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## Get Your Assets Out of the U. S. NOW

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by Ezekiel

Don't think you're the only one who is worried about where the United States is headed. Listen to this guy:

America ... [is going] down the tubes, and the worst part is nobody knows it. They're all in denial, patting themselves on the back, as the Titanic heads for the iceberg full speed ahead.

No one can claim the person who said this is a nut or a radical either. He's Andy Grove, the man who built one of America's great New Economy companies--Intel--as quoted by mainstream journalist Fareed Zakaria in the current issue of *Newsweek*. When people like Andy Grove are ready to tell the whole world that the United States is headed "down the tubes," it's time to act so you can protect yourself and your family.

I wrote a few days ago that "[Americans Should Be Packing Their Bags NOW](#)," and many readers have responded by asking what steps they need to take in order to leave the increasingly oppressive United States.

One of the first things you must do is to begin moving your assets to a safe place where you can access them to finance your relocation. Many people mistakenly believe that they can decide to leave the U. S. one day and walk down to their bank the next, withdraw their life savings, and hop on a plane to some exotic tropical locale.

It doesn't work that way. The federal government has installed several barriers to make it difficult for you to gain real control of your assets and move them out of the country, and they require your banker, your stock broker, even your local Western Union office to cooperate with them. Moving assets takes informing yourself about the basics of the Bank Secrecy Act, Customs law and the Patriot Act as it applies to financial transactions. It takes planning. And it takes time. Those who start now should be able to liquidate, assemble their assets and move them abroad, but those who wait may find that the federal government has used the mechanisms already at its disposal to do what countries in similar circumstances have always done: shut off the flood of money "fleeing" the country because of financial panic or a political crackdown.

There are three stages involved in taking your assets currently in the U. S. and getting them safely and securely in a foreign account where you have access to them. At each step, there are obstacles created by the long, long arm of the federal government and American banking practice. Here's how you can navigate successfully through these difficulties so that you can use what you've built up through the years to finance your new life.

### Establishing a Foreign Account

Have you ever heard of the Egmont Group? It's neither a consulting firm nor a real estate development company but an international organization created to improve the ability of governments to track the movement of money. In 1995, the Financial Intelligence Units (FIUs) of several nations, including the U. S., met in Egmont Palace in Brussels to devise a strategy to improve the scope and quality of the sharing of information about financial transactions.

The Egmont Group now includes 101 countries organized by region to facilitate information sharing about illegal and "unusual" financial transactions. (We'll learn more about "unusual"



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below.) This information sharing is done without any need for a court order.

Such information sharing is only as useful as the volume and quality of data collected by each of the participants. If banks in foreign countries allow so-called "anonymous banking" that requires customers to disclose little or no information about themselves, then the Egmont Group folks won't have much information to share, so another international organization, the OECD, has been crusading for countries to enact laws that require banks to collect information on customers more in line with U. S. regulations under the Patriot Act.

The Organization for Economic Cooperation and Development (OECD) in a previous incarnation helped implement the Marshall Plan, but now its role includes attacking bank secrecy and any other impediments to sharing information about international financial transactions with the United States. The OECD and its offshoot, the Financial Action Task Force, have been pressuring countries that have "anonymous banking" or that resist transmitting information to U. S. tax authorities to revise their laws or face sanctions. Remember Steve McQueen in the Thomas Crown Affair dumping satchels full of cash off at a Swiss bank without ever giving his name? The numbered Swiss bank account is extinct. Ever heard of the Austrian passbook account for which only possession of the passbook and knowledge of a password was necessary to deposit and withdraw money? It's gone after several years of FATF pressure. Been exposed to the Internet ads for offshore Caribbean banks where you could maintain accounts in privacy? Antigua and Barbuda had banking privacy laws that did require banks to collect customers' identifying information and allowed for its disclosure under a court order EXCEPT for purposes of tax investigation or collection. The U. S. and U. K. issued "Financial Advisories" against their banks, thus isolating them from the bulk of the financial world. Antigua and Barbuda changed their laws.

The American government has also put pressure on private banks directly to increase the amount of information they collect on new customers. Foreign banks that agree to collect and share information on their U. S. customers receive "Qualified Intermediary" (QI) status from the Treasury Department that gives them regulatory advantages and greater access to American financial markets. Banks in former "tax havens" in Central America and the Caribbean have been particular targets. One financial advisor describes how the situation has changed in the Cayman Islands:

It's a different world than it was ten years ago. They want references from you and letters from your bank. They want to know how you made your money.

The result is that emigrees will find it necessary to complete intrusive forms to even establish an account in many places. An emigrant's new bank will be providing his old one with information about his new location and account. That's assuming, of course, that the new bank will even accept the deposit until the new arrival gets a local street address or perhaps even establishes residency depending upon local law.

(There are exceptions, but these are not well publicized, and for a good reason. As soon as U. S. money begins heading to this or that country because of less intrusive banking laws and practices, the Egmont Group and the OECD will be putting the heat on and eliminating that refuge.)

The best way to cope with these restrictions is to allow yourself adequate time. First, do some research about banks either in the country where you intend to reside or perhaps in a neighboring nation. Any foreign bank of significant size will have a website, often with an English version, that you can peruse to determine exactly what the terms and conditions are for non-resident accounts. You may want to establish two accounts: one for the currency of that nation and another for foreign currencies like dollars. Make sure you get an ATM card to access the account as well. Then plan a trip to set up the account. While there are still some foreign banks that will allow you to open an account online, I prefer doing business face-to-face. Go and fill out their forms. Answer their questions. Be friendly. Make sure that you can add funds to the account without having to attain additional permission, and get all the data necessary to transfer money to your account by wire. Then go back home to begin the second and third phases of getting your money abroad.

### **Getting Your Money Into Your Own Hands**

Getting YOUR money out of YOUR bank is not as easy as you might think.

Here's the way the Treasury Department, banks and credit card companies would like for things to be. Once every two weeks, your employer directly deposits your paycheck into your bank account. Every month, you send payments in roughly the same amount to your creditors. Once a week, you go crazy and withdraw \$100 from the ATM to go out to dinner and see a movie. Every few days, you stop by the supermarket or gas station and use a

credit or cash card to pay for what you buy. Same pattern, day after day, week after week.

Anything out of this pattern is "unusual" and therefore suspicious. Send a large check to pay off a credit card balance and you may find your account frozen until they talk to you about it. Withdraw \$500 from the ATM because you want to get away for a weekend, and you'll get a phone call from the bank to see if your card has been stolen. Heck, even shop at a different supermarket and run up a larger-than-usual tab because you're having the neighborhood over for a barbeque and you may get a call.

What do you think will happen if you walk into your bank and ask to withdraw tens of thousands of dollars and nearly clean out your account?

They make a federal case out of it. Literally. First, the bank will tell you they don't have that kind of cash on hand, and they'll be telling the truth. Banks treat cash the same way the supermarket treats gallons of 2% milk. They keep track of average cash demands on a weekly basis and keep that much plus a little more on hand. If someone shows up and asks for, say, \$50,000, they will have to "order" it for next week's cash shipment, and it won't be available for five to ten days.

Second, the bank manager will begin to ask you a lot of questions. She's required to do it. Many people know that banks are required to file a "Cash Transaction Report" (CTR) anytime someone deposits or withdraws \$10,000 in cash, but the Bank Secrecy Act requires a lot more than that. Any "unusual" transaction, anything out of your normal pattern, requires a bank, stock broker, even the clerk at the supermarket who handles Western Union money wires, to file a "Suspicious Activity Report" (SAR) in order to cover its read end with the federal government. Bank employees are trained to ask intrusive questions about what you plan to do with money and why so they can fill out all the blanks on the forms provided by the government agency, FinCEN, that collects all this data.

Here's the scary part. When you tell them you want to withdraw \$100,000 in cash or wire it to a foreign bank, they are REQUIRED to file a SAR. They are PROHIBITED from telling you that they are filing it. And it's entirely up to them whether they honor your request or not. They can freeze your account until they are satisfied that what you want to do with YOUR money is legitimate.

This is why you should set up your foreign account first. Then instruct your U. S. bank to wire the money to the overseas bank. They probably already know you set up the account anyway. Have your explanation for why you're transferring the funds ready. Don't go into a long dissertation about the coming fascist dictatorship. Tell them you've decided to retire early and you've always wanted to live in Costa Rica or New Zealand or Tuscany. You're not under oath, but they have to get some kind of answer so they can fill in their SAR form.

Then wait. Wait until you have confirmation from your bank abroad that the money has arrived. Then breathe a sign of relief. You've transferred your assets out of the country that Andy Grove says is headed "down the tubes."

### **Ferrying Money by Hand**

There may be reasons that you decide not to follow the procedure outlined above. Maybe your resources really don't allow for you to take multiple trips abroad to set up bank accounts. You may be doing well to afford one (always round trip) plane ticket. Or you may be in a hurry. Or you may want to create as little trail as possible between your old residence and the new one.

There is another way of transferring assets: convert everything to cash; buy a money belt or one of those briefcases with a wrist chain; and take it with you.

This does provide some additional challenges because the United States government does not like cash and people who use it. It's just too hard to track.

The first problem is physical. Unlike most countries, the U. S. does not print any bill larger than \$100. The typical money belt will not hold much more than \$20,000. A small briefcase will handle many times that, but is pretty conspicuous to thieves.

The second problem is regulatory. There is no law preventing you from taking cash out of the U. S., but you must report anything over \$10,000 per person. There is a fairly simple form (FinCEN Form 105) to fill out that you can download here: [http://www.fincen.gov/forms/fin105\\_cmir.pdf](http://www.fincen.gov/forms/fin105_cmir.pdf). The fun part is figuring out how to file it. When leaving from an international airport, you'll need to call the local Customs office to arrange for delivering it to them. Be prepared to show them the cash you're carrying and to answer questions about your plans for the money even if that's not provided for under law. If you try to take the money without reporting it, you risk a fine AND forfeiture of the money.

The third issue is what you'll do with all that cash when you arrive. If you're going to a country where the banks cooperate closely with The Egmont Group, no one may be willing to let you deposit the money, at least until you establish residency. The Catch 22 is that it may be tough to establish residency or start a company without a local bank account. Thoroughly research the terms and conditions for establishing a bank account in the country where you're going before you take large sums of cash there.

### **Avoiding the Iceberg**

You can avoid the kind of financial meltdown or fascist takeover that may overwhelm the U. S. in the near future if you start the process now. Begin researching and planning immediately, so that you can hold on to the resources that will make it possible for you and your family to start a new life abroad.

*Ezekiel is an American who emigrated to Europe a year ago. He distributes a monthly newsletter for people who would like to learn more about emigration, obtaining visas, starting businesses overseas and living abroad. You can reach him at [ezekielinexile@gmail.com](mailto:ezekielinexile@gmail.com).*

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