For more information, write IALEIA, P.O. Box 6385, Lawrenceville, NJ 08648-0385 USA or call IALEIA President Marilyn B. Peterson at (609) 94-1035 or [peterson@ialeia.org](mailto:peterson@ialeia.org). In Canada, contact IALEIA Secretary Paul Zendrowski at (613) 941-1364. In the UK, contact UK Chapter President Howard Atkin at [atkin@ialeia.org](mailto:atkin@ialeia.org). In Europe, contact International Relations Director Simon Robertson at 31-70-302-5-255

## AUSTRALIA'S FINANCIAL INTELLIGENCE UNIT

### THE AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE

Ric **POWER, Sr Mgr,** PARTNER **LIAISON & SUPPORT TEAM**

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is FinCEN's counterpart agency and Australia's Financial Intelligence Unit. It was established to administer the *Financial Transaction Reports Act 1988* (Commonwealth) which is aimed at assisting Commonwealth and state law enforcement and revenue authorities in Australia to administer and enforce laws in their respective jurisdictions. AUSTRAC is also Australia's anti-money laundering regulator, and as such, works closely with the financial sector and other areas of the community to assist in countering money laundering and deterring organised crime and large scale tax evasion

AUSTRAC administers Australia's Financial Transaction Reports Act 1988 (FTR Act) which aims to:

- monitor currency movements and wire transfers;
- have 'cash dealers' to verify the identity of a person opening an account (including a safe deposit facility), or becoming a signatory to an existing account and to report certain financial transactions to AUSTRAC; and
- eliminate false name accounts, tax evasion, money laundering, and corporate and organised crime.

AUSTRAC maintains an extensive database of financial transaction reports that are required to be given to AUSTRAC by cash dealers, and solicitors and persons traveling into or out of Australia. Currently there are 4 types of reports collected under the FTR Act and number in excess of 39 million reports on the database:

- **Significant Cash Transaction Reports** - required from cash dealers<sup>1</sup> and solicitor<sup>9</sup> for transactions involving \$10,000 cash or more;
- **International Funds Transfer Instructions** -(also known as wire transfers)- required to be reported by cash dealers where funds are electronically transferred or wired into or

out of Australia. International Funds Transfer Instructions may be for any amount, cash or otherwise;.

- **International Currency Transfer Reports** - required from persons carrying cash of \$10,000 (Australian or foreign equivalent) or more, being physically transported into or out of Australia; and
- **Suspect Transaction Reports** - required to be given by a cash dealer suspecting a transaction may relate to a breach of Commonwealth or State law (pursuant to State and Territory FIR Acts). Suspect transaction reports are reported without the knowledge of the customer and may be for any amount, cash or otherwise. The discretion lies with the financial dealer as to the grounds for suspicion- although AUSTRAC does issue guidelines. AUSTRAC receives around 6500 suspect transaction reports per year. Each is reviewed by an AUSTRAC analyst and, when appropriate, referred to an Australian law enforcement or revenue agency for action

### **Who uses FTR information?**

Only those 25 agencies <sup>3</sup> specified in section 27 of the FTR Act may access the information collected by AUSTRAC.

A Memorandum of Understanding (MOU) between AUSTRAC and each of the listed agencies provides the rules and conditions for access to FTR information. Issues covered by the MOU include levels of access, numbers of authorised officers, privacy and security of data, training and support, and feedback of results to AUSTRAC.

AUSTRAC works in close partnership with Australian law enforcement agencies and supports their investigations and intelligence projects in a variety of ways, such as:

- analyzing FTR information for law enforcement and revenue purposes;
- reviewing and disseminating suspect transaction reports to relevant law enforcement and revenue agencies;
- providing on-line enquiry service to the desktop of authorized law enforcement and revenue agency personnel to allow access to the AUSTRAC database to further or add value to their investigations;



- coordinating multi-agency liaison meetings; and
- participating in multi-agency task forces and undertaking bi-lateral project work with specific law enforcement agencies.

There are more than 39 million financial transaction reports on AUSTRAC's database and approximately 25,000 reports are added each day containing details such as: names/addresses; transaction dates and amounts; account numbers; cash dealer details; occupation/industry codes; foreign currencies; and, details of cheques or other financial instruments.

AUSTRAC's financial intelligence has proven to be a valuable tool for Australia's law enforcement authorities by

- providing details of financial transactions, including the location at which transactions are conducted;
- identifying unusual patterns of financial activity that indicate money laundering;
- linking previously unassociated persons and /or businesses through their involvement in financial transactions;
- identifying the use of documents, such as passports and drivers' licenses, in the conduct of transactions;
- identifying previously unknown addresses and bank accounts; and
- revealing gambling activities of persons of interest in drug and fraud investigations.

AUSTRAC provides analytical services and support in the following specific ways:

- **On-line search facility** This on-line access to the AUSTRAC database is available to a limited number of analysts and investigators in key areas of law enforcement and revenue agencies. These areas include Intelligence Units, Drug Squads, Fraud Units, Organised Crime and Internal Investigations;
- **Macro search.** *Summary Management Reports* and the *Datamart* are macro-analytical tools that allow for the extraction and analysis of financial transactions using a variety of parameters. Data can be isolated using dates, report types, country, industry or occupation and post codes (zip codes). The results of macro-searches can be output in summary form or by a transaction list. There is also a ca-

capacity to 'drill down' to specific transactions;

- **Alerts.** AUSTRAC's Alerts system provides the ability for an agency on-line access officer to be notified when a report entering the AUSTRAC database matches against a specified name, address, account number or identification document number. This facility can provide investigators and analysts with timely notification of transactions of interest;
- **Automated monitoring.** Computer based monitoring of the AUSTRAC database, using programs developed by AUSTRAC, identifies patterns of unusual financial activity which may be indicative of money laundering, other serious crimes or major tax evasion. Output from the monitoring system is disseminated to a multi-agency national task force for evaluation and, when appropriate, investigation; and
- Overseas **exchange of financial intelligence.** AUSTRAC is party to a number of exchange agreements with overseas financial intelligence agencies. These agreements allow for the exchange of financial intelligence in relation to investigations into money laundering and other serious crimes.

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1 Cash dealers are defined in the FTR Act and include: banks, building securities and credit unions (financial institutions); insurance companies and insurance intermediaries; securities dealers and futures brokers; managers and trustees of unit trusts; currency and bullion sellers; firms that deal in travelers' cheques, money orders and the like; casinos, gambling houses, government betting shops; and, on course totes and bookmakers.

2 Solicitors are required to report significant cash transactions of \$10,000 or more

3 The 25 agencies are: Australian Customs Service; Australian Federal Police; Australian Securities and Investments Commission; Australian Taxation Office; National Crime Authority; State and Territory Police Services (7); Criminal Justice Commission (Qld); New South Wales Crime Commission; Independent Commission Against Corruption (NSW); Australian Bureau of Criminal Intelligence; Police Integrity Commission (NSW); and, State and Territory Revenue Authorities (8).

## MEASURING CLIENT SATISFACTION

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### Introduction

In the past, client satisfaction studies have often resulted in a gathering of information that was not as meaningful to agency and department heads as it could or should have been. This may have led to the view shared by some that client satisfaction studies are self-serving and reported information already known by managers and front-line employees. Indeed, conclusions like: All general clients are somewhat or fully satisfied with the program may have contributed to reinforcing the status quo rather than helping managers pinpoint areas of client satisfaction and discontent, or finding innovative solutions to improve program delivery.

The design and implementation of client satisfaction assessment practices should not be regarded as an extremely complex enterprise with limited chances of success. It can be done in a practical manner. A comprehensive and strategic approach to measuring and monitoring client satisfaction and to utilizing satisfaction measures can bring considerable benefits to any intelligence organization. Such an approach may prove to be a key factor in the establishment of result and client oriented management, and to successful *total quality* initiative

### ***What is client satisfaction?***

Generally speaking, client satisfaction measures the *extent to which a client's expectations for a product or service are met*. In other words, client satisfaction occurs when *the quality of service provided equals or exceeds client expectations*. Satisfaction is not a global entity. It is essential to recognize its two distinct components: *client expectations*; and, the *actual or perceived quality of the service offered*.

Within the Royal Canadian Mounted Police (RCMP), all quality service initiatives have been linked to the philosophy of Community Policing.

### ***Community Policing and Criminal Intelligence***

Community policing concentrates on solving local problems that place a demand on police services and engages communities in developing their own strategies for peace and order. Planned approaches include: reducing the amount of reaction and randomness in police work; improving operational effectiveness; and, making efficient use of scarce resources. Understanding the criminal environment allows the law enforcement community to better plan operational strategies, as well as attacking crime in a more effective manner.

Simply stated, intelligence is knowledge. Intelligence work should, like community policing, concentrate on solving problems by providing clarity on trends, changes, threats and opportunities which affect the Royal Canadian Mounted Police's law enforcement mandate. Intelligence is first and foremost a support function. The RCMP's Criminal Intelligence Program provides support to operations and senior management, a wide range of external agencies, and ultimately, the public we serve. Our community also includes private and public sector groups with whom we work in the development of tactical and strategic intelligence assessments.

The key to community policing within an intelligence environment is best explained within the RCMP using the following CAPRA model:

**C = Clients**

**A = Acquiring and Analysing Information**

**P = Partnerships**

**R = Response**

**A = Assessment**

#### ***C=Clients***

Effective intelligence requires an understanding of the diverse and changing needs of the full range of clients that intelligence serves. Within any law enforcement organization, that client base could include, but not be restricted to, other internal operational programs, senior management, outside law enforcement agen-

cies, and non-law enforcement partnerships. Clearly, an effort must be made to not only define the client base but to have an understanding of their expectations, and to solve problems together. While the traditional view of a community is focused on the citizens we serve, this is often the indirect community in intelligence work.

### ***A=Acquiring and Analysing Information***

The key to effective intelligence, especially in our information society, is the effective and efficient collection, analysis and documentation of information to specify and address problems. Intelligence is in the information business and we must be aggressive in the collection and analysis of information in order to develop intelligence that is both timely and relevant in support of our client base.

### ***P=Partnerships***

An increasingly important dimension of police problem solving is the development and maintenance of appropriate partnerships. At a minimum, complex problems require multidisciplinary teams that bring together various skills to develop responses that are effective and responsive to our clients. Examples of appropriate partnerships could include criminal intelligence members working with members from other law enforcement programs who have skills in enterprise crime and immigration, or investigators working in partnership with an analyst. This will require skills in team building and negotiation; inter-agency; multidisciplinary co-operation; and, work planning and co-ordination

### ***R=Response***

**While in** the past, responses may have been driven primarily by law, policy and procedure, a client-centered approach requires that responses be shaped by client needs. Of course, these needs continue to be framed by law and policy. Intelligence cannot work in isolation of its client base. When it does, it fails. As a support function, intelligence must provide responses that meet the needs of our clients. Understanding those needs and requirements is essential to success.

### ***A=Assessment***

Effective intelligence demands approaches and techniques for ongoing assessment which promote continuous improvement and learning. It is absolutely essential that intelligence assess the

support or non-support it provides its clients. We must build in processes of adaptation, promote flexibility and instil a commitment to client service.

In summary, measuring client satisfaction for intelligence is having an understanding that:

**C= we do have clients;**

**A= we do acquire and analyse information;**

**P= we are more successful when we do it in partnership with others;**

**R= we prepare responses that must meet the needs of our clients; and**

**A= we must continually assess what we have done.**

Clearly, the principles of CAPRA have an application within a criminal intelligence environment and can be applied by individual intelligence staff, intelligence units and the criminal intelligence program as a whole. The key, of course, depends on our ability to define our community beyond the citizens that we ultimately serve.

### **Conclusion**

To know where clients stand and how they feel about service, quality should be a priority within any intelligence function. This allows a department to modify policies and programs, and improve the quality of its services. Conversely, the absence of monitoring sends a message to clients and employees that the intelligence unit is not serious about client satisfaction as a measure of its performance.

**RISK MANAGEMENT AND INTELLIGENCE  
IN REVENUE CANADA, CUSTOMS**

**HEATHER Wynen,  
SENIOR Intelligence ANALYST AT HEADQUARTERS  
Revenue CANADA CUSTOMS**

In Canada, the responsibility for administering Canada's borders and customs matters lies with the Department of National Revenue, commonly referred to as "Revenue Canada"<sup>1</sup>. Revenue Canada, Customs has essentially two roles. The first is to foster and promote trade between Canada and other countries and to encourage Canadian economic development. The other is to satisfy the needs of Canadians for safe streets and homes by protecting society against the importation of illegal substances and the entry of inadmissible persons.

Revenue Canada, Custom's ability to carry out its duties has been seriously challenged in the past few years. Advances in transportation, communication and information technology have created a global economy resulting in substantial increases of goods and travelers entering Canada. The number of commercial entries rose from 8.4 million in 1986 to 10.1 million in 1996 and it is expected to rise to 13.6 million by 2003. The number of travelers processed by Revenue Canada, Customs has similarly increased from 90 million in 1987 to more than 108 million in 1997. It is projected that by 2003, 123 million travelers will enter Canada annually. As Canada relies more heavily on international trade and tourism to fuel its economic growth, Customs is called upon to streamline the processing of travelers and commercial shipments and to ensure a level playing field for Canadian business, particularly as "just-in-time" delivery has become the norm in business. Unfortunately, simply opening up Canada's borders is not an option. All indicators suggest a growing threat posed by the smuggling to Canada of prohibited or restricted goods, such as drugs, weapons and pornography, and by the entry of undesirable individuals. Revenue Canada, Customs has been forced to address these conflicting challenges in an environment of declining resources.

Revenue Canada, Customs' approach to dealing with these conflicting pressures has been to adopt the principles of risk manage-

ment in all its operations, devoting resources to dealing with high risk movements, while facilitating the entry of low risk goods and people into Canada. The result of this policy has been to increase the importance of intelligence analysis within the Department. Analysis is essential in many parts of the risk management process.

### **Risk Management**

The need for changes in the Department's operations was recognized in 1990 when Revenue Canada, Customs created a publication entitled, *A Blueprint for **the Future***, for the purpose of guiding Revenue Canada into the year 2000 and beyond. The Blueprint recommended that customs identify high risk movements and selectively focus its enforcement efforts on these areas, thus improving the facilitation of low risk clients and commercial shipments. This was the beginning of risk management. The document stressed that effective analytical and intelligence capabilities are critical in order to identify risk areas. This became the guiding principle under which both the Headquarters and regional intelligence analysis sections have henceforth operated.

Over the following years, the Department developed a risk management framework specifically designed for customs. In the customs' context, risk management involves developing concrete information about existing and emerging threats, and developing compliance and enforcement strategies so efforts can be focused in known areas of high risk. In the past, risk was dealt with on a one-dimensional plane - the potential existence of non-compliance. However, risk management decisions must also reflect a balance between the level of risk in terms of adverse social and economic effects, and show the benefits versus costs associated with control activities. The risk management process is a cycle that consists of five steps: risk identification; assessment of risk; risk solutions; performance measurement; evaluation; and, review of the risk management process. It provides management with concrete information to make decisions on existing and emerging threats and to deploy resources on areas of highest risk.

Perhaps the most notable success of the risk management approach has been the improved interdiction of cocaine. Intelligence publications produced in the early 1990's identified cocaine smuggling as posing a high risk. As a result, resources were con-



centrated on intercepting this drug, including the development of targeting and technology along with staff training. Based on calculations of demand and seizures, the overall interdiction rate for cocaine in Canada between 1986 and 1988 was about 1%. By 1996-1998, this had risen to about 14%. While recognizing that this rate is still low, it is a substantial increase from 10 years ago. The improved enforcement performance can be credited to intelligence for its initial recognition of the seriousness of the problem.

### ***The Contraband Strategy***

A formal risk management framework for Revenue Canada, Customs enforcement was created in 1996, with the publication of *The Contraband Strategy*. All of customs' enforcement efforts are driven by the Strategy. The risk assessment portion of *The Contraband Strategy* rates the smuggling of contraband by commodity, stream and mode based on a number of factors including: the size of the smuggling problem; the harm caused to society by the smuggled goods entering Canada; revenue loss; and, government and public expectations. The other portion of *The Contraband Strategy* is a plan for contraband interdiction. It assesses the effectiveness, based on the risk assessment, of the current contraband initiatives and activities, and recommends action plans for changes, including investment priorities and decisions on resource allocations. The risk assessment portion is updated on a cyclical basis, normally once every two years, while the operational tactics are updated yearly.

*The Contraband Strategy* has had a notable impact on Customs operations. For example, Revenue Canada's 1996 *Contraband Strategy* rated the marine mode as posing the highest risk. As a result, resources were diverted and new examination facilities were developed in the marine ports of Halifax, Montreal and Vancouver. The land commercial stream was rated as the second highest risk. An assessment prepared by the Intelligence Analysis Section at Headquarters highlighted this risk. As a result, the Department is presently looking at re-engineering its commercial motor vehicle program and developing better examination facilities and targeting techniques at land borders.

### ***Headquarters Intelligence Analysis Section***

At Headquarters, risk management is central to the activities of

the Intelligence Analysis Section of Revenue Canada, Customs. Analysts produce risk assessments that identify high risk commodities, transportation modes and groups involved in non-compliant behavior, enabling senior management to develop enforcement programs and policies and to carry out the required human resource and financial planning for such programs. They assess the risk to customs' operations and suggest measures to manage or minimize the risk.

The Intelligence Analysis Section bases its production of assessments on the risk assessment portion of the *Contraband Strategy*. Areas that are identified as high risk and requiring further analysis, such as cocaine, serve as topics of assessments along with areas in which the degree of risk is unknown, for example the smuggling threat in land passenger streams, rail and courier modes and by ships' crews. An assessment on the drug threat from the Caribbean was undertaken this year. While it is known that this region serves as both an origin and area of transshipment for drug smuggling, the level of threat to customs needs to be determined. Assessments on the smuggling of endangered species and counterfeit goods began this year, and child pornography was the topic of an assessment completed last year to determine the relative risks posed by the smuggling of these commodities. The Child Pornography assessment recommended further training for front line officers which was subsequently carried out and at least one foreign customs services was impressed with the targeting practices listed in the assessment and has requested training in this area. The assessment noted that further support from Canada Customs should be directed to the WCO in drafting model legislation on child pornography, which is currently occurring.

Re-evaluating and adjusting ratings of risk is a necessary and important step within the risk management framework. In the early 1990's, tobacco smuggling was a high risk due to an overwhelming contraband market fed by cross border smuggling. A tax decrease and increased enforcement had a significant effect on tobacco smuggling. In 1997, an intelligence assessment concluded that it had now become a low risk. Nonetheless, an assessment was carried out in the spring of this year to reevaluate the contraband market and the threat posed by tobacco smuggling. Likewise, changes in the public perception of cannabis use and

the sources of marijuana consumed in Canada made it necessary to re-examine the threat posed by cannabis smuggling. An assessment was completed this year re-evaluating this risk and the results will be forthcoming.

From time to time, the Intelligence Analysis Section receives requests from other branches within Revenue Canada and other government departments for assessments. These requests are filtered through the risk assessment section of The Contraband Strategy and prioritized accordingly.

Under the strategy of risk management, the intelligence analysts also prepare Customs Profiles, which are specifically designed for Customs Inspectors. They provide indicators to assist the inspector in identifying high risk shipments or persons, normally by mode of transport. These are published on a cyclical basis.

### ***Regional Intelligence Analysis Units***

Revenue Canada has six regions: Atlantic, Quebec, Southern Ontario, Northern Ontario, Prairie and Pacific. Each has its own Intelligence and Contraband section, housing both intelligence analysts and officers. The function of the Regional Intelligence Analysis Units mirrors that of the Headquarters unit involving operational and tactical intelligence analyses. The units were designed to inform Customs Officers to assist in their decisions to examine, verify or release goods and persons entering Canada. Through analysis, the units not only identify high risk movements but also describe those elements which are considered low risk, in relation to their region. The analysts' responsibilities include specific identification of persons and companies who may be in violation of the statutes that Customs enforces. This allows the Department to expedite the entry of the majority of legitimate travelers and concentrate its limited resources in activities where they should have the most enforcement success.

In addition to threat assessments, the regional analysts prepare post-seizure analyses, which involves a detailed look into all facets of a significant seizure. This allows the Department to learn from their practices and the information and intelligence acquired can be used when assessing future risk

## **Conclusion**

The risk management principle in Customs has allowed for a streamlining of operations and the concentration of resources in areas of highest risk. Intelligence plays a key role in this process. Revenue Canada is currently looking at incorporating the risk management model in other branches of the Department as it offers a framework for the most efficient use of resources and personnel.

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**1** The title “Revenue Canada, Customs” is used to describe the customs component of the Department of National Revenue. This department’s name changed to Canada Customs & Revenue Agency in late 1999.

# LOCAL LAW ENFORCEMENT AND INTELLIGENCE LED POLICING

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**MANAGER IACP MODEL Policy Center**

The fragmentation of police service in the United States is dramatic. State and Local governments fund 17,358 law enforcement agencies. While fragmentation is a severe impediment to Intelligence Led Policing, the nature of investigative work is an added obstacle to overcome.

The nature of investigative work explains a great deal of the reluctance to consolidate-or even coordinate-effort-seeking solutions to crime. It is natural for every department to want to solve "the big case" on its own \*

The need to coordinate police investigative activity is even more pronounced today than it was in 1967 when the President's Commission Report was published. It is certainly greater than in **1934** when the Wickersham Report noted this same lack of coordination. Noting the "independence" exhibited by police agencies toward each other in the absence of any central authority, that report also identified conflicts involved in a multi-jurisdictional investigation

Since 1992, the International Association of Chiefs of Police (IACP) Advisory Committee for Police Investigative Operations has been trying to address these issues. In 1994, working with the IACP Model Policy Center, the committee developed guidelines for conducting multi-agency investigations. Building on that, the committee in 1998 published a Model Policy for intelligence gathering. With this document, the committee hoped to create an interest in the coordination of, and the realization of, the importance of intelligence gathering and sharing.

This article presents the issues we believe need to be addressed

before a knowledgeable decision can be made by local departments to pursue intelligence led policing.

A leading expert in the field of terrorism and counter-terrorist tactics makes a compelling argument regarding the need for developing criminal intelligence when he notes that:

*[P]hysical measures don't reduce terrorism—they move the threat along. Society cannot invest enough resources to protect everything, everywhere, all the time. Someone wanting to set off a bomb in Manhattan to kill scores of people can do it. And reducing terrorism has nothing to do with access control or how thick you make the concrete walls. It requires going after the terrorists and taking their groups apart.<sup>2</sup>*

Unfortunately, from a national level, the United States apparently lacks the intelligence capabilities necessary to adequately combat terrorism according to a major inter-agency study of federal capabilities and defenses. The 73-page report, commissioned by the U.S. Justice Department, pinpoints a lack of intelligence sharing on domestic terrorists as a significant problem and adds that:

*The single most significant deficiency in the nation's ability to combat terrorism is a lack of information, particularly regarding domestic terrorism.<sup>3</sup>*

While the above deals specifically with domestic and international terrorism, the same observations hold true in the prevention and interdiction of other serious crimes. State and local law enforcement agencies are concerned with more provincial criminal matters. Defining these local criminal enforcement objectives and priorities forms the basis for information needs required to drive the intelligence function of individual agencies. Efforts to identify individuals and groups that may employ criminal means to advance their interests requires a systematic approach to information collection and analysis. Intelligence within the law enforcement context, whether tactical or strategic in nature, refers to the collection, collation, evaluation, analysis, and dissemination for use of information in relating to a wide variety of criminal, or suspected criminal, activities. Development of a systematic approach to this function within police agencies is essential in order to organize what may otherwise be scattered or even unrecorded information and data for use in a constructive and concerted

manner.

While intelligence plays a key role in law enforcement operations, history tells us that it can also be the instrument of abuse if such operations are not properly organized, focused and directed. Aggressive intelligence gathering operations that resemble fishing expeditions have been employed improperly in the past to garner sensitive or confidential information on individuals for whom there is no reasonable suspicion of criminal activity. Once documented, such information can develop a life of its own if sufficient safeguards are not built into screening, review and management of intelligence files. If passed on to other law enforcement agencies as intelligence, it can form the basis for abuse of civil liberties and potential civil liability.

It is important to have an understanding and appreciation of potential abuses of criminal intelligence operations in order that intelligence gathering can be properly directed and information thus collected controlled and managed. It is also important to reemphasize the indispensable role that criminal intelligence plays in support of law enforcement and the ultimate protection of society.

Information gathering by individual officers is at the heart of any intelligence operation. Without the input of the officer on the beat, the generation of intelligence that can be returned to these officers for strategic and tactical purposes is not possible. Support of the agency's intelligence function is, therefore, the responsibility of every law enforcement officer who provides necessary information to fuel the process. And, if raw information provides the indispensable material to fuel the intelligence function, a professionally organized system of information evaluation, collation, analysis, and dissemination is the refinement process that turns this raw information into useful products in support of law enforcement operations.

The Model Policy on Criminal Intelligence was developed with the foregoing background concepts and recognitions clearly in mind and are incorporated into its policy statement, as follows:

*Information gathering is a fundamental and essential element in the all-encompassing duties of any law enforcement agency.*

*When acquired, information is used to prevent crime, pursue and apprehend offenders, and obtain evidence necessary for conviction. It is the policy of this agency to gather information directed toward specific individuals or organizations reasonably suspected of criminal activity, to gather it with due respect for the rights of those involved, and to disseminate it only to authorized individuals as defined. While criminal intelligence may be assigned to specific personnel within the agency, all members of this agency are responsible for reporting information that may help identify criminal conspirators and perpetrators. 4*

The policy statement addresses several key issues discussed in the introduction to this document. In particular, the policy makes clear the position that intelligence investigations shall be targeted at persons or organizations only when there is reasonable suspicion that they are involved in criminal activity. The means for ensuring that this mandate is followed are best addressed in the procedural and management practices utilized by the intelligence unit. The policy statement also makes it clear that the means used to develop such information cannot overlook the rights of individuals guaranteed under the federal and state constitutions. These legal protections and individual rights cannot be placed on hold as a matter of convenience to achieve agency or intelligence objectives. The fact that officers cannot disregard their responsibility to the law or circumvent the rights of individuals as prescribed by law in the course of developing and managing intelligence information is a matter that deserves repetition and reinforcement in a policy on intelligence as well as in the agency's code of conduct and core values.

The policy statement also emphasizes the confidentiality issues involved in disseminating intelligence. Distribution of intelligence to authorized persons and agencies is generally described in terms of those who have a "need and right to know." A recipient agency or individual has a "need to know" when the requested information is pertinent to, and necessary for, the initiation or furtherance of a criminal investigation or apprehension. A "right to know" may be satisfied when the recipient agency or individual has the official capacity and statutory authority to receive the intelligence requested. Both of these conditions may need to be satisfied based on the nature and sensitivity of the information requested and the law surrounding the release of particular types of information or intelligence.



And finally, the policy statement emphasizes the fact that information gathering for intelligence is not only the responsibility of those assigned to the intelligence authority but is driven largely by **personnel** throughout the agency who contribute information for assessment. The vast majority of information used by an intelligence authority is the product of observations made by or information developed or received by patrol officers and investigators. Without their input, the intelligence function would be ineffective. Therefore, the model policy makes it clear to all law enforcement **personnel** within an agency that they are linchpins in the intelligence process.

As much, if not more, than any other law enforcement agency operation, the intelligence function needs to be clearly focused, and must subscribe to articulated goals and objectives that flow from an espoused statement of purpose. Some of the problems that have plagued police intelligence gathering operations over the years have been the result of information gathering operations that have not been limited to reasonable boundaries or regulated by adherence to a precise mission or self-imposed set of standards. While a policy or mission statement is meaningless without strong management overview, it is the starting point for direction and control of a professional intelligence function. The model policy suggests the following general mission statement for the intelligence function:

*It is the mission of the intelligence function to gather information from all sources in a manner consistent with the law in support of efforts to provide tactical or strategic **information** on the existence, identities, and capabilities of criminal suspects and enterprises generally and, in particular, to further crime prevention and enforcement objectives/priorities identified by this agency. 5*

The mission statement is operationalized by what is often referred to as a “collection plan” which serves as the authority for, as well as the rules and regulations for the collection and distribution of intelligence and administrative control of unit operations. Moreover, the collection plan provides direction to the intelligence unit by defining, focusing and prioritizing its operations in crime areas that directly affect the community. The plan should be a collaborative product of command **personnel** including the chief and may include the authority, rules, regulations, policies and procedures relative to the intelligence unit.

In addition to the above, the model policy identified two areas that are deemed significant enough to deserve particular attention. In the first instance, the policy states that:

*Information gathering in support of the intelligence function is the responsibility of each member of this agency although specific assignments may be made as deemed necessary by the officer-in-charge (OIC) of the intelligence authority. 6*

The development of intelligence is contingent upon the input of useful raw information. Without the necessary information upon which to work, the intelligence function is ineffective. The bulk of information feeding the intelligence function comes from the observations of facts and information generated by patrol officers and criminal investigators. Some intelligence functions may be in a position to initiate operations directed specifically at gathering information on target individuals and enterprises through a variety of clandestine and overt operations. However, in most cases, the bulk of information necessary to drive the intelligence function is derived from personnel in field service units.

With this in mind, it is important to impress upon all personnel within the agency the significant role that they play in the intelligence function and to provide them with the process for efficiently feeding relevant information into that function

Finally, the model policy statement directs that:

*Information that implicates, suggests implication or complicity of any public official in criminal activity or corruption shall be immediately reported to this agency's chief executive officer or another appropriate agency. 7*

During the course of their law enforcement duties, officers from a variety of operational duty assignments may come upon sensitive information that implicates or appears to implicate a public official in illegal practices. These are among the most difficult of situations facing law enforcement officers and administrators. The high profile nature of duties and responsibilities of public officials places a burden upon officers to ensure the integrity of information or evidence of a criminal nature that is brought against that public official. Inaccurate information or false accusations against public officials can have many serious negative

implications for the law enforcement agency as well as the public, not the least of which is a depreciation in public trust and support. The law enforcement agency must also be aware of the possibility that the police agency is being used by political interests that may be initiating or inflaming public scandal for their own gain and advancement of political agendas.

At the same time, history is replete with cases of corruption of public officials, particularly with regard to their involvement or complicity in organized criminal enterprises. In many cases, this involvement has become known to those involved in the development of information for the intelligence function. Officers conducting undercover and surveillance operations, in particular, may become privy to certain information that suggests the involvement of a public official with suspected or known criminal offenders. When large amounts of money are involved, virtually no one is immune to potential involvement in criminal enterprises. This includes law enforcement officials as well as political figures and high ranking bureaucrats in state and local government.

It is, therefore, important that police officers, criminal investigators, intelligence analysts and any other officers who develop information that may implicate public officials, forward that information directly to the chief executive officer of the agency in order that it may receive appropriate attention at the highest level. The model policy also provides that such information may be forwarded to "another appropriate agency." This provision is designed to address those unusual yet potential situations in which there are suspicions or concerns that the office of the police agency chief executive or other high ranking officials in the chain of command may be implicated in the criminal activity. In such situations, the office of the district attorney or prosecutor may be a more appropriate source to provide such information

The model policy provides some guidance with regard to the organization of an intelligence function. It is recognized that the great diversity of law enforcement agencies will, by necessity, require that individual intelligence operations conform with local agency capabilities and needs. But there are some general guidelines and recommendations that can be made in this regard that are relevant to most intelligence operations.

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<sup>1</sup> president's Commission of Law Enforcement, (1967)

<sup>2</sup> "Interview with Brian Michael Jenkins", *Omni*. November 1994, Vol. 17, No. 2, p. 77.

<sup>3</sup> Robert Suro, "U.S. Lacking in Terrorism Defenses: Study Cites a Need to Share Intelligence", *The Washington Post*, Friday, April 24, 1998, p. A-18.

<sup>4</sup> "The Model Policy on Intelligence", *IACP National Law Enforcement Policy Center*.

<sup>5</sup> *ibid.*

<sup>6</sup> *ibid.*

<sup>7</sup> *ibid.*

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For more information on, or copies of, the *Model Policy on Intelligence*, please contact the IACP National Law Enforcement Policy Center at 1-800-843-4227.

IOWA'S **LEIN** PROGRAM OFFERS  
LAW ENFORCEMENT  
"Excellence Through Cooperation"

**RUSSELL M. PORTER, SPECIAL Agent-in-Charge**  
**IOWA DEPARTMENT OF PUBLIC Safety – Intelligence BUREAU**

For years, law enforcement agencies have used information systems to keep track of arrested persons. Historically, however, there was no systematic way for law enforcement agencies to share information about active criminals and suspects under investigation before they were arrested, and to use the information to quickly mobilize crime-fighting resources from many law enforcement agencies. But in 1984, Iowa law enforcement agencies began to regularly exchange and act on this type of information with the creation of The Iowa Law Enforcement Intelligence Network -- commonly known by its acronym, LEIN.

**Iowa's LEIN Program**

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- **First in the Nation**
- **Continues to Serve as a Model for Other States**
- **Received "Innovations" Award from Council of State Governments in 1986**
- **Served as a Catalyst for Federal Programs**
- **Has Improved Communication & Cooperation Among Law Enforcement Agencies**
- **Uses Advanced Equipment & Technology to Deliver Services**
- **Offers Unique Law Enforcement Training**
- **Identifies Crime Trends at an Early Stage**
- **Mobilizes Multi-Agency Law Enforcement Response to Problems**
- **Provides Improved Law Enforcement Service to Citizens**

***First In Nation Status***

Iowa's LEIN program was the first of its kind in the nation. LEIN combines resources -- people, information, and technology -- to deliver improved law enforcement services to the citizens of Iowa.

***Its Membership and Mission***

LEIN's membership consists of state and local law enforcement officers who have successfully completed a two-week criminal intelligence course conducted by the Iowa Department of Public Safety. As of July 1999, LEIN's membership consisted of about 700 Iowa law enforcement officers from nearly 200 agencies. LEIN is governed by a seven-member Executive Board, chaired by the State LEIN Coordinator (a peace officer member assigned to the state Department of Public Safety's Intelligence Bureau).

Members of the Executive Board are elected by the LEIN members from across the state. LEIN members work together to accomplish two related objectives: to gather and exchange state-wide information about significant criminal activity and criminal suspects that affect the state of Iowa; and, to use this information to conduct cooperative, multi-agency investigations to apprehend these criminals.

After attending the two-week criminal intelligence course, officers gather information and forward it to the Department's Intelligence Bureau, where it is analyzed and disseminated back to LEIN members. LEIN members also attend informational law enforcement meetings in their region of the state. Particular attention is given to crimes involving traveling criminals, career criminals, and conspiratorial criminal activity. When crime problems and criminal suspects are identified, LEIN members work together to mitigate the criminal activity and apprehend the offenders responsible.

#### The Impact: ***Service to Citizens***

In 1986, soon after the program began, Iowa LEIN members worked together to arrest several members of a sophisticated multi-state Midwestern burglary ring that specialized in the theft of agricultural chemicals. That year, reported losses from these types of thefts were tallied at around \$50,000 -- down from more than \$500,000 the previous year. Another early LEIN operation in Ottumwa, Iowa resulted in 17 arrests on charges arising from numerous residential burglaries, and the solution to more than 100 individual offenses. The successes -just a few of them highlighted here -- have continued:

- In October 1994, LEIN members began an investigation into a Cedar Rapids-based burglary ring. The burglary ring was suspected of more than 100 safe burglaries during the past three years in Iowa, Kansas, Nebraska, Missouri, Minnesota, and Wisconsin. As a result of this cooperative, multi-agency investigation, four persons were arrested in May 1995 on 33 theft- and burglary-related charges in six states.
- In the fall of 1997, several suspects in the theft of equipment and materials from construction sites were arrested; hundreds of thousands of dollars worth of stolen property was recovered. Thefts were identified in eight central Iowa

counties.

- . In late 1997, after noticing a sharp increase, the DPS Intelligence Bureau (LEIN's Central Coordinating Agency) conducted an analysis of farm chemical thefts. The results of this analysis were disseminated to LEIN members across the state. After the second farm chemical theft of 1997 was reported, law enforcement officers were able to take steps to prevent future crimes of this type. Burglaries and thefts of farm chemicals dropped from 21 instances in 1996, with more than \$800,000 in losses, to three incidents in 1997 with losses totaling approximately \$200,000 - cutting losses by 75 percent.
- . In April 1998, LEIN members worked together to investigate a series of bank robberies occurring in the Iowa City area. By gathering and exchanging intelligence data, the agencies involved identified a suspect. Officers from police departments in Iowa City, Coralville, Marion, and Cedar Rapids, along with the Johnson County Sheriff's Office, the Iowa State Patrol, and the Iowa Division of Criminal Investigation participated in surveillance and an investigation that resulted in the arrest of the person who was committing the robberies.
- . In early 1999, anticipating the seasonal arrival of transient home repair workers who engage in fraudulent criminal activity - especially against senior citizens - Iowa LEIN members conducted a two-day training seminar and intelligence briefing, to prepare LEIN members for the expected increase in springtime and summer incidents. As a result, law enforcement agencies across the entire state gave this problem increased attention. Additionally, focused enforcement actions were directed against these suspects, and fewer incidents of fraud were reported in 1999 compared to previous years.

### **Recognized as a Model for State and Federal Programs**

As a testimony to the effectiveness of Iowa's LEIN concept, the program has been implemented in other states, including Illinois, South Dakota, Nebraska, Kansas, Wisconsin, and North Dakota. In addition, law enforcement officers from Arizona, Nevada, Nebraska, Illinois, and Canada have attended the two-week LEIN training course. In recognition of the success and transferability of the program, Iowa LEIN received the "Innovations" award in

1986 from the Council of State Governments.

The concept has proven to be valuable to the national and international law enforcement community as well. In 1986, the head of INTERPOL's U.S. National Central Bureau established the Iowa and Illinois LEIN programs as INTERPOL's primary point-of-contact in each respective state. The concept was so successful, INTERPOL expanded the initiative to all fifty states by creating the INTERPOL State Liaison Program. The Financial Crimes Enforcement Network (or FinCEN), part of the U.S. Treasury Department, followed suit and established a FinCEN State Coordinator in all fifty states.

Since 1992, State LEIN Coordinators in the Midwestern United States have met semi-annually, to enhance LEIN program effectiveness in each of the states. The meetings also provide a forum for constructive dialogue with officials from the Mid-States Organized Crime Information Center (MOCIC), one of the Regional Information Sharing System (RISS) projects funded by the U.S. Department of Justice.

### ***Effective Information Management Through Technology***

**In 1998**, the Department of Public Safety purchased a computer web server to provide a secure extranet to Iowa's law enforcement community -- much like a private Internet, with security features. The extranet will allow LEIN reports to be remotely available (via computer) twenty-four hours a day to authorized law enforcement and criminal justice officials. By connecting this web server to the existing Iowa On-line Warrants and Articles (IOWA) System (the state's law enforcement telecommunications network), intelligence data will soon be available around the clock to approximately 190 "end points" on the IOWA System.

The Department has also taken steps to establish computer network capabilities with other initiatives, such as MOCIC and the Midwest High-Intensity Drug Trafficking Area (HIDTA) program. These technological developments will help LEIN members exchange more information, and do it more quickly and efficiently.



## ***Specialized Training and Equipment***

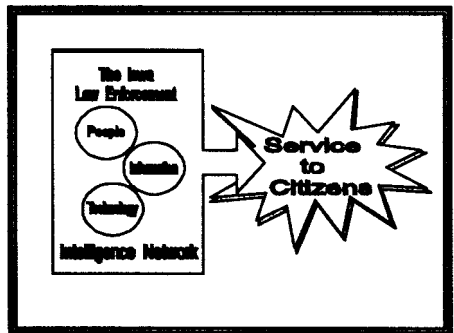
**Since** its inception, the LEIN program has offered more than 2,000 hours – about one full year – of specialized intelligence training to more than 700 law enforcement officers. In addition, specialized intelligence, surveillance, and other electronic technical support equipment is made available to LEIN members from an existing equipment pool.

In May 1999, the 23rd Session of the two-week LEIN Criminal Intelligence Course was coordinated by the DPS Intelligence Bureau. This course was attended by over forty officers who became LEIN's newest members. During the required training school, prospective LEIN members received instruction in a variety of topics, including sources of information, management of informants, use of electronic equipment, the collection and analysis of intelligence, the preparation of intelligence reports, the legal aspects of intelligence and proactive investigation, and task force coordination. The training program features a three-day field exercise in connection with an actual criminal case. Another session is planned for May 2000.

Each year, Iowa LEIN members also attend an annual conference. In October 1998, the 14th Annual LEIN Meeting and Training Conference was attended by approximately 175 municipal, county, state, and federal law enforcement officers and corrections officials. This three-day conference provided training and information on relevant topics of current interest to LEIN members.

### ***Service to Citizens***

LEIN is an effective program that can be readily implemented in other states. LEIN helps law enforcement agencies provide the highest quality service to the public - turning people, information, and technology into action - to achieve "Excellence Through Cooperation"



For more information about LEIN, contact:

The Iowa Law Enforcement Intelligence Network  
Iowa Department of Public Safety  
Intelligence Bureau  
Wallace State Office Building  
Des Moines, IA 50319-0049  
(515) 242-6124

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Or visit the World Wide Web at:

<http://www.state.ia.us/government/dps/intell/lein/>

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or see:

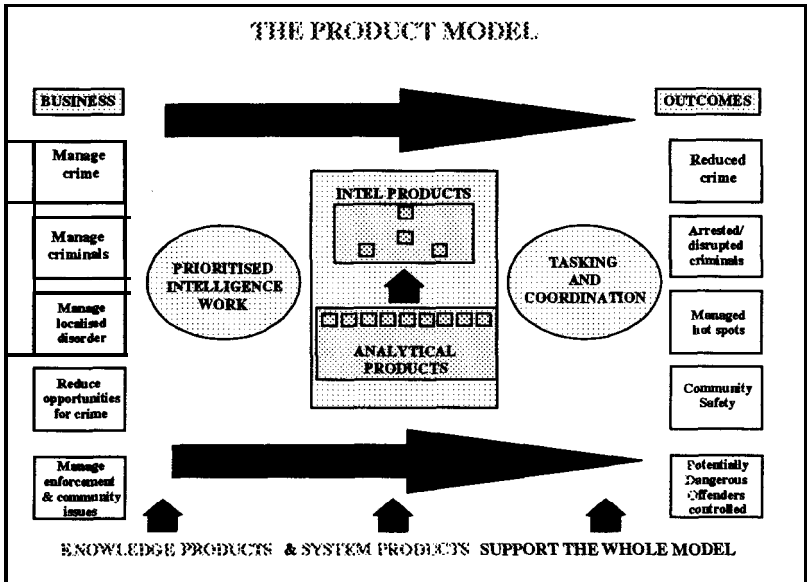
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# A NEW NATIONAL INTELLIGENCE MODEL FOR THE UK

**DEE SGT. HOWARD N. Atkin**  
**WEST Yorkshire POLICE Training ACADEMY**

Recent and significant changes in approaches to intelligence and analysis within the United Kingdom law enforcement arena were 'kick-started' by the Home Office Audit Commission report of 1993, "Helping with Enquiries: Tackling Crime Effectively". This policy introduced a systemic approach to policing by focusing on specific crime problems and using intelligence-led methodology.



This report, and ensuing experience in using analysis and intelligence, resulted in a need for a new national approach to intelligence-led policing. The answer to this need is a 'National Intelligence Model' now in the early stages of implementation by Forces across the UK. The model seeks to support and guide all levels of law enforcement and to integrate their functions in a way that both addresses individual organisational needs whilst encouraging support between peers and partners. It takes a fresh look at the way intelligence and analysis can be used focusing on the business goals of the organization and the benefits that can be derived. It offers standardised products which will facilitate inter-agency exchange and cross-border networking at all levels

and it offers guidance to managers as to where and how these products can support operational and business functions.

The key to the National Intelligence Model is that it seeks to integrate other key policy and legislative changes within the U.K. and complement them so that they work together as a whole. The changes can be summarised as follows:

- Value for money - a more business-like approach to service;
- Performance indicators - achieving measurable results;
- Community-based policing - team-based approaches to solving problems;
- Crime and disorder (Act of Parliament) - agencies now have duty to work together; and
- Disclosure - new legislation sets rules for dealing with investigative data which previously went unused after trial.

The benefits to the organisation using the Model include:

- serving community intelligence policy requirements;
- a whole law enforcement model - from organised crime to road safety;
- maximizing exploitation of evidential investments;
- providing a business case for IT;
- helping deploy resources more accurately; and
- helping clarify the intelligence training regime and staff selection procedures.

The model recognizes three levels of law enforcement responsibilities including local issues, cross-border issues and serious and organised crime. It details how the model looks at managing criminals, managing localised disorder, reducing opportunities for crime, and managing enforcement and community issues.

The analytic products structured by the model are:

- **Results analysis** - assessing the impact of patrol strategies, reactive investigation, proactive investigation, crime reduction methods, and techniques and policies;
- **Crime pattern analysis products** - comprises of crime series identification, crime trend analysis, hot spot analysis, com-

parative case analysis, and general profile analysis;

- **Market profiles** - assessments of the state of the criminal market around a commodity or service such as drugs, stolen vehicles, prostitution, etc.;
- **Demographic/social trend analysis** - the impact on criminality of demographic changes or changes in social factors;
- **Criminal business profiles** - shows how a criminal operation or technique functions including detailed MO such as victimology, technology employed, and systemic/procedural weaknesses;
- **Network analysis** - analysis of key attributes and functions of individuals within the network; strengths and weaknesses; financial and communications data; inferences about criminal behaviour;
- **Risk analysis** - analysis of comparative risks posed by individual offenders or organisations to individual potential victims;
- **Target profiles** - the illumination of criminal capability and threat; information about associations, lifestyle, finances, MO, strengths and vulnerabilities and techniques that have worked or failed in the past; and
- **Operational intelligence assessment** - real-time evaluation and research into incoming information on associations and other phenomena around suspects in current operations.

Within operational intelligence assessments, there are strategic assessments, tactical assessments, problem profiles, and criminal profiles produced. Within each of these, the three levels of policing are addressed. For example, under 'strategic assessments', the following detail is seen

**What are they?** Intelligence profiles for operations management

- **Advice to management** incorporating: impact; activity impact assessment; crime trends and explanations; rmarket

states and explanations; demographic/crime predictions; and organized criminality threat assessments

- **Advice to force level managers** incorporating cross-border crime trends and identified or probable series; organised criminality threat assessments for the region; and significant criminal themes; target risks;
- **Advice to government and law enforcement senior managers** incorporating: activity impact assessments crime trends and explanations; market states and explanations; demographic/crime predictions; organized criminality treat assessments of national and international weight.

### **What are they for?**

- **Level 1:** Used by management in high level tasking and coordination: resource decisions; setting enforcement priorities; and setting the local intelligence requirement use in force business planning;
- **Level 2:** Use by force managers in regional tasking and coordination: resource decisions for joint regional operation; setting investigative priorities for force/regional investigations; setting the force intelligence requirement; use in force business planning; and
- **Level 3:** Influencing government decisions on resources and objectives for law enforcement; legislative and related needs; multi-agency cooperation; criminal justice policy; guiding senior managers in: setting law enforcement priorities; law enforcement resource decisions; meeting the national criminal intelligence requirement.

### **Tasking and Coordination**

**The** tasking and coordination is also separated into the three recognized organisational levels. In level one, strategic targeting sets the intelligence requirement, interprets key objectives, sets priorities, identifies resources and manages partnerships. The tactical tasking and coordination includes allocating ownership of plans, review of progress on plans and operations, supporting decisions on new/emerging issues and keeping the intelligence flowing.

In level two, strategic work sets priorities for prevention, for joint investigation and enforcement and identifies resource issues. Tactical tasking includes similar tasks as in level one.

In level three, the strategic threat assessment sets the national strategic intelligence requirement and informs ministerial objectives; shapes national law enforcement priorities; informs inter-agency policy; legislative and preventive needs. The tactical tasking and coordination is in response to the strategic threat including tactical tasks as seen in levels one and two plus support for level one and level two serious crime.

### **System and Knowledge Products**

The final piece of the model is the identification of what the system will produce as an integral part of the process. On levels one and two, these system products include access to varied databases (such as Interpol, Europol, NAFIS, DNA ), analysts' tools, interception and intrusive surveillance data, etc. The knowledge product at levels one and two is intelligence, analysis and management best practice. At level three, the knowledge system products include flagging, informants registration, compromise database, access to interception, access to foreign law enforcement and analysts' tools. The knowledge products follow those for levels one and two.

Thus, the new National Intelligence Model offers a fresh approach to the UK law enforcement community as a whole to the way it approaches intelligence and analysis. Traditionally, such products were often seen as ancillary to the goals of the organisation involved. The integration of this model will make reliance on intelligence and analysis the central backbone of law enforcement within the UK.

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***Prepared with the kind permission an from original materials of Brian Flood of the National Criminal Intelligence Service.***

# A MODEL OF OPEN SOURCE INFORMATION

*A SUBMIZSSON BY LEXIS-NEXIS*

Open source intelligence is information that is available through a variety of public or open sources, such as newspapers and wire services, business information and records created and maintained by government agencies.

Eighty percent of intelligence can be gathered from open source information at one third of the cost. As a result, more and more law enforcement professionals see the value and enhanced productivity from combining open source information with today's information technology.

Law enforcement analysts and investigators want and need quick, easy access to information that provides answers, particularly at a time when the questions and challenges facing law enforcement have never been tougher. The investigator is interested in specific facts related to an investigation, the intelligence analyst looks for global patterns and the administrator needs access to the latest information to run an efficient operation.

This is why on-line open source intelligence information is so vital to law enforcement. As an example, regional news reports can provide detailed information about persons, businesses, properties, and linkages – which can be important elements to both the analyst and investigator.

## **Information Technology and Open Source Intelligence**

Prior to the development of the personal computer, the use of open source information by the law enforcement community was limited to materials that could be gathered only in hard copy form, such as news clippings, directories, court records and real estate transactions. However, these resources quickly lose their timeliness without periodic updating and redistribution.

Commercially available electronic compilations of open source information can solve these problems. The **LEXIS-NEXIS** Group is representative of a number of companies that integrate information technology with comprehensive databases of open source



information tailored to law enforcement computer applications already in use today.

The amount of open source information available electronically increases every day. As an example, the *Lexis-Nexis services* provide law enforcement professionals online access to over 2.5 billion documents of legal, news and business open source information, with over 5.5 million documents added each week.

Since open source information is defined as information that is publicly available, one can imagine how much raw data is out there. For the law enforcement analyst to manually sift through all of this information is truly a case of massive information overload.

Not only does the information industry provide access to vast amounts of open source information, it adds value to the data as well with searching, indexing, linking, cleansing, and other techniques. By collecting this data and customizing it for the law enforcement community, information providers bring local, regional, national and international information together into one convenient location and deliver it directly to the analyst's or investigator's desktop for quick and easy access.

### **The Value of News and Business Information to Law Enforcement**

Periodical information, such as newspaper and wire service data, have been used by the intelligence community for developing long-range, strategic responses to situations. Today, information providers have added local and regional newspapers, news services and broadcast transcripts, to provide significant information on people, diverse groups and actions that would be next to impossible to collect otherwise. Local and regional news coverage of prior arrests and convictions, lawsuits and business or property transactions can provide relevant information to the entire investigation process.

For instance, specific drugs or drug-related activities to which one community's law enforcement team has little prior exposure or experience may be "old news" or "old hat" to departments in other regions of the country. Quick online access to news articles

and broadcast transcripts from these regions can help them quickly come up to speed on developing situations.

The information industry provides the law enforcement community with online access to a vast amount of this news and business information. To illustrate, the *Lexis-Nexis* services provide over 18,870 sources of current and archived domestic and foreign news and business information, updated several times a day. Key news wires from the U.S. and around the world -- including Associated Press, Agence France-Press, TASS and Xinhua -- are delivered directly to the analyst's desktop. In addition, broadcast transcripts are available online from news sources, such as CNN, shortly after broadcast.

The information industry also offers easy-to-use productivity tools that can mirror the daily information requirements of the law enforcement community. For example, a researcher can enter a search request using plain English descriptions as simply as typing a phrase or question -- or use the more traditional Boolean method for exacting precision

Some of these productivity tools developed by the information industry allow law enforcement analysts to keep track of key events and identify trends just by checking their e-mail inboxes. They can scan thousands of publications daily and deliver only those articles that correspond to the topics pre-selected by the analyst.

For example, *Lexis-Nexis* Universe provides law enforcement officials with a customizable Web productivity tool for quick and easy access to the authoritative sources of the vast *Lexis-Nexis* information warehouse directly from their desktops. By selecting from among the product's large variety of content bundles, law enforcement analysts and investigators can take advantage of the right forms of open source information to meet their daily needs.

CertiFINDER for Law Enforcement from *Lexis-Nexis* is a secure, Web-based product that allows criminal justice personnel to locate individuals and verify identities. It is the only product of its type on the market to combine public records and news data into a single report. **CertiFINDER** requires minimal training and can be accessed via a secure web browser utilizing the customer's

existing Internet connection.

An intelligence analyst can also set up an automatic “electronic clipping service” to deliver any new information on a daily basis. The **ECLIPSE** feature on the *LEXIS-NEXIS* service monitors each day’s addition of news and business articles for topics the investigator specifies. If a story or document is particularly relevant, the analyst can select the “More Like This” link to tell the service to automatically search for additional stories with the same key names and phrases.

Through the use of such online news and business information sources, even the smallest law enforcement agency can incorporate regional, state, national and international perspectives into their investigative and intelligence operations.

### **Public Records - An Important Open Sources for Law Enforcement**

Public records created and maintained by government agencies have long been used by law enforcement investigators and analysts. Public records include federal, state and local court decisions, court dockets, administrative decisions, federal, state and local laws and regulations, Secretary of State records on corporation and limited partnership filings, “Doing Business As” (d/b/a) filings and real estate transfers, as well as motor vehicle licenses, aircraft and watercraft registrations.

These public records enable the law enforcement analyst to examine business filings, litigation histories and property holdings. Several online information services provide access to basic public records, enabling professionals to incorporate these open sources directly into their daily work.

The benefits of public records in asset-forfeiture investigations are clear. The identification and ownership of assets (which may be subject to seizure) is particularly important in drug trafficking investigations. These organizations are often involved in the laundering of enormous profits, making them vulnerable to open source tools that allow investigators to examine the corporations that may serve as a cover for corrupt activities.

Asset seizure and forfeiture is frequently used in narcotics investigations in order to take the profit out of trafficking. Many times, these seizures range from large amounts of cash to material assets such as real estate, vehicles, and other personal property. In these cases, public records allow the quick identification of such holdings and evaluation of related businesses.

As states and counties expand the automation of public records, more open source information will become available electronically.

## Incorporating Legal Information into the Research Mix

**Legal** information, such as federal and state court decisions, administrative opinions and details on lawsuit settlements and continuously updated statutes of all 50 states also provide valuable open source information

As an example, the LEXIS-NEXIS services contain over 6,000 sources of legal information, enabling the intelligence analyst to determine parties to local, state and federal lawsuits and criminal cases, including RICO cases, and ascertain how the judge and /or jury ruled - and why.

Online services provide a wealth of information – everything from the latest grant announcements in the Federal Register to the full text of pending legislation at the state and federal levels. U.S. and state attorneys general opinions and federal and state agency actions also provide the basis for informed decisions and recommendations.

Even international law information sources are available online, including treaties, agreements and U.S. federal and state cases arising under international law.

## **Open Source Information and the Future**

The amount and variety of open source information available online can be expected to grow even larger in the foreseeable future.

In addition, new applications are being developed that enhance the benefits of this information -- applications specifically IT de-

signed to address complex investigations such as drug interdiction, terrorism, organized crime, asset forfeiture, money laundering and white-collar crime.

The evolution from text-only to multimedia information files is already occurring at the analyst's desktop. This will enable the law enforcement professional to analyze large quantities of information and examine important trends and linkages in a case.

The implications of the explosion in open source information online are clear. Tracking down the right information will become less time consuming and less costly. As a result, law enforcement will be able to spend less time searching for information and more time acting on.

# THE UNITED STATES DEPARTMENT OF TREASURY

## COMBATting INTERNATIONAL MONEY LAUNDERING THE FinCEN ROLE

### *FINANCIAL CRIMES ENFORCEMENT Network (FinCEN)*

#### **Introduction**

**The United States** Treasury Department plays a major role in implementing and directing efforts devoted to combating international organized crime. It strives to advance counter-money laundering measures through prevention, detection and enforcement of financial crime, as well as other international criminal activity.

The Financial Crimes Enforcement Network (FinCEN) is a key component of the U.S. international strategy to combat organized crime. The Department of the Treasury has designated FinCEN as one of the primary agencies to formulate, oversee and implement policies to prevent and detect money laundering, serving as the link between the law enforcement, financial and regulatory communities. Its mission: to provide world leadership in the prevention and detection of the movement of illegally derived money and to empower others by providing them with the tools and the expertise needed to combat financial crime.

The Financial Crimes Enforcement Network (FinCEN) was established in April 1990. Its original mission was to provide a government-wide, multi-source intelligence and analytical network to support the detection, investigation, and prosecution of domestic and international money laundering and other financial crimes. In May 1994, its mission was broadened to include regulatory responsibilities.

#### **FinCEN Mission**

The mission of the Financial Crimes Enforcement Network is to support and strengthen domestic and international anti-money laundering efforts and to foster interagency and global cooperation to that end through information collection, analysis and

sharing, technological assistance, and innovative and cost-effective implementation of Treasury authorities.

## **Money Laundering**

Organized criminals are motivated by one thing – profit. Greed drives the criminal. Huge sums of money are generated through drug trafficking, arms smuggling, terrorism and white collar crime. The end result is that organized crime must move billions of illegally gamed dollars into the nation's legitimate financial systems. Money laundering involves disguising assets so they can be used without detection. Why do criminals launder money? Because they need to conceal their profits-- illegally gotten gains-- and avoid detection of the illegal activity that produced them. The success of organized crime is based upon its ability to launder money.

Dirty money can take many routes-some complex, some simple but all increasingly inventive -the ultimate goal being to disguise its source. The money can move through banks, check cashers, money transmitters, businesses, and even be sent overseas to become clean--laundered money. The tools of the money launderer can range from complicated financial transactions, carried out through webs of wire transfers and networks of shell companies, to old-fashioned currency smuggling.

And so, the tools of law enforcement to combat money laundering must be at least as sophisticated, if not more so. Why do we care about money laundering? Wealth brings power. Money laundering, if left unchecked, can erode the integrity of our nation's and the world's financial institutions, with devastating economic and social consequences. The volume of the illicit cash and the need of the criminal enterprise to introduce its illegal profits into the legitimate financial system are the vulnerabilities that can provide law enforcement with its best opportunities for detection and prosecution. In other words, following the money trail will lead to the top of the criminal organization, the heart of the operation

## **FinCEN's Role in Combating Money Laundering**

Today, FinCEN is one of Treasury's primary agencies to establish, oversee and implement policies to prevent and detect money

laundering. This is accomplished in two ways. First, FinCEN uses counter-money laundering laws (such as the Bank Secrecy Act--“BSA”) to require reporting and record keeping by banks and other financial institutions. This record keeping preserves a financial trail for investigators to follow as they track criminals and their assets. The BSA also requires reporting suspicious currency transactions that could trigger investigations. FinCEN establishes these policies and regulations to deter and detect money laundering in partnership with the financial community.

Second, FinCEN provides intelligence and analytical support to law enforcement. FinCEN’s work is concentrated on combining information reported under the BSA with other government and public information. This information is then disclosed to FinCEN’s customers in the law enforcement community in the form of intelligence reports. These reports help them build investigations and plan new strategies to combat money laundering.

How does FinCEN support law enforcement in following the money and ultimately combating money laundering? By using sophisticated tools to follow the footprints on the money trail.

FinCEN searches and analyzes information and other critical forms of intelligence to support financial investigations. Using advanced technology, specialized analysis, and a variety of data sources, FinCEN links together various elements of the crime, helping investigators find the missing pieces of the criminal puzzle. FinCEN accesses a variety of databases-one of the largest repositories of information available to law enforcement in the country.

They are:

- **Financial Database.** Working in partnership with the financial and regulatory communities, FinCEN uses counter money laundering laws – the Bank Secrecy Act -- to require financial institutions to report and keep records of certain currency transactions (It is the largest currency transaction reporting system in the world). The financial database consists of reports that are required to be filed under the Bank Secrecy Act (BSA). BSA records contain information on large currency transactions, casino transactions, international



movements of currency, and foreign bank accounts. This information often provides invaluable assistance for investigators because it is not readily available from any other source and preserves a financial paper trail for investigators to track criminals and their assets.

- ❑ **Commercial Databases.** Information from commercially available sources plays an increasingly vital role in criminal investigations. Commercial database products include information such as state corporations, property, people locator records, professional license, and vehicle registration
- ❑ **Law Enforcement Databases.** **FinCEN** is able to access law enforcement databases (through written agreements with each agency) from the Treasury bureaus, Drug Enforcement Administration, Department of Defense, and the Postal Inspection Service. These databases provide the status of current or closed investigations as well as information gathered from informants, surveillance and other sources.

FinCEN's expertise and technology draws representatives from approximately 20 agencies-- analysts and agents from the major federal investigative agencies in the United States-- who serve on long-term details. By doing so, the analysts and agents have direct access to FinCEN's information; in addition, these individuals are critical in the case development process and serve as points of contact on law enforcement issues.

FinCEN, using its information sources, has carefully developed specially tailored forms of assistance to support investigations at the federal, state, and local level. Its goal--to provide law enforcement investigators access to as many tools as possible to assist them in following the money trail and building their investigations.

These programs are:

- . **Direct Case Support:**

Each year, FinCEN works with approximately 150 different agencies, answering an average of more than 6,800 requests for investigative information. To respond to these requests, FinCEN intelligence analysts use advanced technology and countless data

sources to link together various aspects of a case and to add value to what is already known by investigators. Since its creation in 1990, FinCEN has provided almost 38,000 analytical case reports involving over 100,000 subjects to federal, state, and local law enforcement agencies.

### **0 Platform Program:**

FinCEN uses a “platform” approach to support law enforcement needs. This method permits others to use FinCEN’s resources directly to carry out their work. FinCEN pioneered the Platform in 1994, offering training, office space and database access to employees of other federal agencies who needed to conduct research on cases under investigation by those agencies. Platform personnel are on the payroll of other federal agencies and come to FinCEN on a part-time basis to work only on cases being conducted by their own offices or agencies. These individuals know the needs of their organization and can support that need directly through database access. FinCEN is currently assisting 43 Platform participants from 21 agencies. About 20 percent of FinCEN’s 1997 case work was carried out through these Platforms.

### **. Artificial Intelligence Targeting System:**

Through the employment of advanced artificial intelligence (AI) technology, the AI Targeting system provides a cost effective and efficient way to locate unusual or questionable financial activity. Tens of millions of currency transaction reports that are required by the Bank Secrecy Act (BSA) (Financial institutions file currency transaction reports for all cash transactions over \$10,000) are reviewed for activity on an ongoing basis.

For the first time in the twenty-five year history of the BSA, using AI, every reported financial transaction can be reviewed and evaluated. This unique blend of state of the art technology within a user-friendly environment provides intelligence analysts and federal investigators with the ability to link ostensibly disparate banking transactions, producing hundreds of leads for new investigations. FinCEN’s innovative system finds potential suspects during the AI analysis who might have otherwise gone undetected. This technology and the expertise of FinCEN’s analysts essentially find the “money laundering needle in the haystack.” Since the creation of the system in 1993, it has matched more than

39 million BSA reports against the algorithms of the system, revealing over 3,500 potential subjects for investigation.

• **Suspicious Activity Reporting System (SARS):**

SARS focuses on financial transactions that appear to represent attempts to launder funds or violate the banking laws. This system allows banks to report suspected criminal activity such as bank fraud, misdeeds by bank officials, tax fraud, check kiting, credit card fraud, embezzlement or money laundering, to one collection point. In the last 18 months, financial institutions have filed almost 90,000 SARS. About 40 percent of SARS filings reported suspected money laundering activity.

The new system, which went into effect in April 1996, merged and revolutionized two older reporting systems that had been in place for over a decade. Under the old system, banks filed more than two million pieces of paper, usually through the mail, in order to report suspicious activity occurring at or through banks; separate filings were made with numerous law enforcement and regulatory agencies, and no uniform mechanism for tracking the referrals (or even knowing that they had been made at each agency) existed.

This single centralized system allows more than a dozen federal law enforcement and regulatory agencies to use the information in these reports simultaneously. The single filing point for banks permits the rapid dissemination of reports to appropriate law enforcement agencies, provides for more comprehensive analyses of these reports, and will result in better information about trends and patterns associated with financial crime.

The system is administered by FinCEN in a unique partnership with the IRS Detroit Computing Center and the five bank regulatory agencies. In the context of technology and keeping one step ahead of criminals, the SARS will significantly improve law enforcement's ability to detect, analyze and understand criminal financial activity. The users of the information--the IRS/CID, U. S. Customs, U.S. Secret Service, the FBI, the U.S. Attorneys, the federal bank regulators, and state law enforcement agencies and banking supervisors now have full electronic access to the data as soon as its processed.

## **.. Interagency Coordination Group (ICG):**

The ICG, established in 1996, focuses on sharing narcotics money laundering intelligence in order to promote multi-agency money laundering investigations. The ICG consists of representatives from the Internal Revenue Service (Criminal Investigation), U.S. Customs Service, Drug Enforcement Administration, Federal Bureau of Investigation, and the U.S. Postal Inspectors. FinCEN and the Department of Justice's Criminal Division serve as advisors to the group.

FinCEN provides the central site for the group's operations and support of four personnel who provide research and analysis of the intelligence information generated by the ICG. This intelligence, coordinated in FinCEN's case lab, is disseminated to case agents currently working major money laundering investigations in the field.

In addition, FinCEN assists the ICG through its network of partnerships with the financial and trade communities in the U.S., Colombia, Panama, and Mexico.

## **. Support to state and local law enforcement:**

An increasing number of states have recognized the importance of attacking money laundering as a means of reducing the profitability of crime. FinCEN works closely with the National Association of Attorneys General (NAAG), National White Collar Crime Center, International Association of Chiefs of Police and other organizations to inform state and local agencies what information is available, how it can be accessed and how to use this information to attack criminal proceeds.

## **FinCEN's International Role**

In recent years, crime has become increasingly international in scope and the financial aspects of crime are complex due to the rapidly changing advances in technology. International organized crime is an enormous and multifaceted problem. It is not only a law enforcement problem but a national and international security threat as well. Many countries around the world already engage in a concerted effort to combat international organized crime.

Through the enactment of counter-money laundering laws, bilateral and multilateral agreements, and other cooperative efforts, nations have joined together to foster an international awareness of the seriousness and threat of organized crime and to acknowledge this problem directly. An increasing number of countries have moved to deny criminal enterprises unfettered access to their financial systems. While much progress has been made, and despite all these efforts, there are still nations that have not yet adequately addressed this problem. And the international criminal is taking full advantage; moving vast sums of illicit money through the world's financial systems. International criminals know no geographic boundaries and can still find safe havens in which to hide. If the United States, along with its international partners and allies, are ultimately going to be successful in this fight, then we must make it even more difficult for criminals. Efforts must focus upon those areas where the criminals are now going and foster cooperation, one way or another, with those nations that, heretofore, have allowed criminal enterprise to flourish unchecked.

As the U.S. continues to implement policies to counter global money laundering efforts, FinCEN has become an international leader in the fight against financial crimes and the corresponding corruption of international economies. FinCEN's unique staffing both reflects and sustains its mission. The majority of its 200 employees are permanent FinCEN personnel, including intelligence analysts and criminal investigators as well as specialists in the financial industry and computer field. In addition, approximately 40 long-term detailees are assigned to FinCEN from 21 different regulatory and law enforcement agencies.

An integral part of FinCEN's role in the international community focuses upon its work and support of the following global initiatives

#### . FATF

The Financial Action Task Force (FATF) is one of the key organizations that addresses the global problem of money laundering. Formed by the G-7 Economic Summit in 1989, the FATF is comprised of 26 countries, the European Commission and the Gulf Cooperation Council. It is dedicated to promoting the development of effective anti-money laundering controls and enhanced

cooperation in counter-money laundering efforts among its membership and around the world. The cornerstone of the Task Force's work is the promotion of 40 Recommendations designed to provide countries with a blueprint for the establishment and implementation of anti-money laundering laws and programs.

As part of the FATF's external relations program, it has encouraged the development of sister organizations such as the Caribbean Financial Action Task Force (CFATF) and the Asian Secretariat proposing an Asian Steering Group be formed for the latter. The FATF has also agreed to hold regional seminars in South Africa and Istanbul (for the Caucasus countries, Russia and Ukraine). Further, the FATF provides a forum for the exchange of information and intelligence on prevailing typologies and trends in money laundering.

The Financial Action Task Force (FATF) concluded its tenth round of work at a plenary session June 30 - July 2, 1999, in Tokyo, Japan and released its 1998-1999 Annual Report to the public at the conclusion of the plenary. Major achievements which marked FATF's tenth anniversary include the completion of the second round of mutual evaluations of its member states, and the expansion of the FATF membership to include three Latin American countries (Argentina, Brazil and Mexico).

## □ FIU's

The FATF efforts, in part, have resulted in the establishment of Financial Intelligence Units (FIUs) in various countries around the world to protect the banking community, to detect criminal abuse of its financial system and to ensure adherence to its laws against financial crime. FinCEN is one model of an FIU and others exist in such countries as Great Britain, France, Belgium, the Netherlands, Argentina and Australia. As world policy efforts intensify in addressing international crime, the Treasury, State and Justice Departments are assisting with the establishment of FIUs in countries such as Poland, Panama and Ecuador.

Perhaps one of the most significant qualities of the FIUs is that many operate separately from the Justice Ministries in their respective countries. The FIUs have independent and unique relationships with banks, central banks and law enforcement. These relationships allow FIUs to foster the partnerships that are essen-

tial to combating money laundering and financial crime. They bridge the private and governmental sectors in an effort to force attention to this problem outside of the narrow bureaucratic thinking of the past.

The rapid evolution of FIUs throughout the world has led to the creation of an organization of nations that have implemented FIUs, known collectively as the Egmont Group. The Group held its initial meeting, co-hosted by the United States and Belgium, in Brussels at the Palais d'Egmont in June 1995. A consensus was reached at that time that improved interaction and communication among FIUs would serve a broad range of common goals in the areas of sharing information, coordinating training and addressing legal issues unique to the FIU phenomenon. A subsequent meeting was held in Paris in November 1995; another meeting, held in April 1996 in San Francisco, hosted by FinCEN and chaired jointly by FinCEN and the Cellule de Traitement des Informations Financieres (CTIF) of Belgium.

### . **Summit of the Americas**

In December 1994, President Clinton hosted the Summit of the Americas in Miami, attended by the Heads of State of 34 nations in the Western Hemisphere. As a result of this conference, the leaders of this hemisphere's democratic nations directed their governments to work on a cooperative plan to counter the growing economic and legal problems of money laundering.

In December 1995, Treasury Secretary Robert E. Rubin chaired a conference in Buenos Aires, Argentina that was attended by Ministers from the 34 Summit of the Americas participating nations. This conference fulfilled the directive set in Miami to promote the effective prevention, detection and investigation of money laundering. The heads of delegation in attendance represented the leaders of Interior, Justice, and Finance Ministries as well as the heads of central banks. After two days of discussions, the conference produced an agreement that will make it more difficult for international organized crime, including drug traffickers, to profit from their criminal activities. Among other things, the agreement formalizes the member nations' consensus to:

criminalize the laundering of the proceeds from drug trafficking and other serious crimes;

promote other laws that allow for the seizure and forfeiture of such proceeds;

take actions to promote an effective working relationship between financial regulatory authorities and the institutions that they over-see;

enhance the tools available to law enforcement authorities as they investigate money laundering.

These actions will support initiatives taken by the Organization of American States and CFATF which consists of Caribbean countries and other nations in that region as well as Central America.

## **. APEC**

The Asia Pacific Economic Council (APEC) is a forum designed to facilitate trade and economic development in the region. Countries such as China, Singapore, Hong Kong, Japan, Canada and the U.S. are members of APEC.

At the APEC Finance Ministers meeting in Bali, Indonesia in April 1995, a Joint Ministerial statement noted for the first time the importance of money laundering as a factor that must be considered when looking at regional macroeconomic issues. Specifically, when considering capital flows between APEC nations, governments will take into account that some of this money may come from illegal activity.

In addition, the FATF nations hope that APEC will support the creation of an Asian Financial Action Task Force (AFATF). APEC's endorsement of this organization will build awareness of financial crime issues and would potentially sway new nations to join AFATF. It is imperative to have the cooperation of as many nations as possible in a region in order to thwart money laundering.

## **0 Interpol**

Interpol is an international organization established to facilitate information sharing and coordination among nations in worldwide criminal investigative matters. At the 64th session of Interpol's General Assembly held in October 1995, a resolution was



unanimously adopted establishing the first major anti-money laundering declaration in the organization's history. This resolution consolidates the ten previous actions of Interpol since 1960 and calls for major legislative reforms by the 170 Interpol member nations.

The adoption of this major money laundering resolution by the member countries illustrates Interpol's commitment to thwarting international financial crimes and their desire to strengthen international cooperation. The resolution recommends that Interpol member countries consider adopting national legislation that would:

- provide for the criminal prosecution of persons who knowingly participate in the laundering of proceeds derived from serious criminal activity;
- allow for the seizure of property, with sufficient legal investigative authority for law enforcement officials to identify, trace and freeze assets derived from illicit activities;
- allow for reporting of unusual or suspect currency or other transactions by banks and other financial institutions, to appropriate officials who would have authority to conduct further investigative inquiries;
- require financial institutions to maintain, at least for five years after the conclusion of the transaction, all necessary records on transactions, both domestic and international, in order to enable member countries to properly investigate money laundering, and to
- enhance international cooperation by enabling member countries to respond to requests from authorities in other countries for such records; allow for the expeditious extradition of individuals charged with money laundering offenses.

## SUPPORTING MEMBER AGENCIES

ARIZONA DEPARTMENT OF PUBLIC Safety - Tucson, AZ

CALIFORNIA DEPARTMENT OF JUSTICE - **SACRAMENTO, CA**

REVENUE CANADA CUSTOMS - **OTTAWA, CANADA**

FEDERAL BUREAU OF INVESTIGATION  
-HEADQUARTERS, **WASHINGTON, DC**

FEDERAL BUREAU OF INVESTIGATION - **Miami (FL)**

FINANCIAL CRIMES ENFORCEMENT NETWORK (FINCEN)  
- **VIENNA, VA**

ILLINOIS STATE POLICE - **Springfield, IL**

INSURANCE FRAUD BUREAU OF MASSACHUSETTS - **BOSTON, MA**

MIDDLE ATLANTIC-GREAT LAKES  
ORGANIZED CRIME LAW ENFORCEMENT NETWORK  
(MAGLOLEN) - **Newtow, PA**

MID-STATES ORGANIZED CRIME INFORMATION CENTER -  
**Springfield, MO**

NEW ENGLAND STATE POLICE INFORMATION Network  
- **FRANKLIN, MA**

NEW JERSEY DIVISION OF CRIMINAL JUSTICE - TRENTON, NJ

REGIONAL ORGANIZED CRIME INFORMATION CENTER  
- **NASHVILLE, TN**

ROCKY MOUNTAIN INFORMATION NETWORK - **PHOENIX, AZ**

ROYAL CANADIAN MOUNTED POLICE - **OTTAWA, CANADA**

WESTERN STATES INFORMATION NETWORK - **SACRAMENTO, CA**

WEST YORKSHIRE POLICE TRAINING SCHOOL - **WAKEFIELD,  
GREAT BRITAIN**