
Use of client trust funds - money laundering

Posted by Samantha - 2007/08/16 02:42

I have a client who has left proceeds in my client trust account. This client wants me to use the monies to pay some of his bills. This smells like money laundering. Any thoughts?

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Re:Use of client trust funds - money laundering

Posted by Jacob - 2007/08/17 02:09

Money launderers frequently use various lawyers to help them launder monies. They do this because they will also be protected by the confidentiality of the lawyer/client relationship.

There is also an increasing reliance in offshore centres on brokers and agents to generate customers, to act as intermediaries in establishing accounts, trusts, and the like, and to act as an additional layer of insulation and confidentiality.

Accountants, lawyers and private bankers are often used as professional launderers who, while offering money-laundering services to a wide range of criminals, are adept at not asking questions that would require them to refuse business or even to report their clients or potential clients to the authorities. They are aware that those who fail to comply with professional "best standards" might be liable under the "want of probity" principle.

I recommend that you only use your client trust account proceeds for legal related fees. All other expenses should be paid directly by the client. Attorneys need to cover their butt so that they are not dragged into the clients illegal activity.B)

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