



# Congressional Taskforce on Terrorism and Unconventional Warfare

9<sup>th</sup> Parliamentary Intelligence Security Forum  
Buenos Aires, Argentina  
November 21<sup>st</sup>, 2017



**Congress of the United States**  
**Washington, DC 20515**

Dear Colleague:

Thank you for your continued interest in our Parliamentary Intelligence Security Forums. In November, we hosted our 9<sup>th</sup> Forum in Buenos Aires, Argentina. Over the past several years, these forums have reached over 65 countries and over 600 Members of Parliament.

We wish to thank the National Congress of Argentina and Mr. Mariano Federici for co-hosting the forum. Mr. Federici has been an invaluable partner with exceptional effort in planning and executing two forums in Buenos Aires. He remains committed to confronting the pressing issues of our time and partnering with the United States and other nations to defeat our enemies. Thanks to Mr. Federici and the National Congress of Argentina, delegates were able to engage in dialogue concerning a variety of security topics, including terror financing, money laundering, information sharing, and the challenges faced by the interaction between the private and public sectors. Panelists at this event included many experts in their fields and senior federal government officials from multiple countries.

We were fortunate to have representatives from throughout the region and multiple non-state organizations attend our event in Buenos Aires. Enclosed is the forum's agenda, a list of panelists, a list of countries invited, and an official summary of events.

We look forward to working with you in the future as we collaborate together to preserve our freedoms and liberties.

Sincerely,

A handwritten signature in blue ink that reads "Robert".

Robert Pittenger  
Member of Congress  
Chairman, Congressional Taskforce on Terrorism  
and Unconventional Warfare



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Mr. Federici (Financial Intelligence Unit of Argentina) and  
Congressman Pittenger (U.S. House of Representatives)



# 9<sup>th</sup> Parliamentary Intelligence-Security Forum

Thursday, November 21, 2017 • Buenos Aires, Argentina



**8:30 AM** Registration

**9:00 AM** Opening Remarks:

- **Federico Pinedo**, *Provisional President of the Argentine Senate*
- **Robert Pittenger**, *U.S. Congressman and Chairman, U.S. Congressional Taskforce on Terrorism and Unconventional Warfare*
- **Patricia Bullrich**, *Security Minister of the Republic of Argentina*
- **Mariano Federici**, *President of the Financial Intelligence Unit of Argentina*

**9:45 AM** Panel: International Policy Priorities in the Field of Anti-Money Laundering and Counter-Terrorist Financing

- **María Eugenia Talerico**, *Vice President of the Financial Intelligence Unit of the Republic of Argentina*
- **Santiago Otamendi**, *FATF President and Secretary of Justice, Ministry of Justice and Human Rights of the Republic of Argentina*
- **Esteban Fullin**, *Regional Advisor for Latin America and the Caribbean, International Monetary Fund*
- **Daniel Zambrano**, *Resident Advisor, Office of Technical Assistance, U.S. Department of the Treasury*

Chair: **Luis Petri**, *Congressman of the Republic of Argentina*

**11:15 AM** Coffee Break

**11:45 AM** Panel: Legislative Trends and Priorities to Enhance Security and Intelligence Capabilities

- **Robert H. Gerardi**, *Senior Advisor to the Director of the Financial Crimes Enforcement Network (FinCEN)*
- **Juan Carlos Restrepo**, *Senator of Colombia*
- **Emanuele Ottolenghi**, *Senior Fellow, Foundation for Defense of Democracies*
- **Marconi Melo**, *Executive Secretary, GAFILAT*
- **Everardo Rodríguez**, *Regional Legal Advisor, U.S. Department of Justice*

Chair: **Graciela Camaño**, *Congresswoman of the Republic of Argentina*

**1:30 PM** Lunch

- 2:30 PM** Panel: Operational Needs in the Fight Against Organized Crime and Terrorism
- **Daniel Espinosa**, *Anti-Money Laundering Secretary, Republic of Uruguay*
  - **David Hulsey**, *Deputy J36 Trans National Threats, U.S. Special Operations Command (USSOCOM)*
  - **Joseph Humire**, *Executive Director, Center for a Secure Free Society (SFS)*
  - **Oscar Boidanich**, *Minister in charge of the Secretariat for the Prevention of Money Laundering, Republic of Paraguay*
- Chair: **Julio Cobos**, *Senator of the Republic of Argentina*
- 4:00 PM** Coffee Break
- 4:30 PM** Panel: Public-Private Intelligence and Security Partnerships
- **Marcos Victorica**, *President of Consultcom*
  - **George Pappas**, *Senior Advisor, House Permanent Select Committee on Intelligence, U.S. House of Representatives*
  - **Alberto Echegaray Guevara**, *Special Advisor to the President of the Financial Intelligence Unit of Argentina*
  - **Agustín Pesce**, *Director and Compliance Officer, National Bank of the Republic of Argentina*
  - **Zenón Biagosch**, *President of FIDESnet Professional Advisory*
- Chair: **Omar Perotti**, *Senator of the Republic of Argentina*
- 6:00 PM** Closing Remarks:
- **Emilio Monzó**, *President of the House of Representatives of Argentina*
  - **Robert Pittenger**, *U.S. Congressman and Chairman, U.S. Congressional Taskforce on Terrorism and Unconventional Warfare*
  - **Jorge Faurie**, *Foreign Affairs Minister of the Republic of Argentina*
  - **Rodolfo Urtubey**, *Senator of the Republic of Argentina*
  - **Juan Carlos Lopez Moreira**, *General Secretary and Chief of Staff of the Presidency of the Republic of Paraguay*
  - **Mariano Federici**, *President of the Financial Intelligence Unit of Argentina*

## **Countries Invited to the 9<sup>th</sup> Parliamentary Intelligence Security Forum**

Argentina  
Bolivia  
Brazil  
Chile  
Colombia  
Costa Rica  
Dominican Republic  
Ecuador  
Guatemala  
Honduras  
Mexico  
Nicaragua  
Panama  
Paraguay  
Peru  
United States  
Uruguay

## Summary of Presentations

### Opening Remarks/Greetings

Federico Pinedo, Provisional President of the Argentine Senate, discussed the increase of organized crime and argued that the transnational character of money laundering creates a need for regional and global interaction and coordination.

Minister Bullrich argued that drug trafficking and terrorist organizations are in a stage of decentralization, which implies the need for an increasingly intelligent state. Specifically, drug trafficking and terrorist organizations attack the weakest sectors of the state, making fragile states with poor regulations and lack of state presence easy targets for organized crime. There is a need for governments to adopt a stricter attitude towards the fight against drug trafficking and terrorism, including placing a more stringent focus on property, automotive, company, and aeronautical registries. This can be advanced through bilateral and multilateral agreements with border countries to reinforce of border control.



Mr. Federici (FIU of Argentina), Congressman Pittenger (U.S. House of Representatives), Senator Pinedo (Provisional President of the Argentine Senate), Minister Bullrich (Security Minister of the Republic of Argentina)

Congressman Pittenger then addressed the forum, stating that new reports are indicating the increased presence of terrorist groups in Latin America and that the relationship between terrorist groups and drug trafficking groups is a growing risk. Due to this, Congressman Pittenger argued that the information exchange between countries is necessary for the fight against these groups and that governments should be committed to denying and disrupting the financing of terrorist groups. The Congressman concluded his remarks by stating that societies have the duty to challenge and persecute corrupt public figures.

Mariano Federici, the President of Argentina's Financial Intelligence, concluded the opening remarks, stating that the purpose of international security forums is to build "bridges" of collaboration. Governments should promote international dialogue and cooperation through formal and informal channels and identifying common threats and vulnerabilities to develop strategies to mitigate them. Public and private cooperation must be expanded in order to achieve security goals.

Mr. Federici concluded by identifying five pillars to building a more effective financial security system:

- implementing the National Risk Assessment by the Ministry of Justice in Argentina
- implementing an Anti-Money Laundering strategy after the completion of the National Risk Assessment

- the inter-institutional coordination between government branches crucial to improve effectiveness in the fight against threats
- the improvement of public/private partnerships
- the promotion the Bilateral Dialogue on Illicit Finance (AUDIF) between Argentina and the United States.

### International Priorities in Money Laundering and Terrorist Financing Prevention

María Eugenia Talerico, Vice President of Argentina's Financial Intelligence Unit, argued that there should be a public/private collaboration commitment to increase effectiveness in money laundering prevention. Governments have only been able to seize 1% of all the assets laundered worldwide (estimated at \$73 trillion). Only between 10% and 15% of suspicious transaction reports are used in criminal investigations. The number of suspicious transaction reports has been increasing at an annual rate of 11%. Ms. Talerico argued that more focus should be placed on the financial sector to improve the efficiency of the suspicious transaction reports. Ms. Talerico further argued that in order to make information exchange between private companies possible, it is necessary to improve trust in the system and eliminate legal barriers and that it is essential to adopt new technologies as a way to enhance efficiency and security.



Ms. Talerico (Financial Intelligence Unit of Argentina)

Mr. Zambrano of the US Department of the Treasury said that national risk assessment is essential for legal reform and that the system must be flexible in order to act over and minimize risks. Smuggling and trade-based money laundering are currently some of the biggest risks facing Argentina. Mr. Zambrano argued that punishments for these crimes are minimal and profits are very high. Several criminal organizations use smuggling as an alternative business. It is therefore very important to improve supervision over “gatekeepers.” International wire transfers present a threat to the system since they are hard to monitor

and are indispensable for financing international criminal organizations and terrorist groups. Mr. Zambrano recommended that license removal and increased penalization should be implemented for businesses working outside the legal framework.

Mr. Fullin outlined priorities of international organizations. He first argued that national risk assessments are both a starting point to create an efficient system and are necessary for the development of a national strategy. Second, tax evasion should be seen as a predicate offense of money laundering and terror financing crimes. Third, there needs to be increased coordination of strategies and methods against these threats. Fourth, there should be concern for the loss of correspondent relationships. Fifth, implementation of new technology (FINTECH) to study new vulnerabilities is needed. Finally, Mr. Fullin said that there should be concern for the reinsertion of terrorists into their country of origin.

Mr. Fullin argued that constantly evolving terrorist tactics and financing create complications in the design of prevention strategies. Rapid and concise legislative support is required to fight against these tactics. There is a need to rethink how governments will tackle these new challenges.

Secretary Otamendi outlined three key agenda items: beneficial ownership, information sharing, and financial inclusion. He further argued that it is important to increase judicial effectiveness. At the current moment, there is no asset forfeiture “culture.” There is currently no approach to creating specialized groups to combat these types of threats.

Secretary Otamendi said that the FATF aims to create best practices guidelines for prosecutors and judges in 2018. During the Argentine presidency of the FATF, they will continue to promote constructive dialogue between prosecutors and judges from all over the world through the organization of regional forums. There is currently no specialized working group for the judicial sector in Argentina.



Mr. Fullin (International Monetary Fund)

Mr. Petri, a member of the Argentine Chamber of Deputies, said that Argentina made the fight against money laundering and terror financing a national priority through the creation of the Cooperating Witnesses Law for the crimes of corruption, money laundering and organized crime and the implementation of the Corporate Criminal Liability Law. A Forfeiture and Non-Conviction Asset Forfeiture Law is currently in development. Congressman Petri proposed the possibility of creating a multinational FIU.

### Legislative Trends and Priorities to Enhance Security and Intelligence Capabilities

Mr. Gerardi of FinCEN said that the United States has implemented new strategies and methods to disrupt terror financing through sanctions, suspicious activity reports, and other methods. The FIU gathers information from many sources to analyze trends and anomalies. This information is then shared with other agencies, creating a feedback loop which improves efficiency in investigations. There is a need to improve the ability and capacity of these agencies to digest new information. Mr. Gerardi concluded by argued that FIUs should be well funded to maintain their operational independence and that these agencies should have the strictest security protocols.

Senator Restrepo of Colombia said that legislative alignment is needed at the international level. Misinformation should be mitigated and countries should create a common legislative framework apart from signing international agreements and should modernize their systems of interaction and exchange. Senator Restrepo also argued that liberalization of “soft” drugs might be an alternative to combatting drug trafficking.

Dr. Ottolenghi of the Foundation for Defense of Democracies said that the Tri-Border Area generates around 10% of the financing for Hezbollah. Hezbollah lost their 2006 war against Israel, so they began financing their operations with drug trafficking. The Tri-Border Area lacks adequate

controls, which invites terrorist groups to the area. Corruption throughout the Tri-Border Area expands the ability of criminal organizations and terrorist groups to exploit institutional weaknesses. Dr. Ottolenghi also said that international cooperation and the designation of common typologies in legislative frameworks are critical to combatting these criminal groups.

Marconi Melo, Executive Secretary of GAFILAT, said that as organized crime evolves, democracy weakens. It is necessary for states to work at the same speed and capacity as criminal organizations and should thus conduct their National Risk Assessment (NRA) as a first step. The NRA generates the demand for legislative measures at the local and international levels and promotes interaction between executive and legislative branches. Mr. Melo further argued that asset seizure and forfeiture are critical to disrupting criminal organizations and that information sharing (private/private and private/public) is essential for the fight against these threats.



Mr. Melo (GAFILAT)

Mr. Rodríguez of the US Justice Department reflected upon terrorism's threat toward all of humanity. Hezbollah's presence at the Tri-Border Area has been corroborated. "Lone wolf" attacks are growing year after year and social networks are becoming tools for self-radicalization. As an example, Mr. Rodríguez showed how the "Primer Comando Radical" in Brazil is becoming a threat in the region, having attacked prosecutor offices making threats to judges and police officers. Mr. Rodríguez outlined mitigation strategies including information sharing among jurisdictions and investment in technology for more efficient investigations. Mr. Rodríguez concluded by arguing that lack of trust between law enforcement agencies and the judicial branch is a serious threat and that the Cooperating Witness Law and other tools need to be further developed.

Ms. Camaño, a member of the Argentine Chamber of Deputies, said that the FIU needs to have more autonomy to be efficient. Additionally, Ms. Camaño argued that governments should introduce ideas and best practices from other countries.

### Operational Needs in the Fight against Organized Crime and Terrorism

Secretary Espinosa spoke of how Uruguay's first NRA was carried out from 2010-2011 with a three-year plan which had been 80% completed. Uruguay is currently developing the second stage of their NRA to be implemented in December 2017 for 2018-2020. Uruguay has identified three risk areas: free zones, provision of legal services, and real estate sectors. Uruguay has different prosecutor's offices for different types of crimes in order to speed up sentences and seizures.

Secretary Espinosa pointed to the need to define tax evasion as a predicate offense of money laundering. Uruguay has enacted a Financial Inclusion Law through which any purchase greater than \$4,000 must be made by electronic means. Secretary Espinosa argued that there is a need to

coordinate and create common international legislation. He further argued that decriminalization and liberalization of marijuana while maintaining government control can be an alternative for the fight against drug trafficking as problems have arisen with banks that do not accept transactions with companies involved in the legal purchase and sale of marijuana.

Mr. Hulsey contended that drug and human trafficking are the most serious problems related to terror financing. Ports and free trade zones are necessary but they also engender important complications, such as having their own police departments which do not interact with other government agencies. Mr. Hulsey also pointed out that Hezbollah and other terrorist groups are using the African continent as a route for drug trafficking and suggested the creation of a regional center against money laundering and terror financing.

Mr. Humire argued that appropriate laws should exist so that law enforcement authorities can do an efficient job and pointed to a legal gap that exists regarding terrorism in Argentina and that there is a lack of terrorist designation lists in Latin America. Mr. Humire pointed to Brazil's Anti-Terrorism Act serving to prevent a terrorist attack and argued that the purpose of the Anti-Terrorism Act is to prevent and disrupt terrorist networks.



Mr. Humire (Center for a Secure Free Society)

Minister Boidanich said that it is necessary to count on new technology to fight against money laundering and terror financing. All states in the region have common risks, so it is necessary to find several ways of joint mitigation. In Paraguay's NRA, smuggling, counterfeiting, front companies for remittances, and difficulty in reaching the beneficial owner in public limited companies were all identified as risks. Minister Boidanich further claimed that there need to be updates of National Risk Assessments. The

coordination of strategies by the state's powers should be led by the national executive power. Countries should develop common agendas with typologies, mitigations, risks, and other means. Minister Boidanich argued that governments should develop continuous risk assessments to update strategies, processes, risks, etc. In addition, governments should develop constant training for all sectors, especially prosecutors and judges.

### Public-Private Cooperation in Intelligence and Security Matters

Mr. Victorica said that the industry that has grown the most in the United States is marijuana, which has become a "moral dilemma." Only 7% of drugs are seized at the US border. Mr. Victorica references that 53% of the people detained in the USA have been charged with consumption and personal possession, meaning that decriminalization would save the government \$53 billion. Mr.

Victorica continued by arguing that corruption is the currency of drug trafficking and pointed to the need for legal reform with regard to how politics is financed.

Mr. Guevara explained Smart Contracts as a combination of software and cryptography. The technology is based on public/private "block chain." The information is stored in all the servers of the units which are part of the network, making it impossible to falsify the information. Mr. Guevara estimated that, at this moment, Bitcoin represents \$245 billion of the market. Governments are analyzing how to regulate these currencies and are beginning to create links with private companies to foster better relationships and regulations. The risks and vulnerabilities tied to Bitcoin is when they are transferred or charged, but traceability is becoming stronger.



Mr. Biagosch (FIDESnet Professional Advisory)

Mr. Pappas explained that there is not a magic way to solve info-sharing concerns. There is a need for a fluid flow of information from both parties to create trust and legitimacy. Policies and legislation should encourage the sharing of information, but should always respect individual liberties. Additionally, Mr. Pappas said that governments should permanently adapt their policies to the constant change in risks.

Agustín Pesce of the Banco de la Nación Argentina said that correcting the weaknesses of the system is a long process as the informal economy has no incentive to move to the formal world. Informality directly affects the money laundering and terror finance prevention system. The Argentine economy has a 40% level of informality. Mr. Pesce cited a lack of severe punishments for informality along with high costs and excessive requirements to enter the formal scenery. Mr. Pesce argued that the financial sector is overregulated and that it is necessary to create financial inclusion policies in order to combat informality. He then mentioned that there is low institutional quality, talking about discredited justice, lack of training, and a lack of advanced technological systems. Banco de la Nación Argentina is currently developing an "ethical bank" with the three basic pillars of financial inclusion, financial integrity, and sustainable development.

Finally, Mr. Zenón Biagosch argued that governments propose inadequate control roles to the private sector, with resources invested and results not being coherent. Mr. Biagosch also mentions that there are inefficient STRs, with 80-90% of STRs having no immediate value for investigations along with an 11% annual growth in the number of reports. The system requires the creation of a secret framework which does not prohibit information sharing and research. A change in trend is beginning to be noticed with regard to FATF recommendations and FIU Resolution 30. Mr. Biagosch concluded by arguing that it is necessary to create modern laws without hindering individual liberties.

## **Appendix I: Speech by Mariano Federici, President of Argentina's Financial Intelligence Unit (Dec. 2017)**

I would like to start by thanking my friend Congressman Robert Pittenger for his kind invitation to this very important Forum.

Congressman Pittenger and I have been working closely for the past two years in raising awareness in Latin America on the threats and vulnerabilities affecting our region and in promoting legislative, regulatory and institutional reforms and solutions that could help us build a more secure continent.

While working together, we have built a close friendship. A friendship that is based on our honesty and straightforwardness among each other, and on our common values of respect for the democratic way of life, liberty, free markets and trade, and the need to enhance economic and financial integrity, as fundamental pillars to building a more secure and stable world.

In Argentina, we recognize the importance prioritizing and protecting the interest of each of our respective countries first. This is natural, and it is honest to admit it. But we also acknowledge the need for cooperating multilaterally and, in particular, for building strong bilateral partnerships with our friends in the interest, not only of our countries, but also of our region, and globally.

With the leadership and support of Congressman Pittenger, over the past two years, we have managed to conduct two incredibly successful regional events for parliamentarians on intelligence and security in Latin America. "The Pittenger Forum", as our legislators friendly refer to, has gathered over 400 parliamentarians, high level government officials, diplomats and private sector experts to discuss our region's challenges in the area of security and intelligence. But distinctively, it has also been the founding block in allowing us to build the kind of partnership we were aiming for with the United States.

And indeed, Argentina and the United States are in the process of building a strong strategic partnership for the protection of our mutual security and the integrity of our financial systems and economies.

Over the past two years we have given a thrust to our bilateral cooperation, particularly in the fight against organized crime and terrorism.

Following our first Parliamentary Forum with Mr. Pittenger in Buenos Aires, we have decided to establish with our US Treasury partners, the first bilateral dialogue to discuss illicit finance issues, which is called the Argentina-US Dialogue on Illicit Finances (AUDIF). AUDIF is co-chaired by the US Secretary of the Treasury and our Minister of Finance, with the operational support of FinCen and the Financial Intelligence Unit of Argentina, which I have the honor to run. The main purpose of the dialogue is precisely to identify illicit finance threats and vulnerabilities of common concern and develop joint strategies to address them.

At their last meeting together earlier this year, President Macri and President Trump pledged to strengthen their partnership to combat narcotics trafficking, money laundering, terrorist financing, corruption and other illicit finance activities through the AUDIF. They also recognized the benefits and risks of our increasing dependence on networked information and the importance of cooperation on cyber policy. Finally, they raised strong concern over the deteriorating situation in Venezuela, and agreed to work closely to preserve democratic institutions in that country. Most of these issues are being addressed under AUDIF.

Since its inception, we have held three summit meetings under the AUDIF; two in Buenos Aires and one here in Washington DC, with the participation of key US government and Argentine government officials. Priority initiatives under AUDIF have focused on i) understanding money laundering and terrorist financing risks in the TBA, ii) enhancing our anti-corruption and asset recovery efforts, iii) enhancing operational cooperation with US sanctions regimes, particularly in Venezuela, and iv) understanding challenges to financial market access and the undesired consequences of CBR loss. I would like to say a word on a few of these issues:

i) The risks stemming from the TBA are a priority concern to our government. Argentina suffered two large scale international terrorist attacks in its soil and the evidence pointed to the threats and vulnerabilities in the TBA. Despite this evidence, our previous administrations did little or nothing to address this problem. To the contrary, they went off to sign a deal with Iran, the country protecting the main suspects in at least one of these attacks (the AMIA bombings), and are now paying the consequences for these wrongdoings.

I am referring to the fact that Former President, and recently sworn in Senator, Cristina Kirchner was indicted today by a Federal Judge for the concealment of the AMIA bombings through the signature of the Deal with Iran. The judge ordered the removal of her congressional immunity by congress in order to proceed with her arrest. The indictment accuses Kirchner of developing a criminal scheme to grant impunity to the Iranian officials identified as responsible for the bombings, and who Iran has been constantly protecting.

Well our approach is radically different. President Macri repealed the deals with Iran immediately upon taking office and has been putting pressure for Iran to cooperate for once and for all with the search of the truth. I ask you also to remember every time the Iranian case may come to your attention, the participation of Iranian officials in the attacks that inflicted so much damage and pain to Argentina and the need for Iran to cease concealing these terrorist acts.

In addition, we have decided to tackle our understanding and mitigation of risks in the TBA with firmness and determination. Earlier this year, and in the context of the AUDIF, a fact finding trip of the TBA was conducted under our leadership, with the participation of Argentine, Brazilian, Paraguayan, and US government officials. The purpose of the trip was to gather information on financial activities and illicit finance risks in the TBA. The findings confirmed the large volume of transfers to high risk areas in Hezbollah controlled territory in Lebanon, the high risks of TBML through import export and retail businesses, the intensive use of cash by small and medium size

businesses and individuals and the large number of unregistered exchange houses, among other vulnerabilities.

We are now working on a joint strategy with the US government and our neighbors to tackle these problems, which will include, among other concrete operational measures, an increase of outreach and awareness raising activities, such as these type of events, in the region.

We are also conducting strategic analysis studies on terrorist financing at our FIU to identify trends and patterns of concern in this area. These studies are providing useful input and information on risks that had previously been underestimated, such as the suspicious existence of foreigners from certain conflict zone countries, residing primarily in one of our neighboring countries, crossing the borders with large amounts of cash and conducting significant gambling activity and sending remittances to the conflict zone from the area.

We now need to move towards a phase of enhanced intelligence information sharing with the US and our neighbors to complete our analysis and start taking decisive regulatory and law enforcement action. We are committed to move forward in this direction.

Finally, I would like to add that we are close to completing our National Terrorist Financing Risk Assessment as a country. This exercise is being led by our Ministry of Justice with the advice of senior US experts (former US Treasury officials) such as Juan Zarate and Danny Glaser acting as consultants to our exercise.

ii) I would lastly like to say a word on corruption. Corruption is not only a threat to the integrity of our system, it is also a vulnerability to its effectiveness. Where there is a corrupt government the fight against organized crime and terrorism is seriously compromised. Where there are corrupt regulators, AMLCFT prevention and detection risks being affected; where there are corrupt law enforcement and criminal justice officials, AMLCFT suppression will be doomed to fail. This is why we have taken such a tough stand against corruption.

It is unrealistic to be determined to fight organized crime and terrorism without being determined to fight the threat of corruption with equal might. Because corruption is a fundamental ingredient to understanding organized crime and terrorism related risks. I am absolutely convinced that our exposures to drug trafficking and money laundering risks in our region were significantly affected by corruption. In fact, I believe that the problematic of corruption explains much of the penetration of organized crime in our continent. Terrorists have also taken advantage of this by engaging in criminal activity and thereby accessing resources to finance their operations and provide for their protection.

This is why we have placed such a strong emphasis in fighting corruption through our operational work (40% of our cases are corruption cases) and why we are addressing this problem through the AUDIF and other international initiatives. Intimately related with the effective fight against corruption is the need to preserve and protect the independence and autonomy of control agencies such as Financial Intelligence Units. FIU's should be able to conduct their work with objectives,

impartiality and undue political interference. The logics of politics is a different logic. You negotiate, you cut deals, you prioritize based on political objectives. The enforcement of the rule of law, and the work of those that contribute to enforcing the law, should never be compromised by such objectives.

Argentina has also taken leadership in this matter at the regional level, galvanizing support for its strategic objectives from its regional partners, and influencing the regional agenda through actions developed under its leading roles in relevant global and regional bodies; Argentina currently chairs the G-20, the WTO, the FATF and the FATF-style regional body for Latin America (Gafilat) and, as Head of Argentina's FIU, I currently chair the FATF's Forum of HoFIU, I co-chair, with our Canadian partners, the regional representation for the Americas at the Egmont Group, and I stand as Vice-Chair of the Egmont Group's Executive Committee.

We are grateful for the opportunities the world has given us to take these leading roles, and we have decided to put them at the service, not only of our country, but also of our region, working with our most trusted global partners in building a more stable, secure and transparent region, which goes hand in hand with helping our countries unleash their productive potential to achieve sustainable levels of growth with equitable and inclusive development.

As President Macri expressed it a few days ago, while taking over the Presidency of the G20, "we want to be the expression of our region, not just our country. This is why we want to bring forward the aspirations and concerns of this developing region, which is anxious for new opportunities".

Ladies and gentlemen, Robert, you can count on Argentina as a strong strategic partner in the fight against organized crime and terrorism, the protection of our financial system's integrity, the defense of democratic values and liberty, and the respect for the rule of law. We share these values with the United States and other nations of good will across the globe and we stand ready to defend and promote them, at home and abroad.



Mr. Mariano Federici, President of Argentina's Financial Intelligence Unit

## Appendix II: Trip Report and Mr. Hulsey's Recommendations



### UNITED STATES SPECIAL OPERATIONS COMMAND

7701 TAMPA POINT BOULEVARD  
MACDILL AIR FORCE BASE, FLORIDA 33621-5323

J36

4 Jan 2018

#### MEMORANDUM FOR RECORD

SUBJECT: Trip Report for the 2017 Regional Parliamentary Intelligence and Security Forum

1. **DATE AND LOCATION OF TRIP:** 19-22 November 2017, National Congress of Argentina, Buenos Aires, Argentina.
2. **INDIVIDUALS TRAVELING:** Mr. David Hulsey, Deputy J36, USSOCOM.
3. **PURPOSE OF TRIP:** At the invitation of US Representative Pittenger, Mr. Hulsey participated in a forum to build consensus on priority reforms in the areas of intelligence, financial security, cyber security, money laundering, and preventing terrorist finance.
4. **EXECUTIVE SUMMARY:** The objective of this international forum was enhance or develop cooperation within the regional Parliaments and Financial Intelligence Units (FIUs). Approximately 200 leaders and staff personnel from 17 countries participated in this forum. Several countries were represented by their Members of Parliament (MPs) and Directors of their FIUs, also in attendance was the President of Paraguay's Chief of Staff.
5. **KEY PERSONNEL COLLABORATED WITH:** Representative Pittenger, US Embassy personnel, US Treasury personnel, Members of Parliament (MPs) and Directors of FIUs of 17 nations.
6. **DISCUSSION:** This forum was conducted primarily in Spanish. Opening remarks were provided by Federico Pinedo (Provisional President of the Argentine Senate), Robert Pittenger (US Congressman and Chairman of the Congressional Task-force on Terrorism and Unconventional Warfare), and Mariano Federici (President of the Financial Intelligence Unit of Argentina).
  - A. The opening remarks were followed by the Panel Discussions with questions and answers.
    - 1) Panel I: International Policy Priorities in the Field of Anti-Money Laundering and Counter Terrorist Finance.
    - 2) Panel II: Legislative Trends and Priorities to Enhance Security and Intelligence Capabilities.
    - 3) Panel III: Operational Needs in the Fight Against Organized Crime and Terrorism.

4) Panel IV: Public-Private Intelligence and Security Partnerships.

B. Mr. Hulsey participated in Panel III and provided an unclassified overview of activities within the region (transnational organized crime, drug and weapon smuggling, and supply chain/trade-based money laundering also being used in the regions' Free Trade Zones). Additionally provided the recommendations:

1) Establishment of Regional Task Forces against Transnational Organized Crime and Terrorism where the participating members (national and regional) can quickly and securely share pertinent information. The laws, regulations, and procedures must allow/ensure the sharing of pertinent information. Additionally, recommended linking the Regional Task Forces to provide greater impacts against TOC.

For example, establishing a Regional Task Forces in the Southern Cone and Northern Andes of South America. Sharing the information and other data with each other as well as the Regional Task Force that is operational in Central America (Panama) for coordinated and combined operations against the terrorist and transnational organized criminal networks that operate with the countries and across their borders.

2) The development of legislation against all aspects of money laundering that have severe penalties that would deter the criminal activities. This includes a "know your customer (KYC)" requirements.

3) Reporting procedures and regulations for banks to follow.

4) Development of training and certification for the banks' compliancy team employees.

**7. FUTURE ACTION OR RECOMMENDATIONS:** This informative event at the regional level has strategic implications and has the potential of having great impacts among the continents' willing partners. Recommend supporting future follow-on events. Additionally, it is important that like events occur in the worlds' other regions drawing upon all nations, even if the United States is not designated or highlighted as a lead, in order to defeat terrorism and illicit finance.



DAVID L. HULSEY  
D-J36 Trans National Threats