

customers and are protected from civil liability should they see fit to report suspicious transactions. What they are not required to do is of much greater relevance, according to German. The law does not provide for adequate auditing of financial institutions and, more importantly, does not make it mandatory for financial institutions to report suspicious transactions. Although some banks and trust companies in Canada do report, German lamented that the RCMP hears nothing from most financial institutions.

German stated that Canada's record on money laundering sits in stark contrast to that of Australia and the United States. For example, AUSTRAC, the Australian agency which tracks the movement of money into that country and which nightly downloads copies of all wire transfers into and out of Australia, is able to tell Canada more about the movement of Canadian money in Asia Pacific than Canadians know ourselves. AUSTRAC receives 90 % of its data electronically and thus developed computerized methods for detecting possible suspicious transactions. Similarly, FINCEN, the financial tracking agency in the United States, can tell Canada more about the movement of money into and out of Canada from the United States than we could dream of learning ourselves. Similarly, the US Customs computer tracking system is a valuable tool which can tell Canada which Canadian residents have moved money across the border.

With Canada's closest allies so far ahead of Canada in tracking potentially illegal trans-national capital flows, German advocated the mandatory reporting of international movements of not only cash but also wire transfers. German calls for Canada to come to grips with the impact of instant communications and the substitution of electronic pulses for paper dollars.

Combining the speed of communications with advances in reproductive technology, credit card fraud through forgeries has become astronomic. German admitted that because the replicate credit cards are almost undetectable, police are highly frustrated. Another type of criminal activity assisted by IT through the Internet and, in particular, computer bulletin boards, are serving as vehicles for the dissemination of the latest illegal methods of committing every possible crime. As an example of the challenge to national police forces, German noted that to unravel a transaction which can take two minutes to complete by fax, phone, wire, or computer, may require a year of leg work, stymied at every corner by privacy laws and the need for search warrants.

Compounding the foregoing problems, noted Mr. German, is the incompatibility of different national legal systems (that is, evidence codes vary from country to country, secrecy laws encumber many searches for documentation, and confidentiality is an implied term of the bank-customer relationship). Thus there is a need for an international evidence code alive to the realities of a paperless financial world and different legal systems, is crucial according to German. Since 1990 Canada has entered into mutual legal assistance treaties concerning criminal matters with numerous countries. To say the least, they are a giant step forward from the earlier reliance on the comity of nations. German added that there is also a resource-level problem at the national level since provinces and municipalities do not