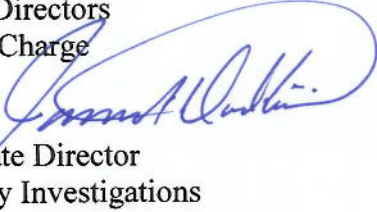




Homeland
Security

DEC 20 2010

MEMORANDUM FOR: Assistant Directors
Deputy Assistant Directors
Special Agents in Charge

FROM: James A. Dinkins 
Executive Associate Director
Homeland Security Investigations

SUBJECT: Executive Associate Director's Annual Cornerstone Award

The Homeland Security Investigations (HSI) Executive Associate Director's (EAD's) Annual Cornerstone Award is a way to recognize the Special Agent in Charge (SAC) office that make the most significant contributions to identifying vulnerabilities in U.S. financial systems through outreach events, intelligence collection, investigations, seizures, and criminal prosecutions. The Cornerstone outreach initiative was launched in July 2003 to systematically and strategically identify vulnerabilities in financial systems through which criminals launder their illicit proceeds.

This new award was initiated in Fiscal Year (FY) 2009 and likely contributed to some impressive improvements in outreach activity for FY 2010. Over the last seven years, both Cornerstone Outreach Initiative representatives in the field and at HSI Headquarters have educated over 177,000 private sector employees from the financial, trade, and retail sectors about HSI's investigative authorities and HSI's efforts to combat illicit finance through interagency coordination, domestic investigations and operations, foreign training/technical assistance, and international operations. Red flag indicators of suspicious financial transactions have been shared with these sectors to help them focus on identifying and addressing a comprehensive and exhaustive list of vulnerabilities and loopholes that may be exploited by individuals and criminal enterprises. From FY 2009 to FY 2010, there was a 40% increase in the number of presentations that were given by field representative reaching 35% more private sector employees from the previous year. This outreach activity helps HSI and the financial, trade, and retail sectors address vulnerabilities *before* they are exploited. Additionally, the information shared greatly increases the chances of identifying important criminal associates, assets derived from illicit proceeds, and means and manners criminals are using to *earn, move, and store* their ill gotten gains.

I am pleased to announce that the winner of the HSI EAD's Annual Cornerstone Award for FY 2010 is SAC New York. This office's efforts to identify ways in which criminals earn, move,

and store illicit proceeds have resulted in significant arrests, indictments, and seizures. These efforts greatly enhance HSI's ability to identify, dismantle, and disrupt the financial criminal enterprises that threaten our nation's economy and security. In FY 2010, SAC New York personnel actively reached out to the U.S. financial sector and shared HSI success stories and red flag indicators of possible criminal activity with over 3,500 individuals from the private sector. Additionally, SAC New York personnel made significant contributions to combating financial crimes by seizing nearly \$27 million in suspected criminal proceeds. SAC New York also took the lead in the number of arrests by arresting 177 individuals for violations related to money laundering statutes.

Overall, HSI's ability to conduct comprehensive financial investigations is integral to our mission of protecting the homeland by shutting down criminal organizations that seek to exploit our nation's financial infrastructure. In FY 2010, HSI special agents initiated over 3,800 financial investigations and arrested 1,562 individuals for committing some type of financial crime. Additionally, 1,034 individuals were indicted, 773 individuals were convicted, and HSI seized over \$226.6 million in illicit proceeds, assets, and properties linked to financial crimes through the forfeiture provisions of 18 USC §§ 981 and 982. These numbers are impressive and underline the importance of the Cornerstone Outreach Initiative, which directly impacts criminal organizations as a whole by targeting the methods by which these organizations *move* and launder money to support their illegal activity. HSI has identified a multitude of methods to hide, move, and store illicit proceeds associated with illegal activity, including financial institutions, money services businesses, bulk cash smuggling, etc. Seizing the funds that motivate and amplify the problems associated with these organizations will continue to be a high priority for HSI.

The Headquarters points of contact for the HSI EAD's Annual Cornerstone Award within the Illicit Finance and Proceeds of Crime Unit (IFPCU) are Section Chief (b) (6), (b) (7)(C) (202-732-(b) (6), (b) (7)(C) @dhs.gov) and Unit Chief (b) (6), (b) (7)(C) (202-732-(b) (6), (b) (7)(C) (b) (6), (b) (7)(C) @dhs.gov).