

Colombia cracks down on cash smuggling

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BOGOTÁ – For Colombian police, detecting travelers smuggling drugs to the United States and Europe has become routine.

But now they are turning their attention to travelers coming into Colombia, not with drugs but with hundreds of thousands of dollars and euros, believed to be profits from the illegal drug trade.

Last week, police at Bogotá's international airport nabbed a man arriving on a flight from Mexico who had strapped \$748,000 in crisp \$100 bills to his body inside a form-fitting Lycra girdle.

It's part of a new trend known as bulk cash smuggling, and may signal growing difficulties drug traffickers have in laundering their proceeds from the US and Europe, where regulatory agencies have tightened controls on large-scale money transfers, according to the US embassy in Bogotá. Colombia, too, has in recent years imposed strict regulations on cash remittances from Colombians abroad, which last year totaled \$4.1 billion, according to the Inter-American Development Bank.

"With increased scrutiny of wire transfers from bank to bank, [wiring illegal drug proceeds] appears to be a less preferable method than in prior years," said a US embassy official on condition of anonymity. "Based on [the number of bulk cash] seizures outside of Colombia, we would expect to see increased seizures both within and outside Colombia's borders as organizations continue to smuggle large quantities of cash."

Including last week's catch, Colombian authorities this year have so far confiscated \$12.1 million in dollars and euros illegally brought into the country through international airports, according to Colombia's Customs Police. That figure is up 67 percent from last year and most of it is suspected to be profits from drug sales.

"When we're talking about people trying to smuggle in hundreds of thousands of dollars at a time it is highly likely that the cash is the product of drug trafficking or some other illegal activity," said Col. Orlando Pineda, director of the Customs Police.

Following the money

The vast majority of the cash caught in Colombia comes from Europe, in particular Spain, where there is a large Colombian immigrant community. Mexico, a weigh station for Colombian drugs on their way to the United States, is also a major source of concealed cash.

The US Drug Enforcement Administration (DEA) estimates that anywhere from \$3.2 billion to \$7.2 billion in wholesale drug profits are transported out of the US every year to Mexico and Colombia. Bulk cash seizures in fiscal 2005 totaled \$407 million in the US alone, a 28 percent increase over the \$317 million seized the year before, according to the DEA.

The US Treasury Department's Financial Crimes Enforcement Network, in an advisory issued in April, warned of a "dramatic increase in the smuggling of bulk cash proceeds from the sale of narcotics and other criminal activities from the US into Mexico." Once in Mexico, the advisory states, it is often transported to other countries, including Colombia.

Last year, agents inside the cargo area at Mexico City's airport discovered nearly \$7.8 million in cash inside four boxes scheduled to be loaded aboard a flight to Colombia. On Tuesday, Mexican authorities said they had seized nearly \$1 million hidden inside a hydraulic cylinder that was expected to be flown to Colombia.

"Recent high-value cash seizures in Mexico and Panama, which were bound for Colombia, show that the organizations have large amounts of cash, which need to be repatriated to the owners, located in Colombia," says the US embassy official.

How police detect cash smugglers

Just as with cocaine and heroin being shipped out of the country, Colombian police rely heavily on specially trained dogs that detect the particular odor of the inks and paper of dollars and euros to reveal secret cash coming in. And police are constantly on the lookout for jittery travelers who look like they have something to hide.

Those detection methods have helped find cash stashed inside bowling balls and wax candles, shampoo bottles, the soles of shoes, and stuffed inside a television.

"They try to get it into the country any way they can," said Mr. Pineda.

The single largest catch of illegal cash came in May when police captured a man coming in from Mexico with \$950,000 strapped to his body and stuffed in the false bottoms of his luggage packed in shrink-wrap and carbon paper to avoid detection by x-ray machines.

As in the US, Colombian legislation allows travelers to bring up to \$10,000 in cash, without having to declare it. But while in the US, concealing more than that amount to transport it in or out of the country is a crime punishable by up to 5 years in prison, in Colombia it is not a jailable offense.

Unless the person with the cash is wanted on other charges, he or she goes free, forfeiting the cash unless they can prove its legal origins. Few of those who are caught can do that, says Mr. Pineda.

Though such seizures clearly hurt the trafficking organizations, they just factor in those losses as "the cost of doing business," Mr. McKenna says. "If you try to send \$3 million and one million gets seized, you're still ahead."