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ANTI-MONEY LAUNDERING UNIT (AMLU) OF JORDAN

A Mapping of the Business Processes Supporting the AMLU

August 31, 2008

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ANTI-MONEY LAUNDERING UNIT (AMLU) OF JORDAN

**A MAPPING OF THE BUSINESS PROCESSES SUPPORTING
THE AMLU**

USAID JORDAN ECONOMIC DEVELOPMENT PROGRAM (SABEQ)

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FOR 2008 TO DETERMINE OPTIMAL SEQUENCE OF
PROCUREMENTS

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AMLU BUSINESS PROCESS MAPPING

EXECUTIVE SUMMARY

The Anti-Money Laundering Unit (AMLU) is Jordan's financial intelligence unit whose primary responsibility is to collect and analyze suspicious activity reports (SARs) related to money laundering. During my consultancy from July 8th – July 29th, I analyzed and mapped-out the business processes supporting the AMLU in order to obtain a better understanding of the unit's current environment and to provide recommendations for improvement. The mapping of the business processes would also help in choosing upcoming upgrades to the AMLU's technology architecture.

The analysis resulted in the following recommendations:

1. **Mechanism for backing up collected data.** The AMLU staff should create a backup system for saving the data embedded in the charts and analysis reports created by the unit's financial analysts. A similar backup system should be created for the data collected on an electronic Suspicious Activity Report (eSAR). Such a backup system would be vital for recovering data in case of a disaster or accidental deletion.
2. **Purchase of server.** A separate server will be purchased to host the AMLU's email exchange network, which is now hosted on the Central Bank's network. The purchase of the server will help protect the confidential data contained in the AMLU's emails and will decrease the AMLU's reliance on the Central Bank's technology infrastructure.
3. **Purchase of additional work stations and vendor analysis for possible purchase of AML software.** In the next year, the AMLU plans to hire additional staff to handle the anticipated increase in SARs. The new hires will require desktop computers and hard drives to fulfill their duties. The expected influx of SARs may also require the purchase of an AML software application.
4. **Email alert system for notification of new eSARs.** An automatic alert system should be implemented to notify the AMLU staff when a new eSAR is electronically submitted. The alert system would help decrease the turn around time needed for creating an analysis report of a newly submitted eSAR.
5. **Data Quality.** The quality of the data submitted on eSAR forms can also be improved by increasing the amount of feedback the AMLU provides organizations submitting SAR information. The exchange of feedback can be facilitated by designing a formal feedback process and designing and distributing typologies describing common indicators found in recently submitted SARs.
6. **Clarification of procedures.** The AMLU staff can incorporate leading practices surrounding the protocols and procedures for exchanging information with foreign financial intelligence units. The incorporation of such practices will ensure the protection of confidential information contained in SARs and accelerate the AMLU's membership into the Egmont Group.

OVERVIEW AND PURPOSE

SABEQ and the US Treasury Department have been cooperating in different ways in assisting the one-year-old Anti-Money Laundering Unit (AMLU) of Jordan to begin functioning. Through SABEQ assistance, SARs have been automated and are being received by the AMLU. The unit requires business process mapping and technology to analyze these reports efficiently, so that the cases where there is probable cause of money laundering can be quickly identified and transmitted to law enforcement authorities. SABEQ has agreed to acquire hardware and software for the AMLU, but this effort has lagged because the AMLU has not yet performed its business process mapping exercise.

The purpose of my consultancy is to work with the staff of the AMLU to prepare a sufficient business process mapping to enable a local ITC consultancy to determine the specifications of the hardware and software needed to be purchased in order to improve the AMLU's IT Infrastructure.

METHODOLOGY

I collected the data for the business process mapping exercise by conducting pre-trip research and on-site interviews.

My pre-trip research consisted of reviewing English language documents on the AMLU's website, including Jordan's AML legislation and regulations, collecting and analyzing internal BearingPoint Anti-Money Laundering (AML) deliverables prepared for leading Financial Services clients, and reading trip reports created by previous AML advisors working in Jordan. I also reviewed external reports from the Financial Crimes Enforcement Network (FINCEN), the Financial Action Task Force (FATF) on money laundering, and the Egmont Group. A list of these documents is included in **Appendix A**.

Once I arrived in Jordan I conducted four half-day meetings with the staff of the AMLU. During the meetings I met with the AMLU Director, Adnan Al Lahaesh, Legal Advisor, Samya Abu Sharif, Outreach and Financial Analyst, Ra'ed Al-Rawashdeh and IT Specialist, Fadi Aljabali. I also conducted three meetings with the US Treasury Department Advisor for the US Embassy in Jordan Joe Parker and US Treasury Department consultant Jimmy Mohler, who is working on an AML related project with the bank supervisors at the Central Bank of Jordan. Notes summarizing my introduction and exit meetings with the AMLU are included in **Appendix B**. In preparation for my meetings with the AMLU, I drafted a questionnaire focusing on the business procedures used in collecting, analyzing, and disseminating the information collected in the Suspicious Activity Reports, the AMLU's data sources, legal framework, and staffing. During the meetings, the AMLU staff provided the answers to the questionnaire and validated the finalized document, which is included in **Appendix C**.

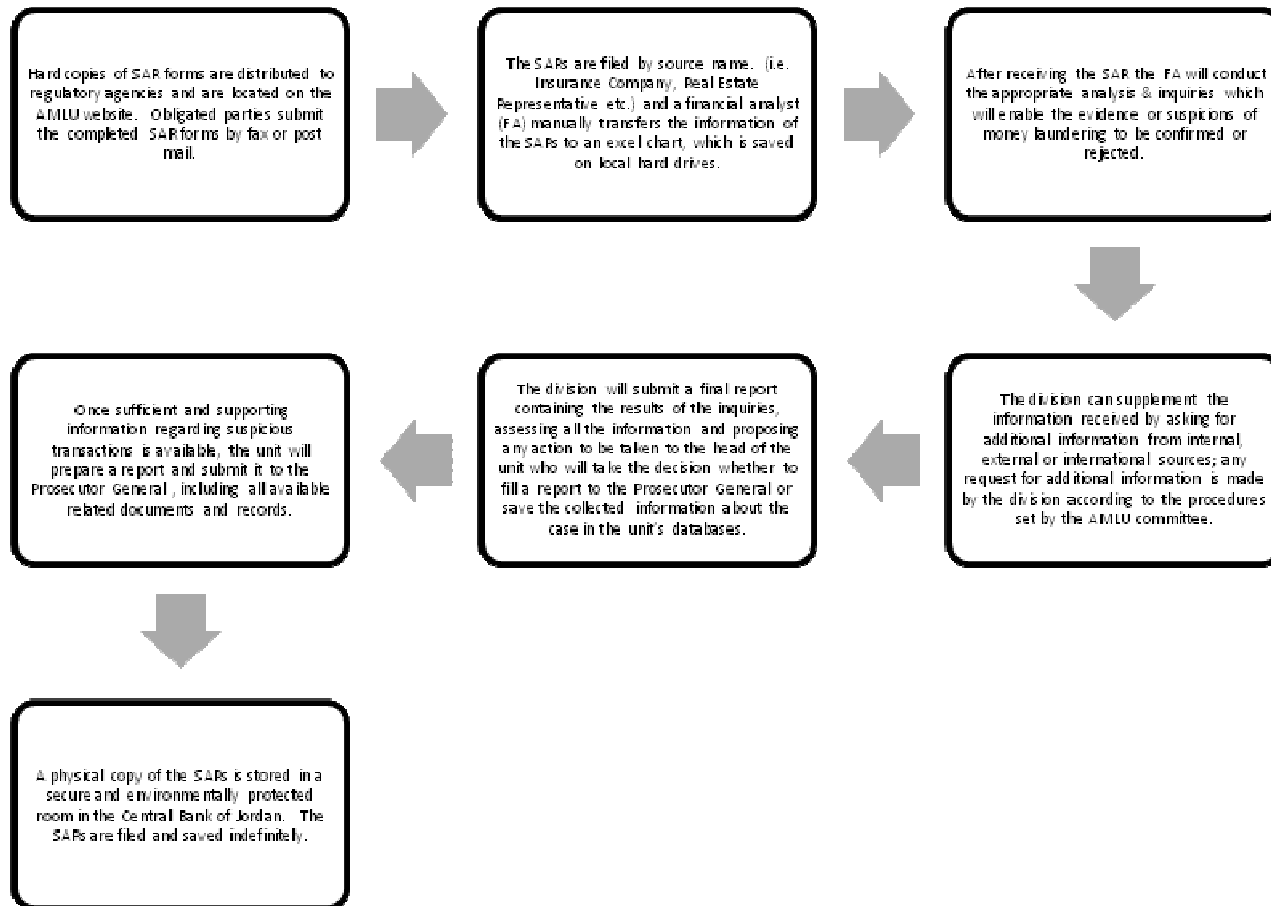
CURRENT STATE - AMLU BUSINESS PROCESS

One of the primary objectives of the AMLU is to collect, analyze, and when appropriate share data collected in SARs. There is a manual and electronic process for collecting SAR forms. Non-financial institutions such as insurance and securities companies, real estate representatives, money exchangers, and dealers in precious gems use the manual process to submit SARs. Financial institutions which exclusively consist of banks can submit their SARs electronically by assessing a website on the Central Bank's network.

The manual process consists of the following steps:

1. Hard copies of SAR forms are distributed to regulatory agencies and are located on the AMLU website. Obligated parties submit the completed SAR forms by fax or post mail.
2. The SARs are filed by source name (i.e. Insurance company, real estate representative etc.) and a financial analyst (FA) manually transfers the information of the SARs to an excel chart, which is saved on local hard drives.
3. After receiving the SAR the FA will conduct the appropriate analysis & inquiries which will enable the evidence or suspicions of money laundering to be confirmed or rejected. The inquiries made by the FA are directed to the bank's compliance and/or AML officer.
4. Once sufficient supporting information regarding suspicious transactions is available, the unit will prepare a report and submit it to the prosecutor general, including all available related documents and records.
5. The division will submit a final report containing the results of the inquiries, assessing all the information and proposing any action to be taken by the prosecutor general or save the collected information about the case in the unit's databases. All reports are saved on local hard drives.
6. The division can supplement the information received by asking for additional information from internal (reviewing past SARS), external (contacting other government agencies such as Customs, Tax Ministry, Immigration etc.) or international sources (foreign FIUs) any request for additional information is made by the division according to the procedures set by the AMLU committee.
7. A physical copy of the SARs is stored in a secure and environmentally protected room in the central bank of Jordan. The SARs are filed and saved indefinitely.

ILLUSTRATION OF MANUAL PROCESS:

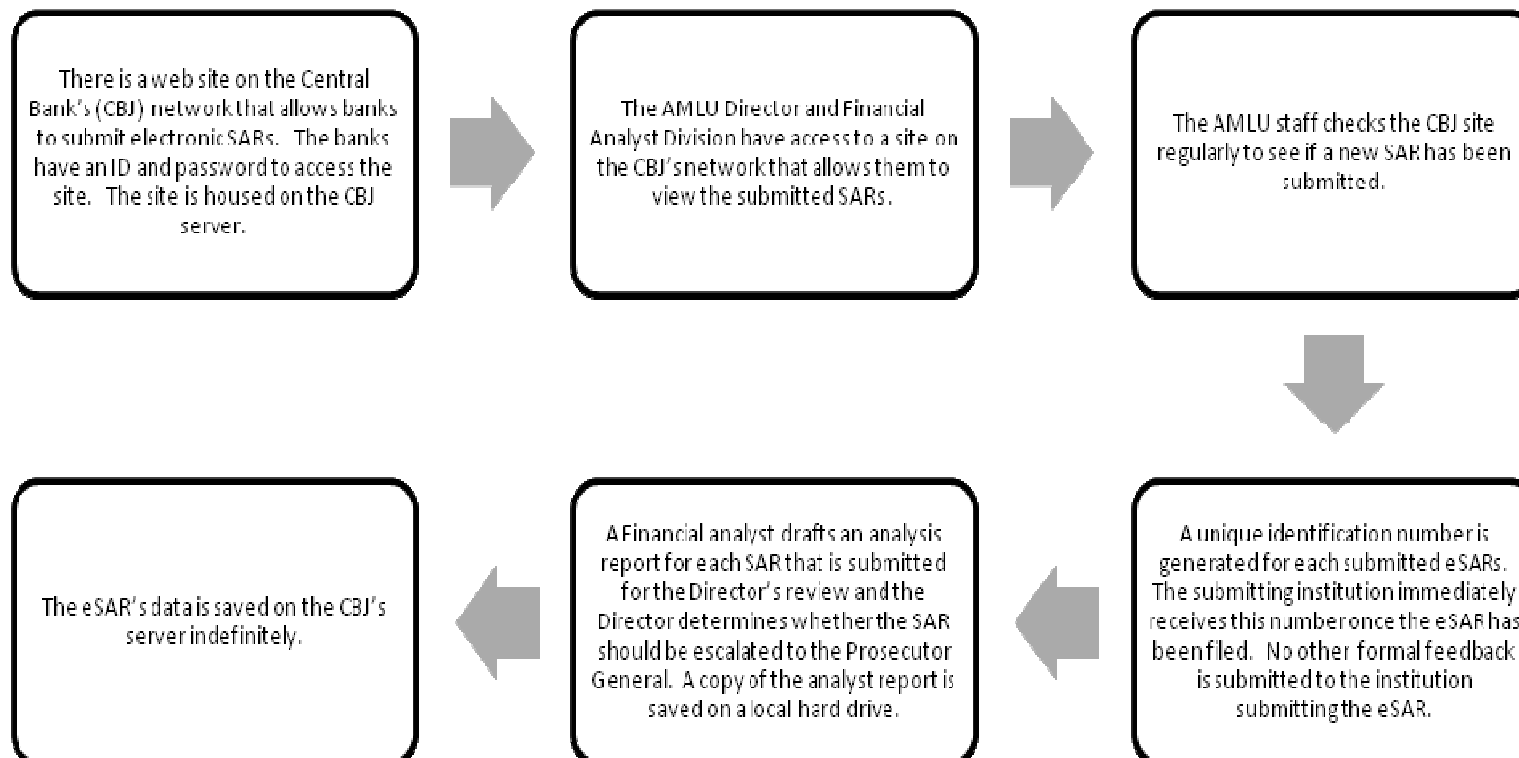


The following steps are used to collect Electronic SARs or eSARs:

1. There is a web site on the Central Bank's (CBJ) network that allows banks to submit electronic SARs. The banks have an ID and password to access the site. The site is housed on the CBJ server.
2. The AMLU director and financial analyst division have access to a site on the CBJ's network that allows them to view the submitted eSARs.
3. The AMLU staff checks the CBJ site regularly to see if a new eSAR has been submitted.
4. The eSAR's data is saved on the CBJ's server indefinitely.
5. A financial analyst drafts an analysis report for each eSAR that is submitted for the director's review and the director determines whether the eSAR should be escalated to the prosecutor general. A copy of the analyst report is saved on a local hard drive.
6. A unique identification number is generated for each submitted eSARs. The submitting institution immediately receives this number once the eSAR has been filed. No other formal feedback is submitted to the institution submitting the eSAR.

ILLU

STRATION OF ELECTRONIC PROCESS:



Since its inception in July 2007, the AMLU has collected 81 SARs. According to the AMLU Director, the number of SARs is expected to double by next year due to the public's increased awareness of anti-money laundering initiatives. The expected increase in the number of SARs will require the AMLU to hire more staff and upgrade its IT infrastructure. Two SARs have been escalated to the Prosecutor General and one of these reports is being further investigated.

FUTURE STATE - RECOMMENDATIONS AND NEXT STEPS

The recommendations for improving the AMLU's business processes focus on two overarching principles: protecting confidential data embedded in SARs templates and improving the exchange of data between the AMLU and outside entities including financial and non-financial organizations as well as government entities.

The first step in protecting confidential information is creating a backup system for saving the data in case it is lost in a disaster or an accidental deletion. Currently, the AMLU staff saves its analysis reports and SAR spreadsheets on local hard drives. The unit must design a system for regularly backing up its data for disaster recovery purposes. A short term solution can include periodically transferring the data onto an external hard drive or CD. The unit must work with its IT Advisor to review the backup system used to save the data contained in eSARs. The Central Bank's IT staff will have to participate in the assessment, since the eSARs database is currently hosted on the Central Bank's network. During the assessment, the team may also want to develop rules for data retention and design a protocol for removing unnecessary data from the Central Bank's network. Creating a backup system for saving data should be considered a high priority and the task should be completed in the next 3 to 6 months.

The confidential information included in the AMLU's emails will be further protected by purchasing a server to independently host the AMLU's email exchange network. The AMLU's email exchange network is currently hosted on the Central Bank's server. The AMLU's confidential data is more likely to be compromised if it's hosted on a shared server with the Central Bank. By purchasing a separate server for its email exchange network, the AMLU will have more control of who has access to its data and be one step closer to creating its own, autonomous IT infrastructure that relies less on the Central Bank's technology. More autonomy from the Central Bank will increase the AMLU's chances of joining the Egmont group, which insists that its members have complete independence from other government entities like the Central Bank. The purchase of the server is a medium priority and should be purchased in the next 6 to 12 months.

In addition to protecting confidential data, the improvement to the business process must improve the exchange of data between the AMLU and outside entities. The number of SARs collected by the AMLU will likely double by next year and this will

require the AMLU to hire new staff. As part of its technology upgrade, the AMLU must set aside money for purchasing new desktop computers for its new hires. Purchasing additional hardware and hiring new staff will enable the AMLU to process the influx of data expected in the upcoming year. The purchase of the hardware is a medium priority and should be completed in the next 8 to 14 months. The AMLU staff is also interested in purchasing an AML software application to assist with the analysis of SARs and accommodate for the expected influx in SARs. The cost for basic AML software programs can range in the hundred of thousands of dollars and this may not include annual licensing and maintenance fees. Before committing to such an expenditure, the AMLU should conduct a vendor analysis of the AML software applications that are currently being used in the marketplace. Arab Bank recently implemented an AML solution created by Fortent and Union Bank installed a solution managed by Optimiza. Purchasing an AML software solution may be premature at this point and the AMLU may want to allocate the funds to their more urgent needs such as the purchase of a server and hiring new staff. Conducting a vendor analysis of AML software is a medium priority and should be completed in the next 6 to 12 months.

The AMLU's ability to process and create analysis reports for newly submitted SARs can also be improved by implementing a system for automatically notifying staff when a new eSAR is submitted by an outside entity. Currently, the staff must manually access the eSAR website to check if any new eSARs have been submitted. This step can be removed by implementing a notification protocol that emails the staff once a new eSAR is submitted onto the website. According to the AMLU's IT advisor, such a notification system can be implemented at a reasonable cost and effort. The creation of a notification system is a medium priority and the idea should be discussed with the IT staff in the next 3 to 6 months.

Improving the exchange of data between the AMLU and obligated entities, such as banks and non-financial institutions, is closely related to improving the quality of data the AMLU receives from these entities. The AMLU's business process can be improved by adding a procedure for providing formal feedback on the type of information being submitted by obligated entities. At a minimum a SAR must include the suspect's identification, a characterization of the suspected money laundering activity, and a sufficient narrative to explain what activity is being reported. SARs that do not specify the suspicious activity being reported or fail to provide an explanation as to what led the institution to become suspicious are of minimal value to the AMLU. Additionally, data and spreadsheets attached to SARs without a narrative describing the suspected activity also have minimal value to the AMLU. Many compliance officers I spoke with are unclear on the type of data the AMLU finds most useful and they do not want to inundate the AMLU staff with gratuitous data. The AMLU staff is also spending time filtering through unnecessary information submitted in SARs and is forced to spend time conducting follow-up investigations in order to obtain more relevant information. A formal feedback procedure would improve the quality of the data being provided to the AMLU and would allow the AMLU staff to spend less effort processing irrelevant data and more effort analyzing reports. Currently, the AMLU is providing feedback to compliance

offices during informal telephone conversations. However, the exchange of feedback can be improved by designing a formal feedback process and designing and distributing typologies describing common indicators found in recently submitted SARs. The typologies can describe common schemes used in the banking and non-financial industries to launder money. Although there is a list of common money laundering indicators, the typologies could highlight the indicators commonly seen in Jordan. Joe Parker, the US Treasury representative at the US Embassy, is reluctant to create typologies, since he believes inaccurate typologies will cause further confusion. Nonetheless, many of the AMLU staff and many of the compliance officers I spoke with are in favor of such an initiative. Formalizing the process for providing feedback is a medium priority and the AMLU staff should address the issue in the next 6 to 12 months.

As the AMLU looks to the future, it will also have to implement leading practices for exchanging information with foreign FIUs. To date, the AMLU has not received requests for information from other FIUs but this will likely change as the AMLU becomes more mature and collects additional SARs. In anticipation of the increase in information requests from foreign FIUs and other government entities, the AMLU should conduct a study focusing on designing a protocol, based on leading practices, for exchanging information with outside entities. The study should try to answer the following questions: What is the minimum amount of information the AMLU should provide foreign FIUs? How is the AMLU supposed to ensure the foreign FIU will protect the exchange of confidential information? Is the AMLU obligated to mention a suspect's confidential information to the foreign FIU? What's the level of confidentiality required by the FIU receiving the information? Adopting such leading practices would also increase the AMLU's chances of joining the Egmont group. The Egmont Group will not exchange information with non-members and this prevents the AMLU from sharing information with many prominent foreign FIUs affiliated with Egmont. The design of such a protocol is a medium to low-priority and should be completed in the next 8 – 14 months.

APPENDIX

APPENDIX A: PRE-TRIP RESEARCH, INTERNAL AND EXTERNAL REPORTS

TITLE	SOURCE
<i>AMLU IT Report</i>	Trip Report, Kevin Whelan, December 5, 2007
<i>Proposed FIU Implementation Plan for Jordan</i>	US Treasury, August 2006
<i>FIU IT Needs Assessment</i>	Trip Report, Booze Allen Hamilton, July 3, 2006
<i>SAR Activity Review</i>	FINCEN, May 2008
<i>SAR Common Errors Report</i>	FINCEN, October 10, 2007
<i>FATF Manual on 40 Recommendations and 9 Special Recommendations</i>	Financial Action Task Force (FATF) on Money Laundering, February 27, 2004
<i>Financial Intelligence Units: An Overview</i>	International Monetary Fund/World Bank, 2004
<i>Best Practices for FIUs to Exchange Information</i>	Egmont Group, November 15, 2005
<i>100 Cases of Money Laundering</i>	Egmont Group, 2007
<i>Anti Money Laundering Law no.(46) for the year 2007</i>	AMLU Website, www.amlu.gov.jo
<i>Instructions of Anti Money Laundering and Terrorism Financing No (29/2006) - Banks.</i>	AMLU Website, www.amlu.gov.jo
<i>Instructions of Anti Money Laundering No (10/2001) - money exchange companies.</i>	AMLU Website, www.amlu.gov.jo
<i>Instructions of Anti Money Laundering in Insurance activities No (3/2007).</i>	AMLU Website, www.amlu.gov.jo
<i>Implementing AML Technology</i>	BearingPoint Presentation for Sumitomo Bank, 2007
<i>Search Technologies for AML Activities</i>	BearingPoint Presentation for Bank of America, 2007

APPENDIX B : SUMMARY OF INTRODUCTION AND EXIT MEETINGS WITH THE AMLU

SABEQ Meeting Report

Meeting Objective: Introduction to Anti-Money Laundering Unit (AMLU) Director and Staff;
Create Expectations for Kenny's consultancy

Date & Time: Sunday, July 13, 2008 07/13/08 [09:30 to 10:30 AM] at the AMLU Office

Meeting Materials:

Next Scheduled Meeting: Wednesday, July 16, 2008 9 AM at AMLU Office

Attendees: Refer to table 'Meeting Participants' under section 'Meeting Minutes'

AGENDA

- Introductions
- Review of Kenny's Consultancy
 - Expectations and Priorities
- Discussion on AMLU Current State
- Discussion on AMLU Future State and Priorities
- Next Steps

OPEN ITEMS

ID#	Description	Priority	Entered Date	Due Date	Owner	Comments
	Kenny will send AMLU Director and staff draft AML/CFT training presentation.	H	07/13/08	07/13/08	Kenny	
	Kenny will send preliminary questions by Tuesday in preparation for Wednesday's meeting.	H	07/13/08	07/14/08	Kenny	

KEY POINTS

- Primary Objective of Meeting
 - Introduce Kenny to the AMLU Director and Staff
 - Ask AMLU what their expectations are of Kenny's consultancy

Comments made about the current state of the AMLU

- The AMLU's fourth staff person is on maternity leave for the next month.
- Samya, who is the legal advisor to the AMLU and responsible for drafting regulations and by laws and for ensuring the legal soundness of SARs filing, would like the AMLU to increase the sharing of information with neighboring foreign financial intelligence units.
- A Memorandum of Understanding (MOU) has been signed with the Financial Intelligence Unit of Bahrain.
- Adnan stated that the AMLU has filed 80 SARs since its inception in July 2007 and expects this number to double in the next year.

- The Insurance and Securities Commissions have submitted 1 or 2 SARs. The reports are submitted directly by the financial institutions and not by their regulators, and this practice would continue in the future.
- Adnan emphasized the importance of reminding training participants on the positive impact AML initiatives have on reinforcing and adding integrity to the local economic structure and on suppressing crime, drug trafficking, and other illicit activities.
- To date, two SARs have been referred to the Prosecutor general. One of the SARs is being further investigated.

Comments made about the future state the AMLU would like to achieve

- According to Adnan, the Unit's IT infrastructure could be significantly improved by purchasing a separate server for the AMLU and physically housing the server in the AMLU offices. The offices would be properly equipped with the environmental controls (i.e. security access and climate controls) to accommodate for housing the servers.
- Adnan suggested that acquiring additional servers may require the AMLU to hire a full-time IT team member dedicated exclusively to the AMLU. They currently share an IT expert with the Central Bank of Jordan (CBJ).
- Adnan would like to strengthen the AMLU's relationship with the Insurance and Securities Commissions by signing a memorandum of understanding with both Commissions, – a draft memorandum has already been written - increasing the interaction between the Commission's AML liaison and the AMLU staff, and providing the Commissions with additional AML training and workshops. The AMLU currently has a very amicable relationship with both Commissions.
- Adnan suggested presenting the Commission staff with a 2-3 day AML workshop and a train-the-trainer AML course.
- Glenn, Adnan, and Kenny agreed that it would be beneficial for the AMLU IT representative to meet and coordinate activities with the IT members of both Commissions. These meetings are intended to inform the Commissions of what the AMLU will expect in terms of an IT environment at insurance companies and securities firms in order to transmit the necessary forms (such as SARs) to the AMLU. The meetings should be scheduled before the AMLU undergoes major IT changes in order to ensure any future IT changes are in alignment with the Commissions and CBJ's IT policies and procedures.
- Adnan would also like to increase the security measures protecting and controlling the confidential information embedded in SARs and other AMLU data.
- Adnan believes the AMLU should invest in an AMLU technology solution to handle and absorb the future increase of SARs filings.
- Adnan would like to sign MOUs with more foreign FIUs and he expressed a strong desire to accelerate the AMLU's accession into the Egmont group.

Comments made about expectations on Kenny's consultancy

- Glenn explained that Kenny's primary objective will be to map-out the AMLU current business processes and consider options for improving, or if needed, automating workflows in the AMLU's current state environments.
- Adnan stated that he would like Kenny to make recommendations on improving the AMLU IT infrastructure and strengthening the Unit's relationship with the Insurance and Securities Commissions. Adnan considers both these objectives as high-priorities for the next 6 months.
- All parties agree that it would be helpful to encourage the IT staff from the CBJ, AMLU, and Insurance and Securities Commissions to coordinate their activities, especially if the AMLU upgrades its IT infrastructure.
- Adnan suggested that Kenny could help improve the AMLU's website by uploading leading practices or material for raising people's awareness on AML/CFT issues.

MEETING MINUTES**1. Meeting Participants:**

Name	Sector	Attended	Comments
Adnan Al Lahaesh	Head of AMLU	Yes	
Ra'ed Al-Rawashdeh	Compliance and Outreach Division	Yes	
Samya Abu Sharif	Legal Consultation Division	Yes	
Glenn Tasky	SABEQ	Yes	
Asma Abu Taleb	SABEQ	Yes	
Kenneth Volandes	SABEQ	Yes	

SABEQ Meeting Report

Meeting Objective: Exit Meeting; Discuss Primus Consultancy, Business Process Mapping, and Next Steps

Date & Time: Monday, 07/28/08 [11:00 AM to 12:30 PM]

Meeting Materials:

Next Scheduled Meeting: 8:30 AM Meeting with Staff and 10 AM Meeting with Joe Parker

Attendees: Refer to table 'Meeting Participants' under section 'Meeting Minutes'

AGENDA

- Primus Consultancy
 - Primus will work with AMLU's staff and IT personnel to determine what needs to be purchased to upgrade the AMLU's IT infrastructure (i.e. Purchase server etc.)
- Mapping of Business Process
 - Business Process mapping will be used to assist Primus design IT infrastructure upgrade
- Next Steps
 - SABEQ's Budget for next year
 - Working in coordination with Joe Parker and the USTD and FINCEN contacts
 - AMLU's Wish List
 - Technology
 - Insurance and Securities eSARs
 - Training
 - Banks (Distribution of E-briefing, Insurance, Securities, Real Estate)
 - Membership Into Egmont
 - Clarification of Business Procedures
 - Interactions with Prosecutor General
 - Interactions with Foreign FIUs
 - Creation of Typologies for mass Distribution

OPEN ITEMS

ID #	Description	Priority	Entered Date	Due Date	Owner	Comments
	Provide AMLU with a copy of FINCEN typologies	M	07/28/08	08/15/08	Kenny	
	Schedule time tomorrow to review map processing, training material, and questionnaire	H	07/28/08	07/29/08	Kenny	

KEY POINTS

- Primus Consultancy
 - The AMLU staff would like an email from SABEQ explaining the scope of work for the upcoming Primus Consultancy. Specifically:
 - What is Primus' scope of work?
 - What type of information will Primus need? For example, IT information, SAR reporting information, office dimensions etc.
 - How long will it take Primus to complete the task?
 - Who else from the CBJ should join the meetings with Primus? (i.e. IT, legal, building maintenance staff)
- The group also discussed a 'wish list' of tasks the AMLU and SABEQ can potentially work on in the upcoming year. The tasks are listed in order of priority:
 - Purchase and installation of AMLU server
 - Purchase of PC work station and software to help the staff analyze SARs
 - The AMLU staff has experience with the Optimiza solution
 - Training
 - Advanced training for staff and possible study tour to foreign FIU such as the AMLU Egmont Sponsor Cyprus.
 - The training can focus on SAR analysis techniques, AML outreach, tips for managing interactions with the Egmont Group and other foreign FIUs, AML legal training, AML IT infrastructure tips, and protocols for working with prosecutor generals.
 - Increasing Awareness
 - Commercial sector training and public awareness campaigns focusing on the non-banking sectors such as:

- Securities
- Money Exchange
- Real Estate
- Precious Gem Dealers
- Insurance (The Insurance Commission may sponsor additional AML trainings)
 - The AMLU has also distributed about 80% of the AML brochures published for financial institutions.
- Regulatory Bodies
 - Securities
 - Insurance
- Typologies for Jordan
 - Creating a booklet for SARs filers and law enforcement agencies highlighting typologies specific to Jordan and common indicators identified in SARs. FINCEN may be able to assist with this task.

MEETING MINUTES

2. Meeting Participants:

Name	Sector	Attended	Comments
Adnan Al Lahaesh	AMLU Director		
Samya Abu Sharif	AMLU Legal		
Ra'ed Al-Rawashdeh	AMLU Outreach		
Kenneth Volandes	SABEQ Advisor		

APPENDIX C: AMLU QUESTIONNAIRE

Date: July 21, 2008

Author: Kenneth Volandes

Re: Assessment of AMLU's Business Processes

Purpose of Questionnaire: During my consultancy from July 8th – July 29th, I held several meetings with Jordan's Anti-Money Laundering Unit Director and staff. I used the following questionnaire as a framework for my discussion with the AMLU and the purpose of the meeting was to obtain a better understanding of the unit's current business processes and what, if any improvements could be recommended. The mapping of the business processes would also help in choosing upcoming improvements to the AMLU's technology architecture.

Participants: Director of AMLU, Adnan Al Lahaesh

Outreach and Compliance, Ra'ed Al-Rawashdeh

Legal Advisor, Samya Abu Sharif

Questions for AMLU Director & Staff

1. Suspicious Ac
2. Tivity Report (SAR) Forms and Procedures
 - 1.1 Please describe the process for manually submitting a SAR form.
 1. Hard copies of SAR forms are distributed to clients by regulatory agencies or professional associations.
 2. Clients submit SARs to the AMLU by fax or by regular mail
 3. SARs are sent to Mesa, the SARs analyst at the AMLU. (She is currently on maternity leave.)
 4. The SARs are filed by source name.
 5. Mesa manually transfers the information of the SARs to an excel chart, which is saved on Mesa's hard drive
 6. Mesa writes a summary of SARs for Adnan's review. The reviews are saved on Mesa's hard-drive.
 7. Adnan reviews the SARs and determines whether to escalate the SAR to the prosecutor general.
 8. A physical copy of the SARs is stored in a secure and environmentally protected room in the Central Bank of Jordan.

9. The SARs are filed and saved indefinitely

10. Does the ALMU accept SARs which are informal letters that do not match the unit's standard SAR format?

Yes.

1.2 Does the AMLU provide feedback or acknowledgement forms when a SAR is manually submitted?

The AMLU does provide an acknowledgement form for manual SARs but with no feedback.

1.3 Where are the manually SARs filed?

Copies of the manual SARs are filed in a room within the CBJ.

1.4 How long are the SARs retained?

Indefinitely.

1.5 How are the SARs filed? Chronologically? By Title? By Subject Matter?

The SARs are filed by source name.

1.6 Please describe the process for analyzing a SAR.

There is no formalized process for analyzing the SARs. The SARs are analyzed on a case by case basis.

1.7 Can the SARs reports be searched?

The information field inputted in the excel chart can be searched.

1.8 Where are the gaps in this process?

See comments above

1.9 How would you improve this process?

See comments above

1.10 Please describe the process an organization must take to submit an electronic SAR.

1. There is a link on the Central Bank's website that allows banks to submit electronic SARs. The banks have an ID and password to access the site. The link is housed on the CBJ server.
2. Mesa and Adnan have access to a site on the Central Bank's website that allows them to view the submitted SARs. Since Mesa is on maternity leave, Ra'ed has been given temporary access to the site.

3. Currently, there is no system to alert the AMLU when a SARs is submitted. Instead the AMLU staff checks the site regularly to see if a new SAR has been submitted.
 4. The institution filing the SARs often notifies the AMLU by telephone that an eSARs has been filed.
 5. A unique identification number is generated for each submitted eSARs. The submitting institution immediately receives this number once the eSAR has been filed. No other feedback is submitted to the institution submitting the eSAR.
 6. The eSAR report is about 3-4 pages long.
- 1.11 Does the AMLU provide feedback or acknowledgement forms when a SAR is electronically submitted?

An electronic acknowledgement form is submitted in the form of a unique identification number for each SAR submitted.
 - 1.12 Where and how long is the eSAR saved?

The eSARs are saved indefinitely on the CBJ's servers.
 - 1.13 What's on the feedback form?

No feedback form is provided.
 - 1.14 Is an internal analysis provided separately on each SAR?

Yes. Mesa prepares a written analysis of each SAR and submits the document to Adnan for review.
 - 1.15 Are the SARs filed directly from the client or via the regulatory agency?

Clients who have an ID and password to the CBJ's SARs link can file SARs directly.
 - 1.16 Where are the eSARs filed?

The eSARs are filed on the CBJ server.
 - 1.17 How long are the eSARs retained?

Indefinitely
 - 1.18 How are the eSARs filed? Chronologically? By Title? By Subject Matter?

The eSARs are filed using a unique ID number.
 - 1.19 Please describe the process for analyzing an eSAR.

There is no formalized analysis. The approach to the analysis is determined on a case by case approach.

1.20 Can the reports be searched?

Yes.

Example search fields:

Name of suspicious person

Name of bank and branch

Beneficiary owner and beneficiary bank

Nature of Transaction (Deposit, Transfer, etc.)

Suspicious person bio-data (Date of Birth, National ID). This information is searched on the Civil Community CD, which includes bio-data of citizens.

Account details (Opening date, closing date)

Type of suspicious transaction (money trading in coupons, drugs, human trafficking)

Suspect's relation with bank (broker, accountant)

1.21 How would you improve this process?

Adnan suggested an eSARs link be made with the Customs office.

Ra'ed suggested making more of the fields mandatory to improve the quality of the data received by the AMLU.

1.22 How would you prioritize the improvement effort?

According to Adnan, the improvement efforts should be focused on obtaining a separate server to host the eSARs data, creating eSARs links for the Insurance and Securities Industries, and accelerating membership into Egmont.

3. Data Sources

2.1 What data sources does the AMLU have access to?

Adnan, Mesa, and Ra'ed have access to the eSARs. Samya does not have access to the eSARs.

The AMLU has access to the following:

Civil Community database on CD

Company Controller database on Ministry of Industry and Trade (MIT) website – provides detailed information on companies such as owner, date of creation, etc.

World-check

The AMLU does not have direct access to:

Land register

Customs

Tax

Immigration

- 2.2 Does the AMLU share information with any government agency?

Generally, the AMLU does not share information. (See Article 7 in the AML law)

- 2.3 Has the AMLU requested information from a government agency?

Yes. For example, the CBJ and the Securities commission.

- 2.4 Has the AMLU received a request for information from other government agencies?

Yes. For example the prosecutor general.

- 2.5 How does the AMLU protect or sensor confidential information?

The AMLU does not provide government agencies with confidential information, unless the request is from the prosecutor general.

- 2.6 In the next six months which additional data sources will the AMLU like to have access to?

Insurance and Securities Commission databases and Customs database.

- 2.7 What is the AMLU's reasoning for prioritizing these organizations?

There is a high risk of AML activity in the respective industries.

- 2.8 What can be done to improve the sharing of information between government agencies?

Increase meetings, especially between IT specialists.

- 2.9 What can be done to increase the protection of confidential information?

Separate AMLU server for eSARs.

4. Legal Questions

- 3.1 Is there any other legislation besides law 46 that established the creation of the AMLU?

No

- 3.2 What's the status of the Committee regulations?

The Committee regulations have been accepted.

3.3 What's the status of the AMLU regulations?

The AMLU regulations will be approved at the next National Committee meeting scheduled for August of 2008. The regulations include the budget, assigning staff, record keeping, and procurement procedures.

3.4 Is the AMLU responsible for processing disclosures of financial information in the framework of anti-money laundering regulation?

Yes.

3.5 Does the reporting obligation also extend to suspicions of terrorism financing, i.e. transactions or facts that could involve legally obtained money (such as donations)?

No. The AMLU is not mandated to report CFT activities.

3.6 Is the AMLU the only competent authority in Jordan to receive disclosures of financial information and to serve as the contact point for international exchanges of information with other FIUs?

Yes.

3.7 What is the nature of AMLU? (Choose one) Administrative, Police, Judicial, Other

The AMLU is an administrative unit.

3.8 Does the AMLU's assignment entail receiving disclosures, analyzing disclosures, or disseminating disclosure to competent authorities?

The AMLU's assignment entails all the activities listed.

3.9 When was the unit established and when did it become operational?

The unit was established in January 2007 and became operational in July 2007.

3.10 What statute criminalizes money laundering in Jordan (name and date of enactment)? – Please indicate and provide the specific relevant legal provisions.

AML Law 46 2007 criminalizes money laundering in Jordan.

3.11 Areas for Improvement?

The staff would like more information on the type of information the prosecutor general is seeking. The staff would like to have follow-up meetings with the prosecutor general to gain feedback on the SARs that are being investigated and to increase their interaction with the prosecutor general's office.

The staff would like clarification on the issues surrounding the relationship between the AMLU and international FIUs. What is the minimum amount of information the AMLU should provide foreign FIUs? How is the AMLU suppose to ensure the foreign FIU will protect the exchange of confidential information? Is the AMLU obligated to mention a suspect's confidential information to the foreign FIU? What's the level of confidentiality required by the FIU receiving the information?

5. Staffing

- 4.1 Which AMLU staff members are permanent and which are seconded to the unit?

There are five staff members.

Director of AMLU, Adnan Al Lahaesh

Outreach and Compliance, Ra'ed Al-Rawashdeh

Legal Advisor, Samya Abu Sharif

Financial Analyst, Mesa (on maternity leave for the next month)

Fadi Aljabali – IT specialist. Full time employee of the bank, and works with the AMLU.

All the employees have been seconded from the CBJ and their status will become permanent once the AMLU regulations have been passed.

- 4.2 Are the staff members permanent or temporary?

The AMLU staff are permanent employees and are seconded from the CBJ.

- 4.3 Which functions does AMLU perform?
(Choose all categories that apply to AMLU)

- 4.4 Intelligence gathering and active investigations

Yes.

- 4.5 Investigations and arrests

No.

- 4.6 Freezing of assets

No.

- 4.7 Prosecutions

No.

- 4.8 Oversight of anti-money laundering legislation

Yes

4.9 Oversight of anti-terrorism financing legislation

No. This is a function of the Public Security Department and Department of Interior.

4.10 Training Financial Institutions

Yes.

4.11 Other regulatory or compliance functions

Oversight of cross-border currency declaration. The law mandates reporting money entering Jordan but not when existing.

4.12 Training Financial Institutions

Yes.

6. Information Received and Disseminated

5.1 Is there a MANDATORY obligation for the following institutions to report disclosures to the AMLU? (Choose all categories that apply to the AMLU)

1.0	<i>Suspicious or Unusual Transactions relating to Money Laundering</i>	<i>Suspicious or Unusual Transactions relating to Terrorism Financing?</i>	<i>Currency Transactions</i>	<i>Other Transactions</i>
• Banks	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Mutual savings bodies	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Insurers	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Financial advisers	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Bureaux de Change	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Solicitors/Attorneys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Accountants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Financial Regulators	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other law enforcement bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Other government departments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Unions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Political parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Charities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Casinos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Lotteries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Bookmakers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- **Car Dealerships** ☐ ☐ ☐ ☐
- **Other high value dealers** x ☐ ☐ ☐
- **Money Remitters** x ☐ ☐ ☐
- **Pawn shops** ☐ ☐ ☐ ☐
- **Others (please specify)**

Dealers of precious Gems, Real Estate Representatives

5.2 What information do you have access to for searching on disclosures?
(Choose as many categories as apply to AMLU)

SOURCES	Direct Access¹	Indirect Access²
Law enforcement information	<input type="checkbox"/>	X
Company databases	x	<input type="checkbox"/>
Nominee and beneficial ownership information (trusts, IBCs...)	<input type="checkbox"/>	x
Financial information other than from the reporting institution	<input type="checkbox"/>	x
Public information	x	<input type="checkbox"/>
Population register	x	<input type="checkbox"/>
Vehicle registration	<input type="checkbox"/>	x
Land register	<input type="checkbox"/>	x
Internet	x	<input type="checkbox"/>
Customs	<input type="checkbox"/>	x
Tax Office	<input type="checkbox"/>	x
Social Security / Welfare	x	<input type="checkbox"/>
INTERPOL	<input type="checkbox"/>	x
Other (please specify). World Check		

FN 1 & FN 2 Does the AMLU have an on line connection with the above mentioned databases (direct) or is there a human intermediary which can supply you with the information (indirect)?

6.1 Areas for Improvement

The staff would like to improve the lines of communication between the FIU and money exchange bureaus, as well as, improve the relationship with regional FIUs.

However, mechanisms must be in place to ensure the protection of confidential information shared with regional FIUs, especially if the FIU receiving the AMLU's information is not a member of the Egmont group.

Banks and other reporting institutions must also be trained to provide high quality data. The quality of the data can be improved by training reporting institutions on how to identify relevant suspicious activities that should be reported to banks. The AMLU would also like to learn more about what type of information the banks possess that may be useful when investigating a SAR.

In the future, it would also be helpful if a bank's eSAR can accommodate attachments.

7 Statistics

- 7.1 Is there a report that states the statistics for the number of SARs submitted since the AMLU's inception in July 2007

Yes.

- 7.2 How many SARs have been filed to date?

81 SARs have been filed

6 sent to the prosecutor general

3 were AML related and 3 were non-AML (i.e. counterfeiting)

1 is being investigated further by the prosecutor general, no conviction to date.

All the SARs are put in a database for further investigation.

- 7.3 Which organizations are filing the SARs?

The majority of organizations filing SARs are banks.

- 7.4 Have any assets been confiscated or seized?

No assets have been confiscated or seized.

8 Sharing Information with International Organizations

- 8.1 Does Jordan's national legislation allow you to exchange information directly (i.e., outside the normal police/judicial channels) with counterpart units?

Yes. The AMLU can exchange information directly with a foreign FIU.
(Article 19 of the AML Law)

- 8.2 Does Jordan's national legislation allow you to exchange information directly (i.e., outside the normal police/judicial channels) with international organisations (e.g. International Criminal Tribunal for Yugoslavia, Unité Anti-Blanchiment / Interpol, UN Counter Terrorism Committee, Europol)

No. The exchange will be a more formal exchange via other government ministries such as the Foreign Ministry.

- 8.3 On what minimal legal conditions can you exchange information directly with counterpart units? (Choose all categories that apply to your unit)

- **no particular legal conditions**
- **reciprocity only** x
- **an exchange of letters**
- **a memorandum of understanding** Optional
- **a treaty**
- **other conditions.**

- 8.4 On what legal conditions can you exchange information directly with international organizations? (Choose all categories that apply to your unit)

- **no conditions**
- **reciprocity only** x
- **an exchange of letters**
- **a memorandum of understanding** Optional
- **a treaty**
- **other conditions (*specify*)**

- 8.5 Does Jordan's national legislation authorize the AMLU to sign a memorandum of understanding independently?

Yes.

- 8.6 If not, what national authority is empowered to sign on Jordan's behalf?

8.7 What types of information are you allowed to share with a counterpart unit?

(Choose all categories that apply to your unit)

- Publicly available material x
- Strategic information (*such as money laundering or terrorism financing trends and patterns*) x
- Disclosures of suspicious or unusual transactions / facts
- Other information from financial institutions (*aside from disclosures of suspicious transactions, e.g. additional information queried by the unit*)
- Law enforcement information
- Information on nominee and beneficial ownership (e.g. IBCs, trusts...)

8.8 What types of information are you allowed to share with international organizations?

(Choose all categories that apply to your unit)

- Publicly available material x
- Strategic information (*such as money laundering or terrorism financing trends and patterns*) x
- Disclosures of suspicious or unusual transactions x
- Other information from financial organisms (*aside from disclosures of suspect transactions, e.g., additional information queried by the unit*)
- Law enforcement information
- Information on nominee and beneficial ownership (e.g. IBCs, trusts...)

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