



Like Follow

8 WEEKS FREE

Start home delivery now!

When you sign up for New York Post home delivery today!

CLICK HERE

News



What a catch!

Howard can pic 'em Bathing beauty

Page Six



Art duo divorcing

Power New York art couple Marc and Andrea Glimcher are divorcing...

Gossip Celeb Photos Cindy Adams

Sports



Star flames out

Don't pencil in Matt Harvey for that All-Star game start at Citi...

Teams + Scores + Columnists

Entertainment



Courtesan Couture

STROLLING into the chic Paul Bocuse brasserie in Lyon for a...

TV Movies Fashion Travel

Home News Local + Business Opinion Columnists + Politics Metro US News World News Real Estate + Weird But True Crime Lottery

Story

Banking on scams

Money laundering is on rise

By JOHN AIDAN BYRNE

Last Updated: 3:31 AM, June 30, 2013

Posted: 10:52 PM, June 29, 2013

A record surge in suspicious banking transactions and criminal activity is flooding the Street — a back-office tsunami that's projected to hit nearly 1 million individual cases this year.

Banks and brokerages, already under fire from Washington for sketchy compliance, are expected to see cases explode from fewer than 720,000 in 2009 to 1.2 million by 2015, according to a new Aite Group study.

Terrorists and financial cons laundering money are targeting these financial institutions at the same time that regulators are stepping up pressure on compliance staff to catch more crooks, according to people familiar with developments.



Data accumulated by the Association of Certified Anti-Money-Laundering Specialists (ACAMS) reveal the extent of the huge fraud.

Fines and monetary settlements alone paid last year by banks for money laundering and terrorism-financing violations skyrocketed — a 131-fold increase from the year before.

Banks shelled out \$3.5 billion for money laundering violations last year, up from \$26.6 million in 2011.

New York city and state regulators collected \$782 million of the fines.

The biggest levy of the year was on HSBC, which paid \$1.92 billion in December.

"The trend is growing," said Michael Hill, a fraud attorney with the firm Menzer & Hill



8 WEEKS FREE

When you sign up for New York Post home delivery today!

CLICK HERE

Start home delivery now!

Get New York Post Emails & Alerts

Your Email Address

SIGN-UP

By clicking 'SIGN-UP' you agree to our Terms of Use & Privacy Policy

Photos

Videos

Blogs

Post Pics

More Post Pics

Post Video

in Boca Raton, Fla. "I think post-Madoff, this fraud has moved to the forefront."

Other experts agree. "Money laundering involves the placement, layering and integrations of cash streams for the full process to work," financial investigator L. Burke Files told The Post.

"Banks have been the easy location for placements. The securities markets are now being used. I can show any person a number of different ways one can launder money in the stock market that are nearly undetectable."

Hill, an anti-money laundering expert, says the growth may be due to the 2008 financial crisis.

The explanation: People seeking to make up for steep losses have eyed financial scams. "We see more Ponzi schemes," Hill added. "And the jobs market is another aspect. When it suffers, people turn to other means."

Of course, Wall Street has been on high alert for financial skullduggery since the Patriot Act was swept into law post-9/11.

It triggered a jump in the reported volume of so-called Suspicious Activity Reports, or SARs, as broker dealers were suddenly required to step up their game.

And in February, the Treasury's Financial Crimes Enforcement Network (FinCEN) hosted the first meeting of its Delta Team, an industrywide project to increase efforts to close the gap between banks' compliance records and shady financing activity.

But despite their valiant efforts, and record fines in 2012, fraud cases keep growing. Criminal activity is expanding at a rapid pace, according to the Aite report, which was based on interviews with 19 financial-crime execs and dozens of the largest depository financial institutions.

"Without question, without question, it is on the rise," said Julie Conroy, the Aite analyst who authored the report.

Criminal Breaks Record at Hot Dog Eating Contest



News | Gossip | Sports | Weird | Entertainment

We recommend

- Bar Refaeli bares it in the backseat (Page Six)
- Ex says meeting Amanda Knox was like being 'hit by thunderbolt'; pair talked sex fantasies (National News)
- Married man living 'double life' kills girlfriend, then himself, on UWS: police (Local News)
- WABC weatherman Bill Evans & wife to be arraigned (Local News)
- Credit card spies (Business)
- Fuld's tiny stock is penny from heaven (Business)

From around the web

- Brazil Protests, But What About Other Latin American Countries? (The Financialist)
- Who's Buying Luxury Watches? (The Financialist)
- An Unstoppable Climb in C.E.O. Pay (The New York Times)
- What Does Music Have In Common With Successful Banks? (The TIBCO Blog)
- Romanian Hacker Seeks Redemption At The ATM (redOrbit)
- Liberty Reserve Shut Down, Founder Arrested On Money Laundering Charges (redOrbit)

Recommended by

Explore NYPost.com

News: Business, Opinion, Columnists, Local News

Page Six: Celeb Photos, Cindy Adams, Magazine

Sports: Columnists, Scores

Customer Care

- Contact Us
- FAQ
- Today's Paper
- Archives
- Covers
- Reprints

Subscribe

- Home Delivery
- Email Newsletters
- iPad
- iPhone
- Android
- Kindle

Advertising/Partners

- Media Kit
- Coupons
- Contests/Sweepstakes

Entertainment: TV, Movies, Music

[Sitemap](#)

[NOOK](#)
[E-Edition](#)
[RSS](#)

Multimedia: Photos, Video

NEW YORK POST is a registered trademark of NYP Holdings, Inc.
NYPOST.COM, NYPOSTONLINE.COM, and NEWYORKPOST.COM are trademarks of NYP Holdings, Inc.
© Copyright 2013 NYP Holdings, Inc. All rights reserved. [PRIVACY](#) | [TERMS OF USE](#) | [AD CHOICES](#)

[Like](#)

[Follow](#)