

# **SOME PIGS MONEY LAUNDERERS ARE MORE EQUAL THAN OTHER PIGS MONEY LAUNDERERS**

Treasury is going to ratchet up sanctions against Iran today, designating it as a primary money laundering concern.

The Treasury Department plans to designate Iran as an area of “primary money laundering concern” on Monday, a U.S. official said, a move allowing it to take steps to further isolate the Iranian financial sector.

[snip]

The decision – which the official said was to be announced by Secretary of State Hillary Clinton and Treasury Secretary Timothy Geithner on Monday – appeared designed as a warning about the risks of dealing with Iran’s financial institutions.

Maybe if the government would actually punish those who traded with Iran–like JP Morgan Chase–rather than imposing fines but then funneling them more money than the fines, it would have an effect on entities dealing with Iran’s financial institutions?

More importantly, the Treasury Department must think “money launderer” means something different than I understand it to mean. Because these guys are still operating as a favored financial jurisdiction for Americans and American companies.

A small group of Cayman Islands “jumbo directors” are sitting on the boards of hundreds of hedge funds as demand for

independent directors booms in the Caribbean tax haven.

At least four individuals hold more than 100 non-executive directorships each, and 14 have more than 70 – each worth as much as \$30,000 a year.

One has been listed as on the boards of 567 Cayman entities, almost all of which were hedge funds.

So long as we allow Cayman Islands and the hedgies to set up a kind of dangerous hybrid, where the hedgies themselves get to make sure the Cayman banks operate “ethically” as they launder the hedgies money, whatever concern we try to muster about Iran will ring false.

But I guess that’s increasingly par for the course.