



Trade Based Money Laundering

2011 Mid-Atlantic Anti-Money Laundering Conference

Brown Brothers Harriman Overview

- Founded in 1818, Brown Brothers Harriman is a globally diversified financial services company, concentrating on three main businesses
 - Investor Services
 - Investment & Wealth Management
 - Banking & Advisory
- Irish Shipping Merchants
- Created the first US Letters of Credit
- Created the Bankers Acceptance
- Created a strong AML Program



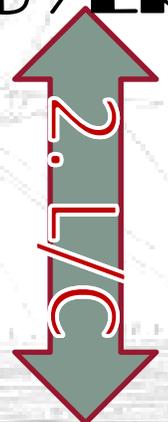
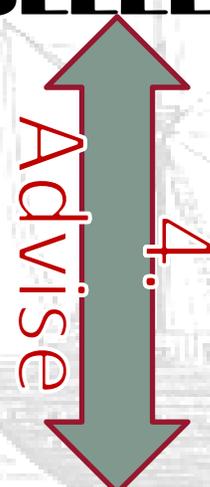
Basic Letter of Credit Structure



SELLER



BUYER



Advising bank

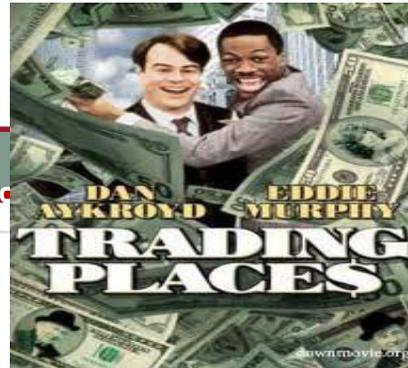


Issuing bank

Introducing the Commodity Broker



SELLER



BUYER

Advise

4.

2. L/C

3. Doc Credit



Advising bank



Issuing bank

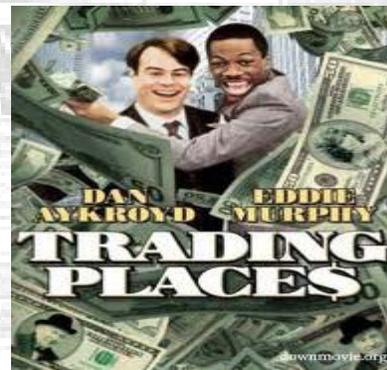
Settlement of Goods Away from the Bank



SELLER



BUYER

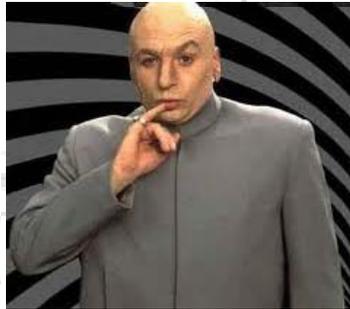


COMMODITY BROKER

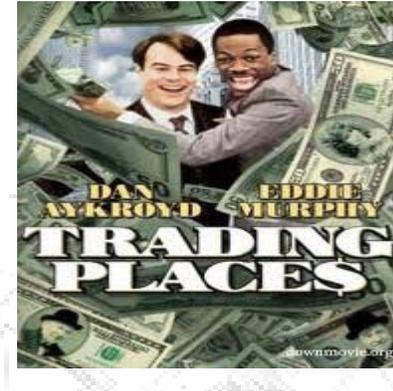
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Bank Surveillance: The Space Agent?

Seller Ships
Goods



Goods are
Delivered



Broker
Finds Space
on Ship



Comm.
Merchant
Pays Broker
Excessive
Fees

“ If we look round here, we find that those persons who have kept steadily to one pursuit are far the richest men, & those who are interested with one & another in different pursuits, no matter how profitable they may be or appear to be at first, are always ruined sooner or later. ”

In a letter from James Brown 1819