

Message from Director Freis: OAS/CICAD Adopts Principles and Best Practices for the Use and Protection of FIU Information when Shared with Third Parties

September 20, 2012

On September 18, the Inter-American Drug Abuse Control Commission (CICAD) finalized and formally approved two statements that FinCEN, the financial intelligence unit (FIU) for the United States, and our close partner, the Mexican FIU, had worked hard to put forward. Under CICAD, we joined a Group of Experts for the Control of Money Laundering, and together we crafted the Principles and Best Practices documents to provide a common framework to assess jurisdictions in our shared hemisphere on how well they're protecting FIU information, and to train them on how to do it effectively.

The Organization of American States (OAS) brings together all 35 independent states of the Americas and constitutes the main political, juridical, and social governmental forum in the hemisphere. CICAD is the Western Hemisphere's policy forum on all aspects of the drug problem and was established by the General Assembly of the OAS in 1986.

FIUs are responsible for developing, analyzing, sharing, and protecting sensitive financial intelligence within their own countries and they participate in the Egmont Group, the global association of FIUs dedicated to fighting financial crime and terrorist finance. The FIU of each country has specific authority to share otherwise sensitive information for intelligence purposes, for example, to provide a lead or tip that may help further a criminal investigation. The information shared by FIUs in this way is not meant to be used as evidence. Such cooperation is critical in combatting transnational organized crime.

As a result of FinCEN's experience of sharing our sensitive information, and the experience of other Western Hemisphere countries, FinCEN helped convince the OAS/CICAD to take a proactive regional approach to the problem of unauthorized disclosures and damaging leaks of sensitive information. In some cases prosecutors disclosed information to the press. In other cases, judicial authorities gave FIU information to the subjects of investigations. In all cases, unauthorized disclosures damaged trust, and potentially risked lives and reputations.

We worked closely with the Mexican FIU to draft major sections of the Principles and Best Practices, and other FIUs engaged in the development of the final versions of the documents. These materials use the Egmont principles and best

practices as a starting point but go further to address the responsibilities of third parties (e.g., judicial authorities/prosecutors/law enforcement) to keep FIU information confidential.

It is important to remember that our shared anti-money laundering system is based on trust. If an FIU or a collaborating third party fails to protect FIU information, then reporting entities will lose confidence in the system. The adoption of these Principles and Best Practices is a major accomplishment that assists in the deterrence, detection, and prevention of financial crime throughout the hemisphere. If we fail to protect FIU information, only criminals benefit.

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For more information on the Egmont Group and FinCEN's international activities, visit <http://www.egmontgroup.org> and <http://www.fincen.gov/international/>.