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## Bermuda has impressive compliance standards, says former money launderer:

By Alex Wright

Bermuda has much better tax compliance standards than many other countries, despite being a potential target for money launderers, according to a top financial crime expert.

Kenneth Rijock a financial crime consultant for World-Check, based in Miami, who will be speaking at the Bermuda Compliance Summit II held at the Fairmont Southampton Princess on September 28 and 29, reckons the Island is in a unique position in that is it an offshore financial centre but not a tax haven.

And he believes the country's compliance officers do a good job of keeping out the "dirty cash" and preventing everyone from drug traffickers and arms dealers to terrorist financiers from banking or investing money in Bermuda, while maintaining the Island's reputation as a top place to do business and upholding know your customer (KYC) standards.

"It is obviously a potential target for money launderers and the job of the compliance officers in Bermuda is to be the gatekeepers and keep out the dirty cash, and so far, although it is a difficult role to fulfill, I can see they are doing a pretty good job of it," he said.

"It is a jurisdiction with a very high bar on anti-money laundering (AML) compliance and there are other countries that don't have its level of compliance.

"It is all because Bermudians are raising the bar and demanding more of their people."

Mr. Rijock himself has a colourful past, having gone from a career as a banking lawyer in a international law firm to working as a money launderer and advisor to narcotics trafficking organisations operating in North and South America in the 1980s. He was subsequently arrested and served a prison sentence for racketeering and money laundering, before going on to assist with the first joint Swiss-American money laundering investigation of bankers and lawyers, resulting in a major seizure of the proceeds of crime.

Better qualified than many to talk on the subject, Mr. Rijock, who was previously involved in more than one hundred cash smuggling operations of between several hundred thousand and six million dollars via private jet during his money laundering days, will be presenting the second day's penultimate session entitled "Tales from the Darkside".

During his time on stage, he aims to bring Bermuda's compliance officers up to speed on the latest developments in the field from local regulations and laws to anti-money laundering and anti-financing of terrorism issues.

"Financial criminals are in many ways brilliant, but twisted in their minds," he said.

"So I will talk about a number of issues and recent developments, as well as money laundering cases and how they might have been prevented by a good compliance officer using brain power combined with the latest technology.

"For every money laundering problem there is usually a high-tech solution, but it is up to the compliance officer that they know it exists in the first place and have access to that solution."

As a young and ambitious lawyer working in Miami, Mr. Rijock was exposed to financial crime at an early stage in his career and is able to speak from first-hand experience, having moved from representing banks for the firm he was employed by to the other side and suing on behalf of clients after setting up his own practice. He was then introduced to and got in with the wrong crowd, being responsible for the bulk transfer of huge sums of money by business jet to locations from which the funds could be fed back into legitimate businesses, with the earnings to the criminals were known to be hundreds of millions of dollars.

"Basically I spent 10 years of my life moving cash for narcotics traffickers," he said.

"So I know many of the techniques and strategies used by the criminals and am able to explain to law enforcement agencies how to conduct a successful money laundering investigation."

Boasting an impressive track record in money laundering tactics and tradecraft, and having spread the word among law enforcement agents and the US and Canadian intelligence services, Mr. Rijock has also published about 500 articles on the subject on the World-Check website and went on a one-year tour across the world as a compliance officer, as well as lecturing in 30 countries last year.

But his job is not just to help track down the criminal fraternity, working alongside the likes of his company's terrorism research unit in Singapore, set up to identify and catch those involved in such activities and manned by a task force equipped with the skills to speak about 30 different languages, but also to solve banking compliance issues for clients.