

**AMERICAN BAR ASSOCIATION
GOVERNMENTAL AFFAIRS OFFICE**

**740 15th Street, NW
Washington, DC 20005
Phone: 202-662-1760
Fax: 202-662-1762**

TO: _____ ED KRAILAND

FAX: _____ 429-3902

PHONE:

**FROM: Kevin Driscoll
Senior Legislative Counsel
Phone: 202/662-1766**

DATE: _____ 5/6

NUMBER OF PAGES (INCLUDING COVER SHEET): 3

MESSAGE: _____ Response received to our mailing from DOJ.

**U. S. Department of Justice****Office of Intergovernmental and Public Liaison**

950 Pennsylvania Avenue, N.W., Room 1629
Washington, D.C. 20530

(202) 514-3465

April 29, 2003

Mr. Alfred P. Carlton, Jr.
President
American Bar Association
740 15th Street, NW
Washington, DC 20005

Dear Mr. Carlton:

Thank you very much for your letter of March 6, 2003, on behalf of the American Bar Association, regarding the activities of the Financial Action Task Force (FATF), particularly as they relate to its examination of the role lawyers and other professionals play, knowingly or otherwise, in allowing money launderers and terrorist financiers access to the global financial system.

As I am sure you know, FATF addresses a variety of anti-money laundering and terrorist financing issues in an attempt to describe the best practices of law enforcement and financial regulators. Its examination of lawyers, accountants and other professionals is part of that process. I understand that Criminal Division attorneys have been consulting extensively with an ABA Task Force on the subject.

I am heartened by your statement that attorneys ought to do a reasonable amount of due diligence of a client's business before engaging in financial transactions that pose a risk of money laundering. In the Department's view, every lawyer has the ethical and legal obligation to ensure that he or she is not being used to launder criminal funds or to further other types of criminal activity.

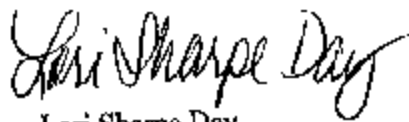
Although the work of FATF in crafting new recommendations is not complete, we believe that the ultimate recommendations for reporting suspicious financial transactions will be appropriately narrow in scope. We are taking great care to ensure that information obtained in the course of ascertaining the legal position of a client, giving legal advice, or when performing

Mr. Alfred P. Carlton, Jr.
President
Page 2

the task of representing a client in or concerning judicial proceedings will remain protected by the appropriate attorney-client privilege.

We appreciate the work that your task force has done in consulting with the Department, and I believe that the ultimate government position will be one that protects the attorney-client relationship while at the same time insures that attorneys are not unwittingly used to further criminal activity.

Sincerely,



Lori Sharpe Day
Director and Advisor
to the Attorney General