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Wells Fargo, Bank of America, Citigroup, American Express and Western Union have profited over the years with laundering money from drug trafficking and only pay minimal fines, with no executive jailed when authorities were able to detect illicit transactions. These U.S. banks have admitted failing to comply with federal regulations and laws to control money laundering, participating in the transfer of billions of dollars in illicit funds from drug smuggling in Mexico.

Article by David Brooks, La Jornada.

Some major U.S. banks and financial institutions, including Wells Fargo, Bank of America, Citigroup, American Express and Western Union have profited over the years with laundering money from drug trafficking and only pay minimal fines, without any executive being jailed when authorities detect illicit transactions.

In many cases monitored during the past few years, these banks have admitted failing to comply with U.S. laws and federal regulations to control money laundering, participating in the transfer of billions of dollars in illicit funds from drug [smuggling](#) in Mexico.

There is a case with Wachovia Corporation, formerly the sixth bank of the country, bought by Wells Fargo in 2008 and now the bank with the most branches in the United States. Wells Fargo admitted in court that Wachovia was not watching or reporting on the activities of suspected money laundering by drug traffickers, including large amounts for the purchase of at least four planes in the United States, which transported a total of 22 tons of [cocaine](#). The other bank involved in transferring funds with which they bought one of these aircraft - a DC-9 which was then confiscated in Mexico with tons of cocaine - was the Bank of America, reported Bloomberg News.

All this was revealed in a plea bargaining deal with federal prosecutors and the bank in March 2010. In court papers read on the case by La Jornada, Wachovia admitted that they had not done enough to detect illicit funds under their management, the home of more than 378.4 billion dollars in business with Mexican exchange houses between May 2004 and May 2007.

Of this total, Wachovia processed at least 373.6 billion in wire transfers, more than 4.7 billion in transfers of cash and another 47 billion of deposits in international checks. Not all these funds are tied to drug trafficking, but according to the Justice Department's investigations, billions were not subject to the review required by law, and hundreds of billions of dollars of these funds were directly connected to drug trafficking.

Wachovia, record of violation

By the total volume of funds that were not subject to anti-money laundering review, the case of Wachovia became the largest violation of the Bank Secrecy Act in history. This law requires banks to report to authorities any transfer of funds in cash in amounts over \$ 10,000, as well as to report on [suspicious](#) activity of money laundering.

The federal prosecutor in the case, Jeffrey Sloman, declared in March, announcing the agreement with Wells Fargo: "The blatant disregard of our laws by Wachovia bank allowed a virtual carte blanche to the international cocaine cartels to finance their operations, and to launder at least 110 million dollars in profits from drug trafficking."

Not that anyone noticed. The bank itself admitted before the Court that already from 2004, Wachovia acknowledged the risk. But despite warnings it remained in the business, according to documents read by La Jornada.

This business was the management and transfer of funds of at least 22 exchange houses in Mexico that had accounts at Wachovia. One example cited in the documents is the Money Exchange Puebla S / A, whose managers created fictitious companies for the cartels and, according to the Justice Department, were able to launder some 720 million U.S. dollars through U.S. banks.

Indeed, it was the case with House Money Exchange Puebla which sparked this investigation by federal authorities. Since 2005 some

transfers of funds from Wachovia were already under investigation in their branches in Miami, from Mexico, through exchange houses, and these funds were used to buy airplanes intended for drug trafficking, the court documents of the case inform.

On the other hand, during this period, the director of the anti-money laundering unit of Wachovia in London, Martin Woods, suspected drug traffickers were using the bank to move sums. He informed his bosses, who ordered him to leave the matter aside, and therefore resigned from his position reported Bloomberg. Woods told this agency, "It is the cartels' money laundering by banks financing the tragedy ... If we do not see the correlation between money laundering by banks and 22,000 people murdered in Mexico then we do not understand what's at stake."

"After being accused of violating the law, Wells Fargo, now owner of Wachovia, pledged itself in a federal court in Miami to reform their systems of surveillance. They paid 160 million dollars in fines and, if they carry out their promises made to federal authorities, they will have the charges against the bank dropped in March 2011.

This practice is common in these cases, an agreement calls for deferred inspection. Through this a bank pays a fine, cooperates with the investigation and undertakes not to violate the law anymore.

No employee refused a bribe

In his report to Bloomberg, several other cases are listed in which banks paid fines and changed their practices, but did not face any important criminal consequences for their actions. This is the case of American Express Bank International of Miami, who paid fines in 1994 and 2007, Bank of America, whose offices in Oklahoma City were used to buy aircraft for drug smugglers and the accounts in its branches in Atlanta, Chicago and Brownsville, Texas, and there are also documented cases under investigation over the use of branches in Mexico of foreign banks like Citigroup, HSBC and Santander.

Another example is the Western Union case, which earlier this year paid 94 million dollars to end a criminal and civil investigation of the attorney general of Arizona, after an operation where plainclothes agents of the state police, disguised as drug traffickers, were able to bribe in several occasions, employees of the company to transfer money illegally. In 20 different offices of Western Union, no employee ever refused bribes to allow shipments of amounts attributed to oranges.

It is estimated that nearly 30 billion dollars in hard cash moves from one side to the other side from the Mexican border with the United States. And some of these resources are deposited in banks in both countries and international banks, from which funds can be moved throughout the international financial system.

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