



Precious Metals News

A Publication of the International Precious Metals Institute
(850) 476-1156 • Fax (850) 476-1548 • E-mail: mail@ipmi.org • www.ipmi.org

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Security Council Meeting Held for 2017

The Security Council held its annual meeting Feb 28-Mar 1, at the Hilton Ft. Lauderdale Marina Hotel. There was a great turnout of 44 delegates from across the industry. We want to thank the four (4) sponsors of the meeting: CNT / Gannon & Scott / Loomis / Republic Metals. Their sponsorship of the Welcome Meet & Greet reception, Breakfast, Coffee breaks & Lunch, were enjoyed by all.

Steve Crogan, Chair of the Security Council, did a great job assembling an extremely interesting & diverse program. Presentations & presenters included: "Precious Metals Controls, the Last Link in Your Security System", Larry Drummond, President, Metalor / "A Security Update on Armored Logistics & Facilities", Ben Van Kerkwijk, VP Commodities, Brinks Global Commodities / "An Industry Perspective & Countermeasures for Detecting Counterfeit Minted Coins", Jon Potts, President, FideliTrade / "International Cargo Theft

& Security in the World of Social Media", Brian Abbott, AVSEC, LLC / "Cyber Security Countermeasures", Kekin Shah, President, Shanix Technology / "Threats Posed By Employee Use of Social Media", David Strul, Republic Metals. And Steve Crogan, Blue Water Risk Management & Mike Riess, Materials Management Corp, conducted a very informative session for the Anti Money Laundering Working Group.

The Security Council is planning one or two sessions at the June Annual Conference. One will be a panel discussion/workshop on how to properly package your precious metals materials for shipment: whether small quantity items like coins, small bars or small amounts of high value scrap, to large bulk shipments of bars or other bulk precious metals materials. There are plans to also have a separate Security technical session as well. See you in June!





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High Grade PM Lab Team Changes at Inspectorate America Corp., Sparks, NV

Inspectorate America Corporation (Bureau Veritas Commodities Division) is pleased to announce changes within our Sparks, NV High Grade Precious Metals Laboratory team. Continuing in our commitment of customer focus and quality we welcome to our team Thomas Gilbert and Jorn Olsen.

Thomas Gilbert has been named as Group Laboratory Manager tasked with overview of our Minerals Laboratories in North America. With over 30 years of experience in assaying, Tom's career spans managing In-House Laboratories and Process Development for Precious Metals Refiners, Recyclers, and Mine Site Production Labs. Tom's focus is on education which has been key to his success in past development projects and team building. Tom has earned degrees in Metallurgy from Great Basin College and Business Management from the University of Nevada. In addition he maintains memberships in the American Chemical Society, Canadian Mineral Analysts, Society of Mineral Analysts and the Society for Mining, Metallurgy, and Exploration.

Jorn Olsen has joined as Laboratory Quality Manager and brings with him over 10 years of experience in Quality Development and Improvement as well as Supervision of High Volume Production Laboratories. His background in mine site production labs encompasses a wide range of minerals from Gold and Silver to Potash with roles supporting method development, ISO implementation, and capital project development. Jorn has been certified by the American Chemical Society and earned his Bachelor of Science in Professional Chemistry from Utah State University.

Tom and Jorn join an enthusiastic team committed to quality and customer focus and we look forward to the depth of experience they bring to Inspectorate.

Inspectorate is a globally positioned Inspection and Assaying firm with key offices and laboratories serving the Precious Metals industry in the United States, United Kingdom, and China. With a network of inspectors at Precious Metals Refiners, International Ports and Warehouses where sampling and trade occur, Inspectorate is always prepared to protect our customers. Our internationally recognized laboratories provide Primary Analysis for the settlement of commercial transactions as well as Umpire Analysis accepted by all of the major Precious Metals Refiners worldwide.



Thomas Gilbert



Jorn Olsen





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All PM enquiries, please contact Mr. Andy Smith E: andy.smith@alexstewartinternational.com

www.alexstewartinternational.com

Major Banks Press For AML Reforms

by Mike Riess

Last week, The Clearing House published its wish list of AML reforms. Timing coincides with the new administration's regulatory reform initiatives. FinCEN's and the Administration's response could revolutionize the whole AML structure. The Clearing House is a 160 year old advocacy group of the world's biggest banks. Its paper is called: *A New Paradigm: Redesigning the U.S. AML/CFT Framework to Protect National Security and Aid Law Enforcement.*

The recommendations signal a joint lobbying effort by the major banks. The issues are contentious and are already finding resistance. Here is a summary of the major points: (Parts in blue are objections already being raised. Parts in italics are MMC's explanations.)

1. The Department of Treasury, through its Office of Terrorism and Financial Intelligence (TFI), should take a more prominent role in coordinating AML/CFT policy across the government. *Both FinCEN and OFAC report to TFI. FinCEN is an independent bureau; OFAC is an office within Treasury.*

AML/CFT are law enforcement and national security issues. As such, law enforcement agencies with prosecutors and guns will always play a dominant role.

2. FinCEN should reclaim sole supervisory responsibility for large, multinational financial institutions that present complex supervisory issues; *The banks suggest the examiners that supervise them are concerned with safety and soundness at the expense of FinCEN's AML public safety obligations. The paper says the examiners want to push the very people out of the system that FinCEN wants included in order to monitor them. The banks feel that if FinCEN reclaims bank-supervisory responsibility for AML-related matters, the banks would be able to focus on their AML/CFT obligations without being conflicted by safety and soundness requirements. This would also permit the banks to provide banking services to underbanked businesses and countries and to stop de-risking MSBs, correspondent banks, and smaller dealers in precious metals and stones.*

FinCEN gave up direct supervisory responsibility to the bank supervisors and enforcement agencies almost as soon as it got it. "Reclamation" would meet with resistance because it is unclear whether FinCEN has the capability to do the job. Supervisors have statutory authority and Congress has exercised close supervision. This could be an effort by banks to swap a strong regulator for a weaker one.

3. Treasury/TFI/FinCEN should establish a robust and inclusive annual process to establish AML/CFT priorities;

FinCEN says it has always done just that, although this is sometimes disputed. De facto, priorities are set by law enforcement and by the national security agencies because they have the statutory authority and resources.

4. Congress should enact legislation, already pending in various forms, that requires the reporting of beneficial owner information at the time of incorporation, preventing the establishment of anonymous companies; *Department of Treasury failed in getting the last Congress to enact such a law to support FinCEN's 2016 Final Rule on Beneficial Ownership and Risk-Based Customer Due diligence. It will probably try again with the 115th Congress.*

This proposal might well fail again. It calls for Federal intrusion into an area historically reserved for States. It would be a fundamental cultural change to have companies, especially partnerships and closely held businesses (such as many precious metals companies) reveal that information to anyone. It would have far reaching consequences that would impact tax issues, environmental issues, contract law, family law, etc. The need has not been demonstrated that such information is truly necessary on a routine basis. And the recommendations ignore the impact on other areas of law, as though they are irrelevant.

5. Treasury TFI should strongly encourage innovation, and FinCEN should propose a safe harbor rule allowing financial institutions to innovate in an FIU "sandbox" without fear of examiner sanction;

FinCEN says it already does this

6. Policymakers should incentivize banks to work on investigations and reporting of activity of high law enforcement or national security consequence;

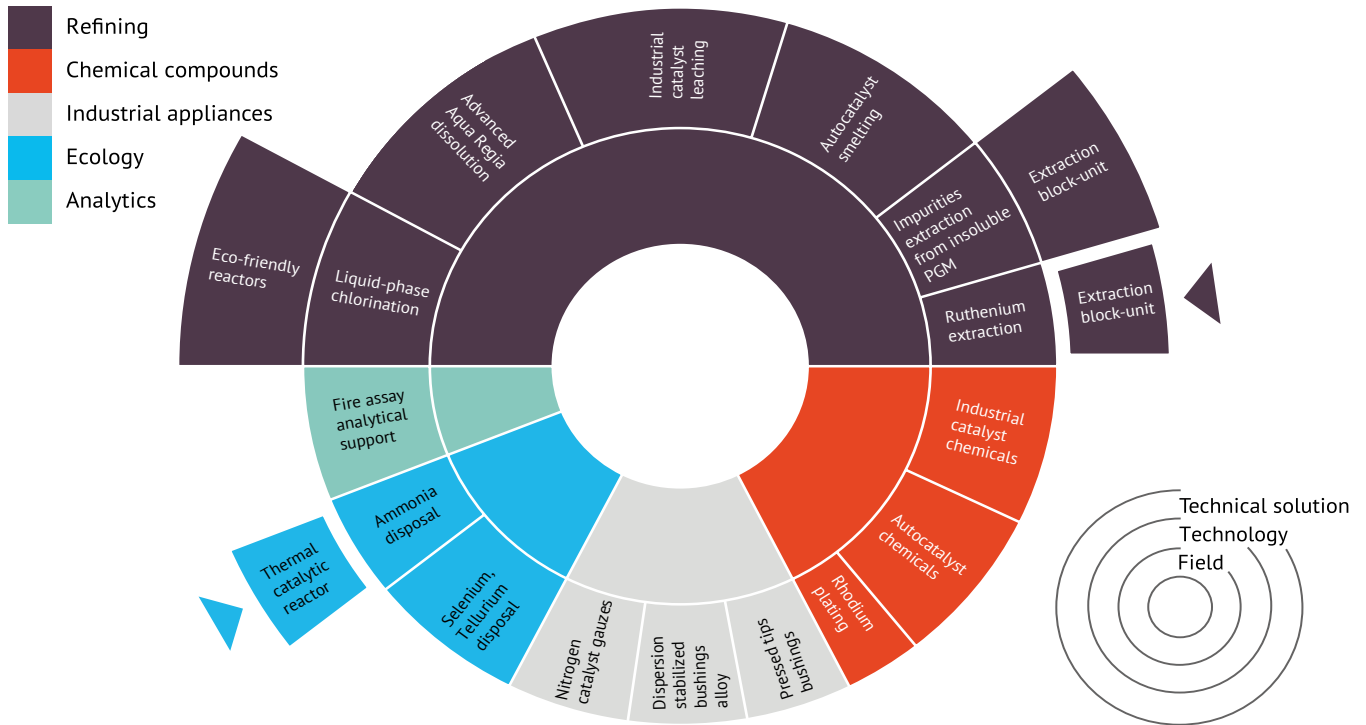
FinCEN says that it already does this.

7. Policymakers should further facilitate the flow of raw data from financial institutions to law enforcement to assist with the modernization of the current AML/CFT technological paradigm; *This might be the most significant recommendation. Instead of each bank applying its own standards and discretion for sending Suspicious Activity Reports, banks would send raw data. FinCEN would use data-mining technology to determine areas and items of interest.*

Feasibility is questionable from both the banks' and FinCEN's standpoints. Banks have a wide variety of backroom systems, from rudimentary spreadsheets used by small credit unions to mainframe

[continued on page 7](#)

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THERMAL CATALYTIC REACTOR

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Two-layer catalysts FeO + AlV



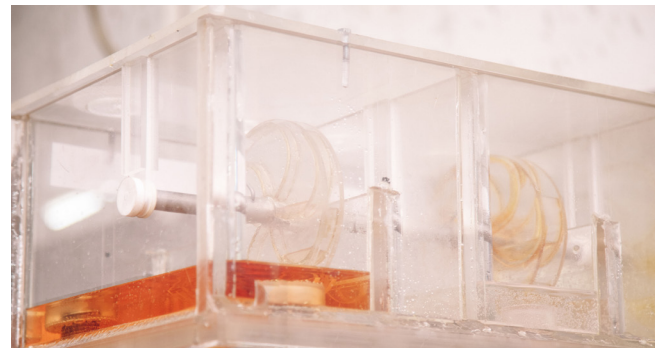
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Harmless products N + H2O



NH2 conversion up to 99%



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Re-extraction with Na2CO3



Increased selectivity



Stabilized acid-alkaline balance



Increased direct ruthenium recovery

AML Advisor continued from page 5

and distributed computing systems used by the large banks. Although FinCEN's computer capabilities were upgraded in 2015, it is unclear whether it can adopt this technology. FinCEN collects some information in machine readable format and could likely do more—but not that much more. FinCEN does not necessarily know the cases on which law enforcement is working, so it will be unable to target information. It would require massive cultural and personnel changes, as well as significant funding.

8. Regulatory or statutory changes should be made to the safe harbor provision in the USA PATRIOT Act (Section 314(b)) to further encourage information sharing among financial institutions and the potential use of utilities to allow for more robust analysis of data;

This is a plea for a criminal safe harbor that is unlikely to be enacted

9. Policymakers should enhance the legal certainty regarding the use and disclosure of SARs.

Limits law enforcement and prosecutors and likely to be resisted.

For the complete text, please go to: https://www.theclearinghouse.org/~media/TCH/Documents/TCH%20WEEKLY/2017/20170216_TCH_Report_AML_CFT_Framework_Re-design.pdf



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IPMI 41st Annual Conference Registration is open! It's online and easy! Go to our website, www.ipmi.org and follow the prompts on the homepage to get yourself registered for the June 10-13 Conference in Orlando. It only takes minutes and registrants will receive an automatic confirmation!

To get the member early bird rate, members must first **sign-in** to their profile. See below. All current IPMI members have a profile and their user name and password was emailed last month. If you are unsure of your membership status or have misplaced the email call IPMI 850-476-1156.

Non members and those not current on their dues must register as a **guest** and pay the non member rate.

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[Next](#)

Then follow the prompts for easy registration. Don't forget to sign up for the banquet and Jeff Christian's Seminar too! Both are "drop down" add-ons when registering.

We look forward to seeing you in June in Orlando!

IPMI Launches New Website!

There's lots of new and exciting changes going on at IPMI Headquarters. Have you noticed our new website? A sleek modern homepage that allows members to: go into their profiles and update changes, search for other members, and register for conferences and events. IPMI staff are working diligently to add features to this new website.

Did you get your **Media Kit** in your email? Now instead of varying order forms for IPMI's publications you can order your years' worth of advertising in one form. If you did not receive it, call or email IPMI headquarters to receive your copy.

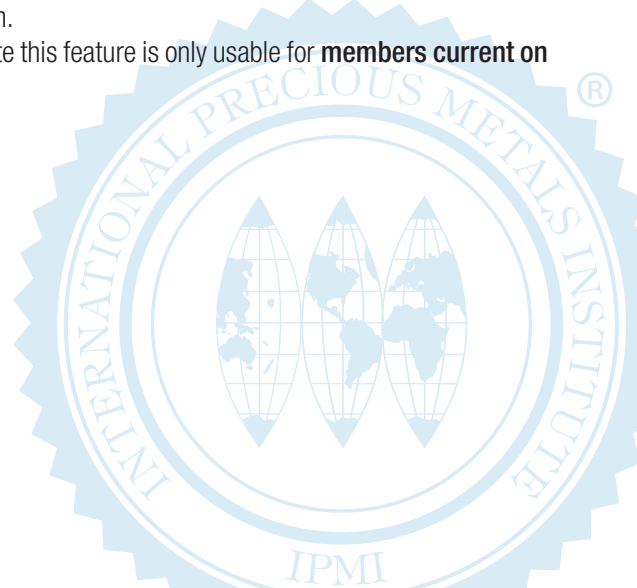


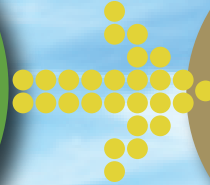
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IPMI® Calendar

2017	May 17	Europe Chapter Wine Tasting • London, UK
	June 10-13	41 st Annual Conference • JW Marriott Grande Lakes, Orlando FL
	Sept 14	5 th Annual IPMI Platinum Dinner • New York Palace Hotel, New York NY
2018	June 9-12	42 nd Annual Conference • JW Marriott San Antonio Hill Country, San Antonio TX
	Sept 13	6 th Annual IPMI Platinum Dinner • New York Palace Hotel, New York NY

