



Money laundering various forms-presentation

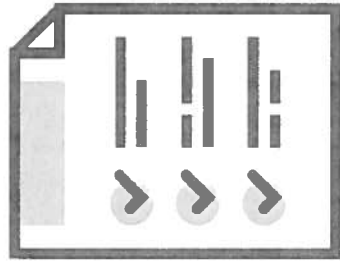
## EU- FI Project

Challenges of multiagency cooperation in regard to effective financial investigations  
Sarajevo, 1-5<sup>th</sup> April 2019

EUROPEAN UNION AGENCY FOR LAW ENFORCEMENT TRAINING



# Money laundering various forms-presentation



## Content

1. Introduction
2. Various forms of money laundering
3. Investigation

# Introduction



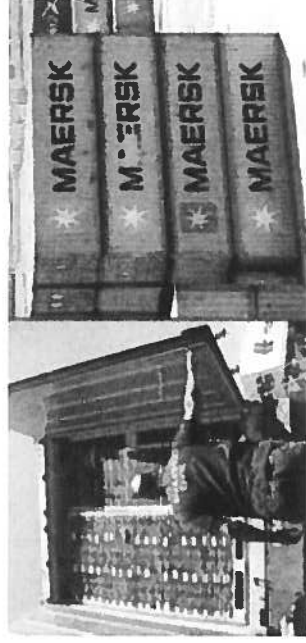
Road safety



Public safety



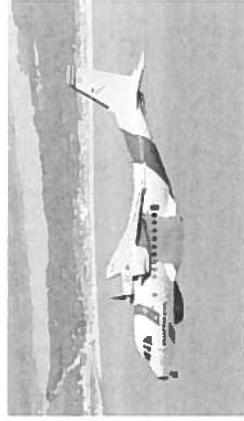
Counter terrorism  
criminal intelligence & investigations



Tax-Fiscal Police



Criminal investigations –  
Judicial Police



Security in Ports, Airports, roads  
and Territorial sea Border control

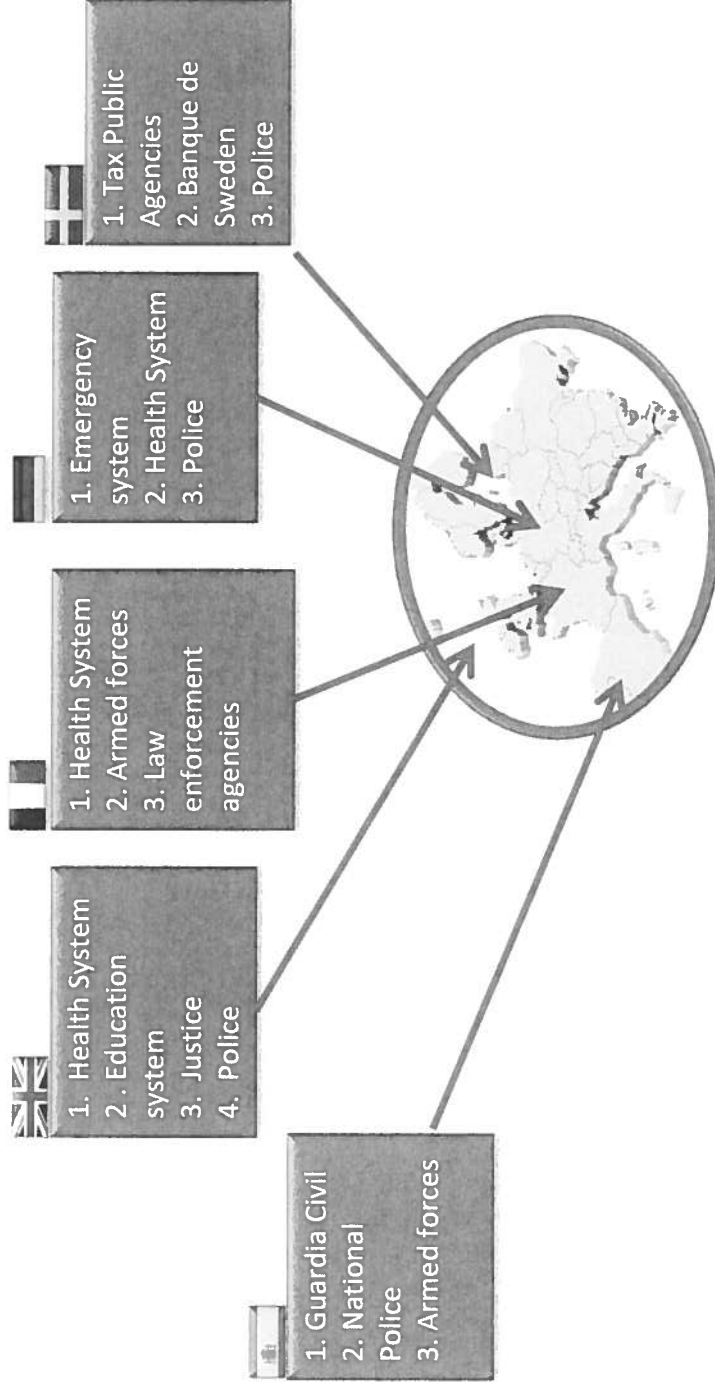


Firearms and weapons control



Environment Protection and  
Criminal investigations

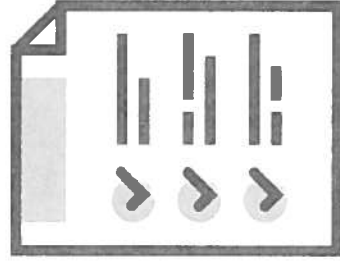
# Introduction



Most Trusted public institutions and professions by citizens  
Average in the last 4 years

Sources: (Reader's digest) Russia, (Reader's digest) Romania, (pocos Mari) Royaume-Uni, CIS (Espagne),  
Belgia (France, Reader's Digest (Allemagne), (TNS info) Suède, (Reader's digest) Finlande

# Money laundering various forms-presentation



## Content

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## Money Laundering

Money laundering allows OCGs to introduce the proceeds of crime into the legitimate economy.

Almost all criminal groups need to launder profits generated from criminal activities.

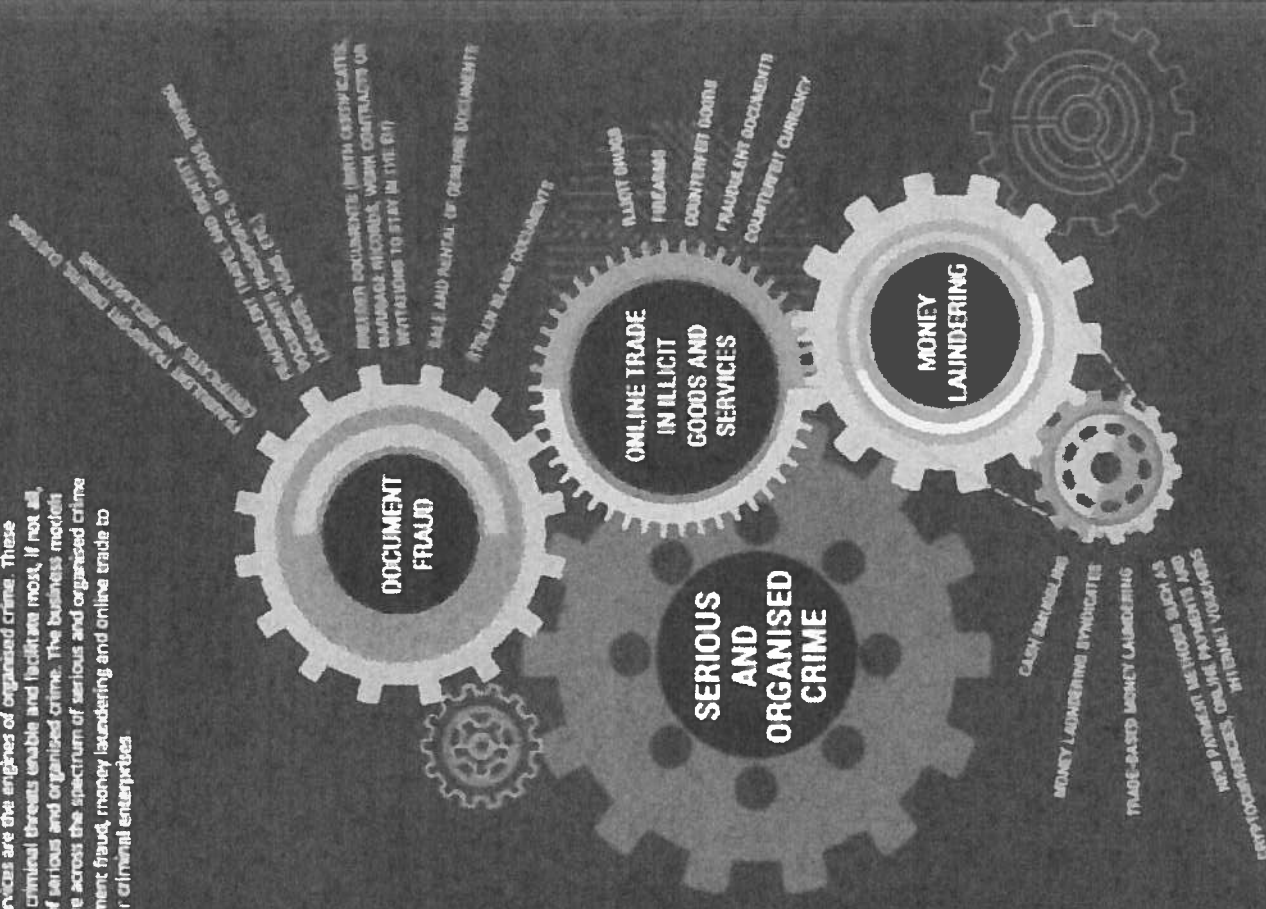
However, the way in which money laundering is carried out varies greatly depending on an OCG's level of expertise as well as the frequency and scale of money laundering activities



Money laundering is linked to virtually all criminal activities generating criminal proceeds.

## ENGINES OF ORGANISED CRIME

Document fraud, money laundering and the online trade in illicit goods and services are the engines of organised crime. These cross-cutting criminal threats enable and facilitate most, if not all, other types of serious and organised crime. The business models of OCGs active across the spectrum of serious and organised crime rely on document fraud, money laundering and online trade to maintain their criminal enterprises



## Smuffing and cryptocurrencies

# Bitcoin criminal gang SMASHED by Spanish police - 11 arrested over money laundering

AN alleged BITCOIN criminal gang has been smashed as the Spanish Civil Guard arrested 11 people and launched investigations into 137 others in a major money laundering probe.

By DARIUS MCQUAID

PUBLISHED 19:21 Tue, Apr 10, 2018 | UPDATED 19:30 Tue, Apr 10, 2018

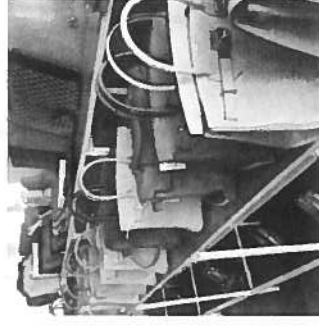
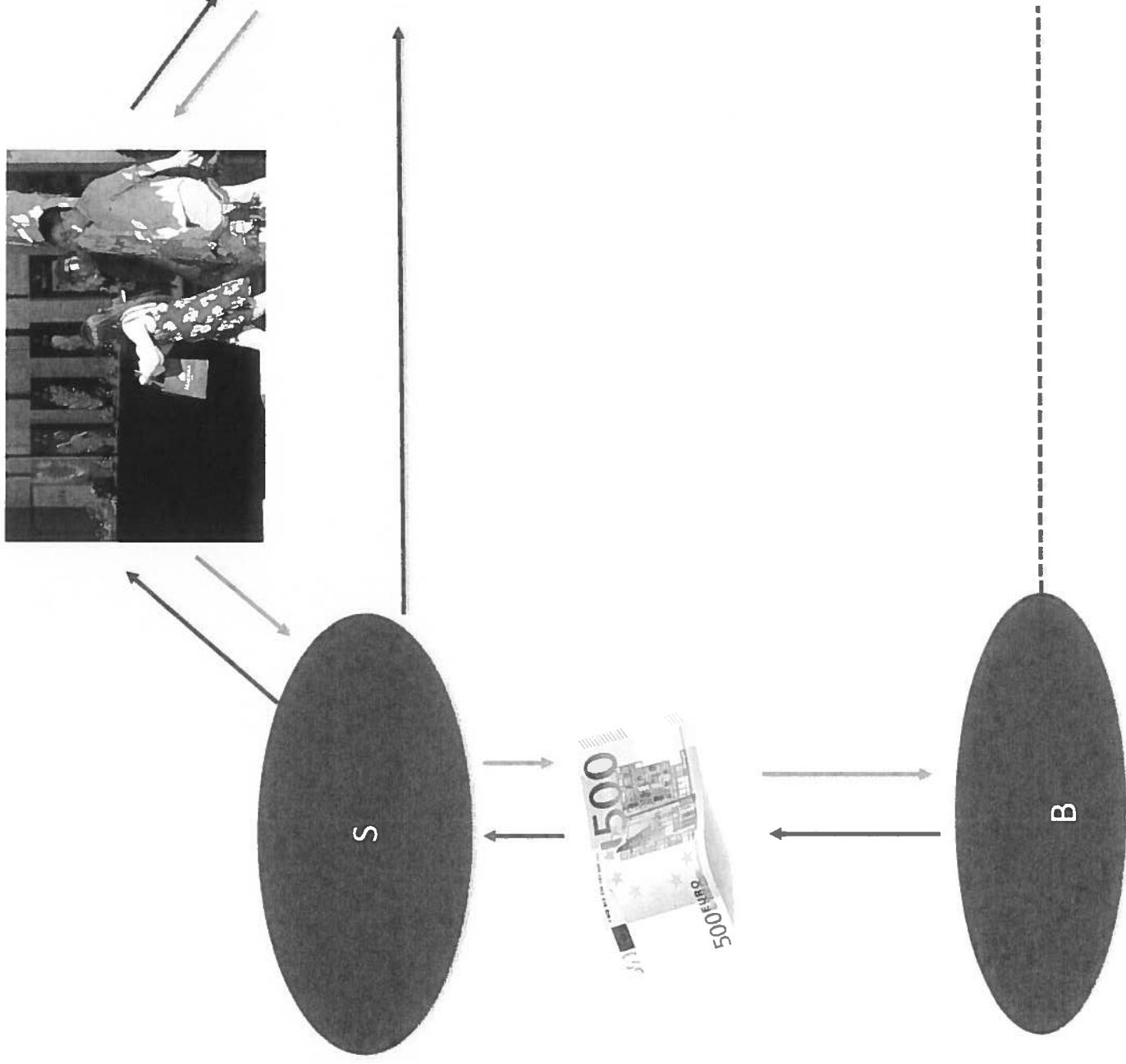








# Cash couriers



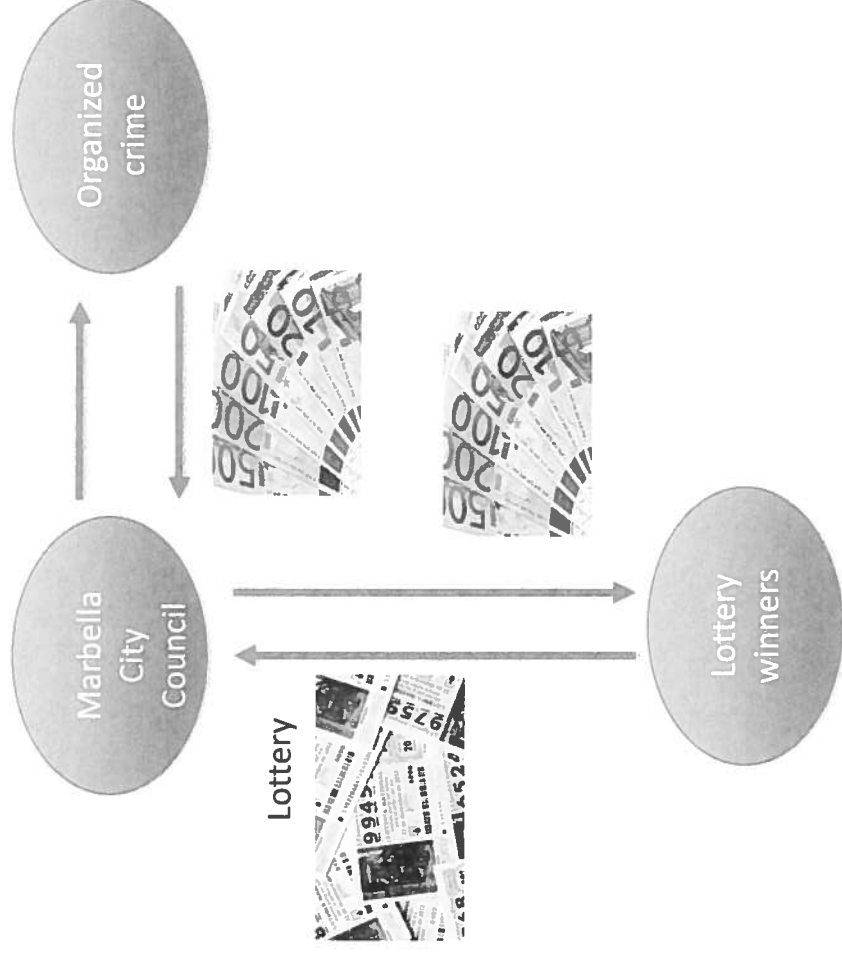
# Lotteries

## Spain's biggest corruption trial ends with 53 people convicted

Ex-Marbella mayors and planning adviser Juan Antonio Roca among those found guilty in real estate fraud and bribery case



Roca answers questions in court on Monday. / A.



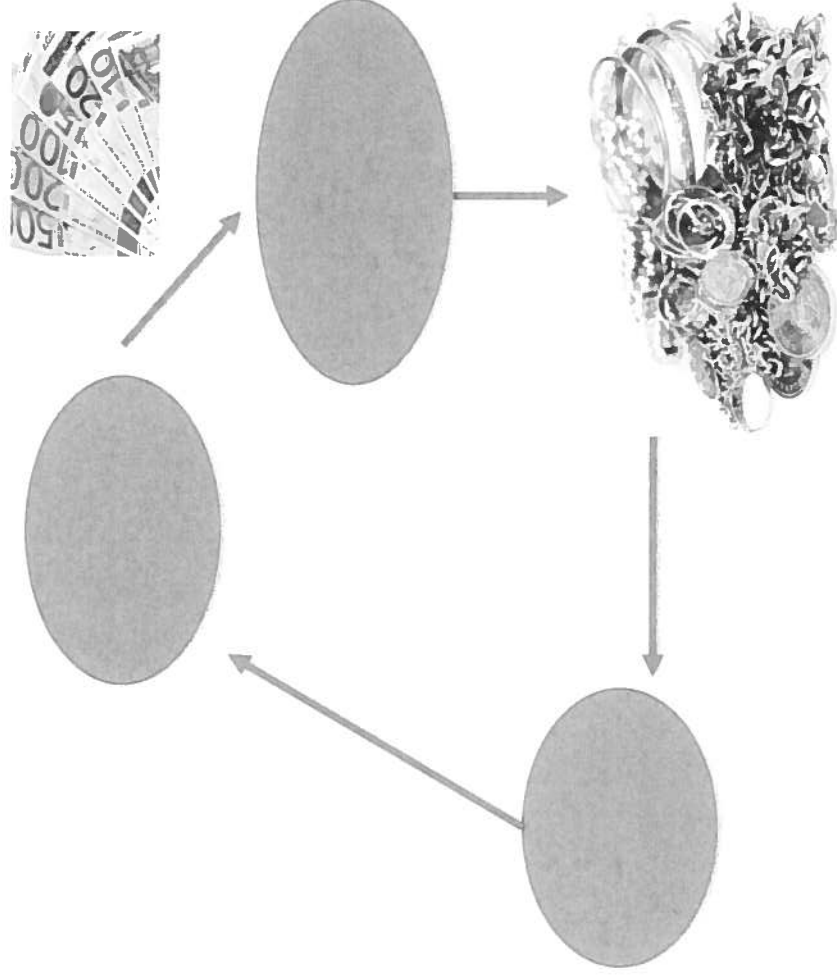
## Purchases and sales of art works

This option is favored by the subjective value in the market of works of art, which complicates the setting of the price and also allows to justify gains between the price of the purchase and the alleged sale



# Jewelry and organized crime

Organized crime uses cash purchases of jewelry in complicity with companies



# Georgian crime boss sentenced in Spain for money laundering

📅 Published on June 01, 2010

Share     

**A Spanish court on Tuesday convicted a top Georgian crime gang leader of money laundering and sentenced him to seven and a half years in jail.**

Spain's top criminal court also slapped Zahar Kalashov, who was extradited to the country from Dubai in 2006, with a fine of 20 million euros (24.6 million dollars).

The court said he laundered money earned from criminal activities carried out in the former Soviet Union, such as kidnappings and the operation of illegal casinos, by investing in real estate and luxury cars in Spain.

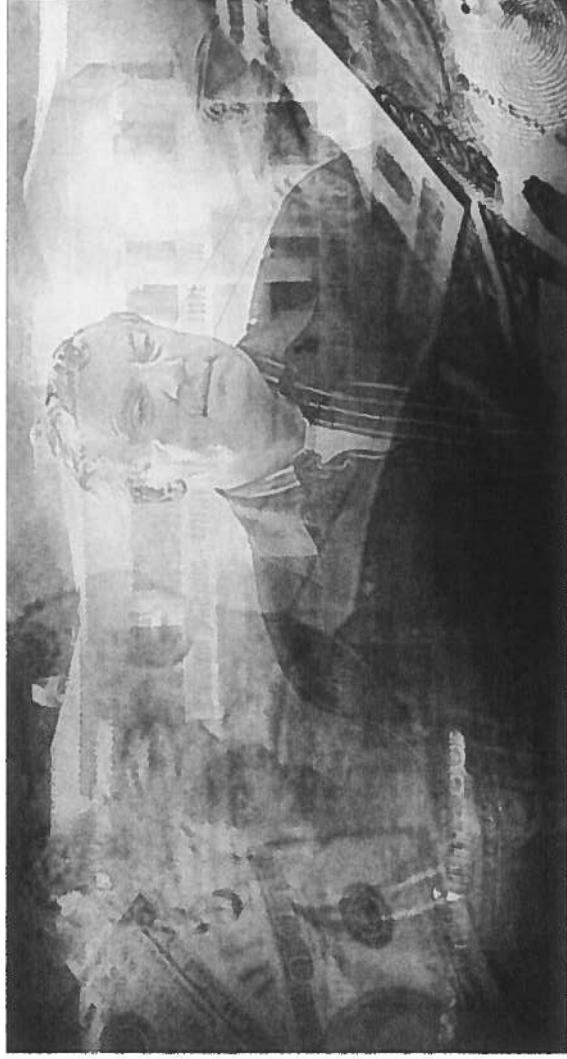
# Use of companies with financial problems

1933 / 1939/1945 / Russian version

**'Solntsevsky' coast. Money of Russian  
'bros' laundered in Spain through  
football and mineral water** 📄 📱 📧

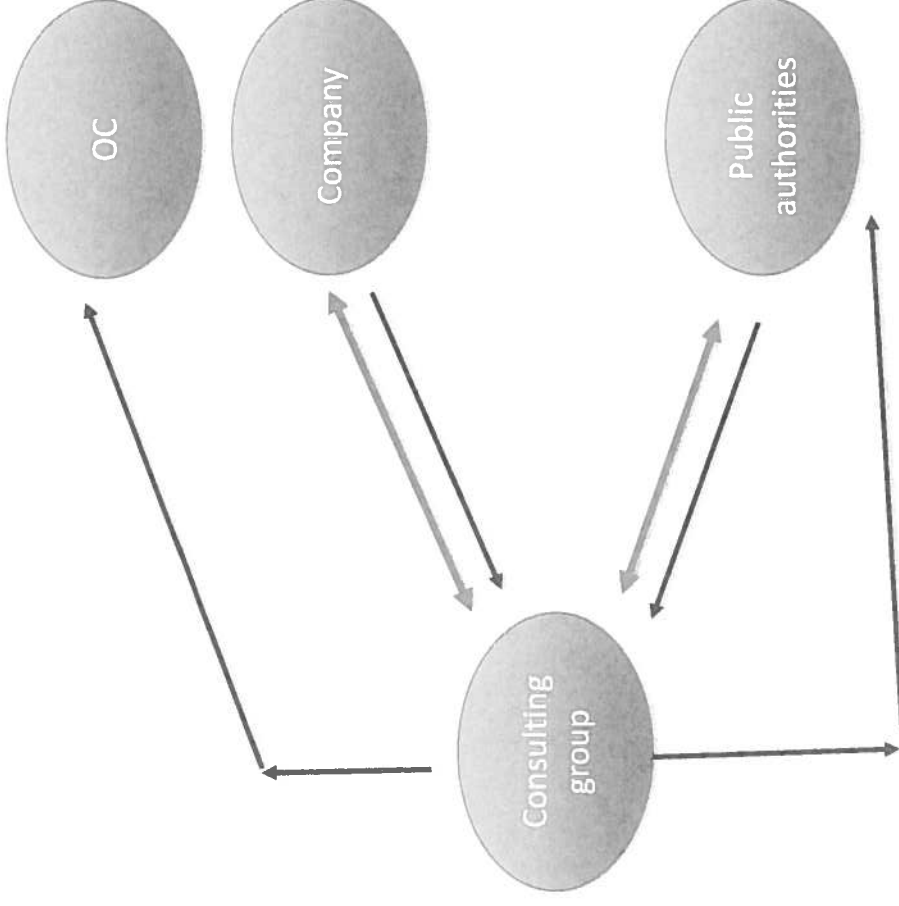


## **Fictitious services and dummy companies**





# Fake consulting services



# Life insurance

News > UK > Crime

## Behind bars: Colombians in £50m drug money scam

By Jason Bennetto Crime Correspondent



The cocaine was smuggled via a freighter from Colombia to Spain and into Britain via Dover

One of the main money laundering techniques was to place cash in UK bank accounts and then wire the money to accounts in Miami, New York and Bogota, and Colombian residents in the Isle of Man. An associate of the Cali cartel set up an account in Miami where an estimated \$1m (£700,000) of drugs money was laundered every day.

Another technique was to use "dirty" money to buy life insurance policies that would then be cashed in for "clean" money

# Informal money transfer. Hawala system

## New blow against money laundering on the Costa del Sol

The Guardia Civil have detained some twenty persons in several provinces with 15 detained in Málaga province in Málaga city and Torremolinos.

APR 4, 2014 - 1:55 PM

The gang used the 'hawala' technique, an ancestral system which leaves hardly a trace.

According to sources close to the case, those detained laundered money from drug trafficking, as well as from business environments whose origin was also illegal.



Photo from the Túnido operation in Torremolinos last year

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# Thank you for your attention!

European Union Agency for Law Enforcement Training

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Money laundering various forms-Workshop

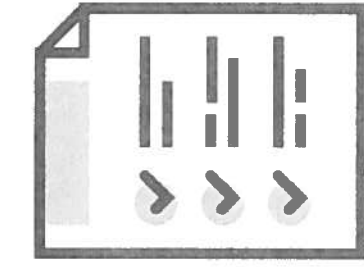
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# Workshop on Money laundering case



## Tasks

1. Presentation of the case and 4 groups' distribution (15 minutes)
2. Group work (45 minutes)
  - .. To follow the given methodology in the case
  - .. To propose and prioritize criminal intelligence & investigations actions
  - .. To prepare a presentation and chose a speaker
3. Groups presentations and discussion (15 minutes per group)

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# Thank you for your attention

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# **MITIC FRAUD**


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**Basic Notions and Useful Alerts**



# Contents

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- 1 – MTIC Fraud Definition
  - 2 – MTIC Fraud Indicators
  - 3 – Usual Commodities
  - 4 – Missing Trader Indicators
  - 5 – Investigation (more than a simple tax fraud)
  - 6 – Challenges
- 

# 1. Definition

VAT Fraud is a highly complex form of tax fraud that relies on the abuse of the VAT rules for cross-border transactions, generating high profits by avoiding the payment of VAT or by fraudulently claiming repayments of VAT from national authorities.

The most common form of VAT fraud is MTIC fraud, that seek to exploit differences in how VAT is treated in different EU Member States. The criminals create a structure of linked companies and individuals across these states in order to abuse both national and international trading and revenue-accounting procedures.

*in Europol MTIC (MISSING TRADER INTRA COMMUNITY) FRAUD*

## **In every MTIC fraud there are:**

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- Trade between at least two different member states
- At least one so called “missing trader”

# Some Alerts

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## 2. MTIC Fraud Indicators

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- Change of provider, i.e change of missing traders.
- Long commercial chain, lack of reasonable chances of profit.
- Only one buyer.
- The origin of the good is concealed.
- Transfers to and from high risk countries, e.g Dubai and UAE or offshore companies.
- Sudden change of product.
- No earlier experience of wholesale trade

### 3. Usual Commodities

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- **High value products:** vehicles, construction machines
- **Electronics** (mobile phones, gaming consoles)
- **Easily re-sold goods:** food, soft and energy drinks
- **Restricted goods** (oils, designer fuels, alcohol, tobacco)
- **Immaterial commodities:** Emission rights / Energy certificates



## 4. Missing Traders Indicators

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- High turnover, low profit
- Declare VAT, but do not pay
- Straw men
- Short period of activity
- Bankruptcy and replacement when VAT has to be paid
- Company without business trading experience

## 5. The investigation

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- More than just tax fraud
- Need for cooperation
- Accounting, financial and operational expertise
- Asset Recovery

## 6. Challenges

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# Fighting the Good Fight

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“The automatic exchange of information is great progress against tax evasion. Now Europe has to close these loopholes so that the end of tax havens will not become an empty promise.”

**Sven Giegold**, a German MEP and member of the European  
Green party

# Let's Play Missing Traders

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**Questions?**

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# Information Sources and Intelligence Led Investigations

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OPEN SOURCES BENEFITS  
OPTIMIZING RESOURCES





# Contents

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**1. Information Sources**

**2. Open Sources**

**3. Intelligence Lead Investigations**



# 1. Information Sources

## Definition


It is a source from which it's possible to gather, or channel information of all kinds (human, documentary, physical, digital, etc.) to produce knowledge in a particular area.



# Information Sources

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## Types of Information Sources (in criminal investigations)

- Human
  - Police (operational)
  - Financial
  - Open Sources
  - Forensic evidence (physical, digital, financial)
- 

# Information Sources


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- **Criminal Information Formula**

$$(IF1 + IF2 + IF3 + IF4 + IF5 = X)$$

- While much information may be discovered or otherwise available to the police, only a small portion of it may be accurate, complete, and relevant, and hence useful, in establishing the identity (and/or whereabouts) of the culprit.

- **Useful Information Formula (possible)**

$$(IF1 + IF2 + IF4 - IF5 = Y)$$


## 2. Open Sources

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### Open Sources Definition

“The concept of open source intelligence (OSINT) is relatively new for LEAs and is loosely defined as intelligence collected from publicly available sources that does not require covert or clandestine methods of collection”

*(Brunet and Claudon, 2015).*

“Information that is publicly available”

*(United Nations Office on Drugs and Crime, Criminal Intelligence - Manual for Analysts)*

# Open Sources

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## Legal Questions

- Ambiguous or inexistent concept and definition on public data
- Admissibility
- Personal Open Source Data vs. Criminal Investigations
  - o Accuracy and Reliability
  - o Necessity

# Open Sources

## Types of Open sources

- - Press (physical or digital)
- - Public official databases
- - Social Media



# Open Sources

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## Analisis

- Broad Spectrum collection tools
- Data analysis and correlations





# Open Sources

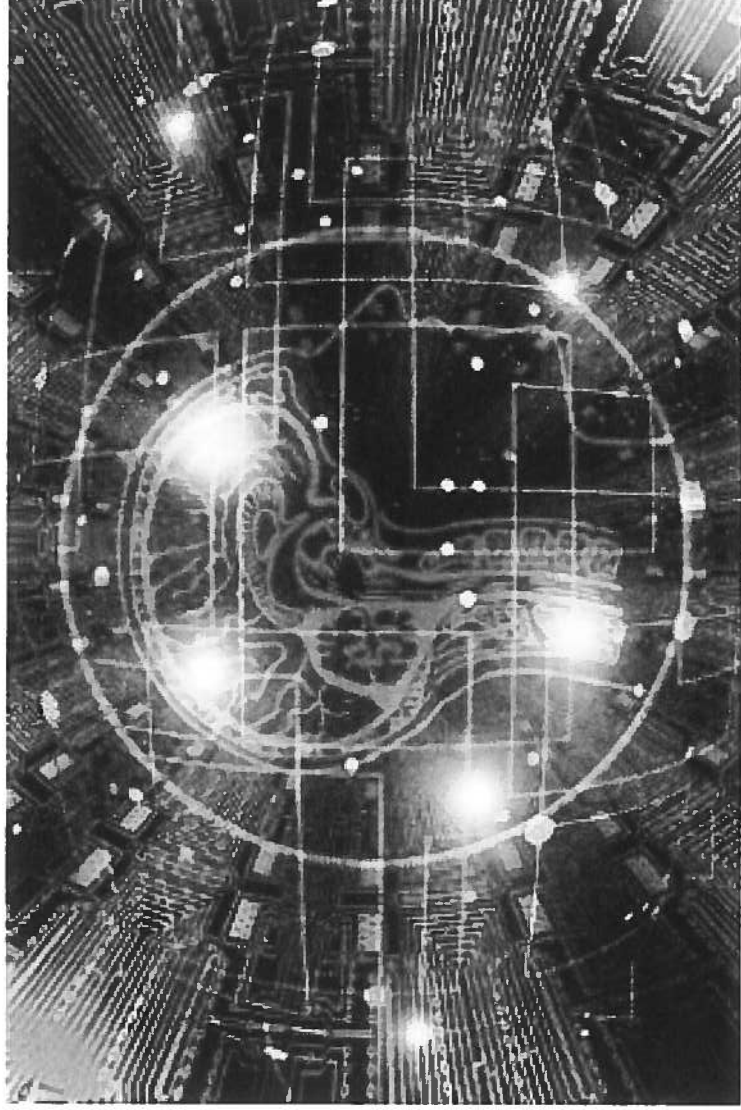
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## Best Practice

- Well-defined procedures
- Filters
- Correct use of online tools
- Creating Alerts
- Police Reports



# 3. Intelligence Lead Investigations



# Intelligence Lead Investigations

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## Concept

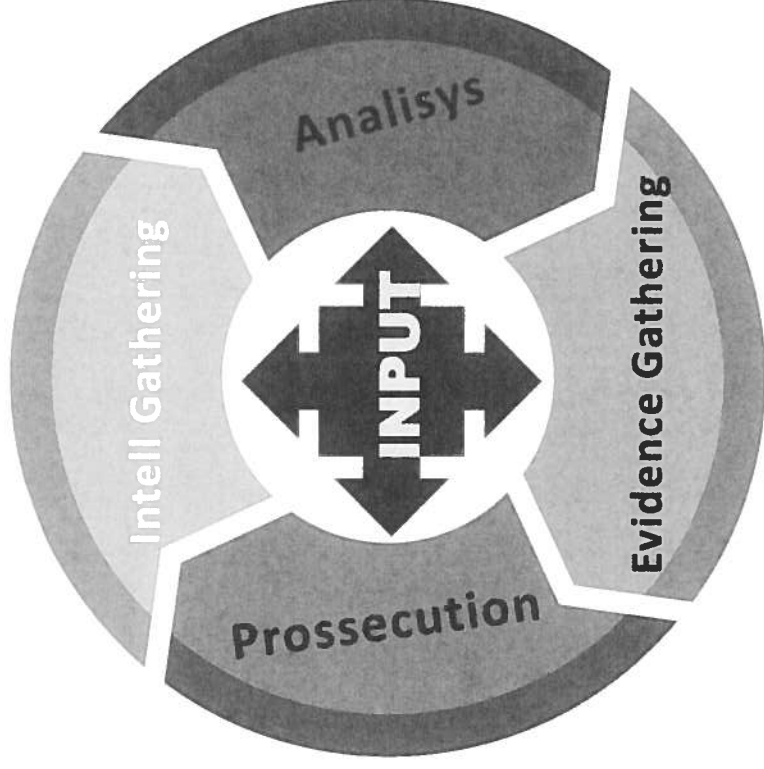
- *“Intelligence-led policing emphasizes analysis and intelligence as pivotal to an objective, decision-making framework that prioritizes crime hotspots, repeat victims, prolific offenders and criminal groups. It facilitates crime and harm reduction, disruption and prevention through strategic and tactical management, deployment and enforcement.”*

**Jerry Ratcliffe, 2016**



# Intelligence Lead Investigations

## Cycle



# Intelligence Lead Investigations



# Intelligence Lead Investigations

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Paradigm change

- Reactive > Proactive

Proactivity / efficiency

More current investigations (instead old facts)


Better investigation efficiency



# Intelligence Lead Investigations

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## Benefits

- Save resources (Time and Money)
  - Avoid human resources allocation in reactive, heavy and, therefore, slow investigations.
  - Bigger income (due to more swift and targeted investigations)
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# Intelligence Lead Investigations

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*“There is no favorable wind for the sailor who doesn’t know where to go”*



**Seneca**





# Questions?

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- Is there an adequate flow of information?
- Regarding Open Sources, are the various legal frameworks prepared to contemplate this (not so new) way of investigating and consider its results as means of proof? (if so, which cases?)
- What can we, as LEA's, do to help keep changing this paradigm?  
**(Think outside the box!)**



