

White Collar Criminal and Civil Litigation and Compliance

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DOJ Announces New Money Laundering and Bank Integrity Unit and “Meaningful Credit” for Cooperation

The Department of Justice is initiating new efforts to stop the flow of “dirty” money polluting the financial system. During his keynote address at the Money Laundering Enforcement Conference of the American Bar and American Bankers’ Associations on October 19, Lanny Breuer, Assistant Attorney General of DOJ’s Criminal Division, announced the establishment of a new Money Laundering and Bank Integrity Unit within the Department of Justice.

According to Mr. Breuer, the new Unit, which will be part of the Criminal Division’s Asset Forfeiture and Money Laundering Section, will investigate complex national and international criminal cases, with a focus on three specific types of violators: 1) financial institutions, including their officers, managers and employees; 2) “hired gun” professional money launderers; and 3) those who use the latest and most sophisticated money laundering techniques. AAG Breuer stated in his speech that the new Unit will be staffed with “sophisticated, talented and aggressive lawyers” who “know the complicated mechanisms by which money moves through the global financial system,” and “who understand how organized criminal networks work.”

Importantly, AAG Breuer emphasized that financial institutions should be partners in the Department’s enhanced effort against money laundering. He stated that if a company comes forward and fully cooperates with an investigation, it will receive “meaningful credit”—ranging from sentencing credit or a below-Guidelines fine, to a deferred prosecution or non-prosecution agreement, to no charges being brought at all.

It is crucial that financial institutions understand their anti-money laundering responsibilities. Under the Bank Secrecy Act, financial institutions are charged with a variety of duties in assisting government agencies in preventing and detecting money laundering. Institutions must ensure that they have in place a regularly updated compliance plan that prevents violations and educates their employees on their compliance and legal responsibilities.

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