



United States Mission to the OSCE

Closing Remarks

As delivered by Charles Hornbostel
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Thank you, Mr. Coordinator.

We would once again like to thank the Irish Chairman-in-Office, Secretary General Zannier, Coordinator for Economic and Environmental Activities Svilanovic, and our Austrian hosts, and also thank all the panel speakers for their thoughtful and thought-provoking presentations. This meeting has met its objective, to stimulate discussion on how the OSCE can support efforts to combat money laundering and the financing of terrorism.

The United States reiterates its view that one of the most critical ways the OSCE can add value to these efforts is through its comprehensive concept of security. As we said in the beginning, AML/CFT will only be successful if our efforts take place in the context of strong governmental institutions that are transparent and accountable to their citizens. The OSCE can play a role not only in awareness raising, capacity building at the local level, and facilitating coordination and collaboration among the experts in the field, although these are important OSCE functions as well. The OSCE can also, on a more fundamental level, work to strengthen governance structures in those places where good governance is still taking root.

The political nature of the OSCE is a factor that representatives of the Financial Action Task Force, the IMF, and the World Bank all cited as a strength of the organization. The flexible nature of the OSCE provides geographic reach and an argument based on shared values to promote the implementation of standards and strategies developed by and with other actors.

One of the issues that sparked much conversation was the question of confidentiality of suspicious transaction reports, and how financial information can be used in the course of law enforcement investigations. It is important to note a distinction between confidential intelligence and evidence gathered in the course of an investigation. As our colleague Hector Colón noted, STRs can provide investigative leads, but investigations must then develop their own evidence in order to prosecute financial crimes. Protecting the confidentiality of STRs is imperative, for banks and other financial institutions will be reluctant to report suspicious activity if such information were to be made public.

On the same subject, we would like to highlight FATF recommendation number 31, which calls for cooperation amongst agencies in the fight against money laundering and terrorist financing. A collaborative effort in this area, such as conducting joint investigations allows

for easier exchange of information, which is critical for successfully investigating and prosecuting financial crimes, domestically as well as internationally. The OSCE can support these efforts in part by encouraging its participating States and Partners for Cooperation to facilitate and support the “human-being” relationships we heard about, among both FIUs and law enforcement agencies.

The final working session showed us another way the OSCE can add value in these areas. By incorporating civil society and the private sector, we can ensure that all those with a vested interest, both in promoting legitimate economic activity and in eliminating security threats from financial crimes, can make their voices heard. Drawing on the expertise and perspectives of a variety of actors, public and private, will make our collective efforts more effective and more transparent. The OSCE’s history of inviting the contribution of the non-governmental sector can thus serve as a model for other actors to follow.

The United States is encouraged by the discussions that have taken place over these two days. They have clearly demonstrated that our efforts to promote cooperation on AML/CFT have already recorded successes, yet at the same time show us that much work remains to improve the effectiveness of our instruments and our cooperation. We look forward to continuing this discussion in this and other fora as we work to strengthen our mutual security in all three dimensions.

Thank you, Mr. Coordinator.