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Annex 9: CEPOL Bosnia and Herzegovina

T 06

Challenges of multiagency cooperation in regard to effective financial investigations

CEPOL FI PROJECT
1-5 April 2019

PROGRAMME
(morning sessions)

Sarajevo, Bosnia and Herzegovina

	Day 1 1/4/2019	Day 2 2/4/2019	Day 3 3/4/2019	Day 4 4/4/2019	Day 5 5/4/2019
8,30-9,30	Course opening, introduction of CEPOL, tour de table	Use of various information sources (OSINT,...) and Intelligence led investigations	Financial investigations in the context of B&H	Investigation of organized crime and disruption strategies	Crypto currencies - overview
9,30 - 10,15	Financial investigations in the EU context	Introduction to research of economic crimes	Multiagency cooperation during financial investigations – B&H experience	Prosecutor led investigations and cooperation during financial investigations	FI in relation to crypto currencies – case study
10,15-10,45	Coffee Break + Family photo	Coffee Break	Coffee Break	Coffee Break	Coffee Break
10,45-12,15	Overview of EU Law enforcement agencies	FIU analysis tools	Cooperation with private sector	Missing Trader Intra Community Fraud (MTIC)	CEPOL e-Net
		Case study on ML connected to tax evasion			Conclusions, Q&A and discussion – lessons learned
					Training evaluation, closing ceremony and delivery of certificates
12,15-13,15	Lunch	Lunch	Lunch	Lunch	Lunch



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**Challenges of multiagency cooperation in
regard to effective financial investigations**

**CEPOL FI PROJECT
1-5 April 2019**

Sarajevo, Bosnia and Herzegovina

PROGRAMME

(afternoon sessions)

	Day 1 1/4/2019	Day 2 2/4/2019	Day 3 3/4/2019	Day 4 4/4/2019	Day 5 5/4/2019
13,15- 14,00	13,15- 14,15 New mechanisms and challenges of international cooperation (JIT, EIO, etc) Case study and Workshop	13,15- 14,30 Investigation of off shore entities in connection with tax evasion and money laundering + workshop	13,30- 14,45 Money laundering (various forms, FI) + workshop	13,30- 14,45 Improvement of asset tracing and recovery capability and skills + workshop	Departure of participants
14,00- 14,15	14,15- 14,30 Coffee break	14,30- 14,45 Coffee break	14,45- 15,00 Coffee break	14,45- 15,00 Coffee break	
14,15- 16,15	14,30- 16,00 Continuation	14,45- 16,30 Continuation	15,00- 16,30 Continuation	15,00- 16,30 Continuation	
19,00	Dinner	Dinner	Dinner	Dinner	

INTRODUCTION TO THE MONEY LAUNDERING.



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What is the money laundering?



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The Money laundering is the process of creating the appearance that large amounts of money obtained from criminal activity, such as trafficking or terrorist activity, originated Fromm a legitimate source.



How is the process of the money laundering?



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PHASES



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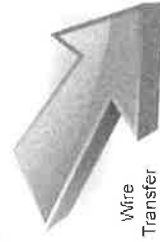
FATF

A TYPICAL MONEY LAUNDERING SCHEME

1. PLACEMENT



Dirty Money Integrates into the financial System



Wire Transfer

Collection of dirty Money



2. LAYERING



Transfer funds between various Offshore / Onshore Banks

3. INTEGRATION



Purchase of Luxury Assets
Financial Investments
Commercial / Industrial Investments



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OTHER MODELS OF PHASES



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Model of Bernasconi

Model of Zund.- (Like the water cycle)

Model from EE.UU- Treasure departament.(Circular model)



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European Regulation



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**DIRECTIVE (EU) 2015/849 OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL**

of 20 May 2015

**on the prevention of the use of the financial system for
the purposes of money laundering or terrorist financing,
amending Regulation (EU) No 648/2012 of the European
Parliament and of the Council, and repealing Directive
2005/60/EC of the European Parliament and of the
Council and Commission Directive 2006/70/EC**



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ADD TWO DIRECTIVES MORE IN 2018

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on combating money laundering by criminal law. (19-09-2018).

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU



WICH ARE THE MAIN RULES OF THE DIRECTIVE?



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Definition of Credit and financial institution. (Subject Bound)



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**All serious crimes are
included.**

**TERRORISM, ORGANIZED CRIME, TAX
EVASION, CORRUPTION...**



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**Minimum standards in the
definition of criminal
offenses and sanctions.**

(Penalty for at least 4 years)



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Companies can also responsible



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Improving judicial and police cooperation



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Adapt European standards to international obligations



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How do you launder money?



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newsy



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Artificial increase in profits.

Casino or internet Game.

Buy Property.

Lottery.

Companies without economic activities.

Non-profit associations.

And more and more....



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Special attention to.-

HAWALA.

CRYPTO COINS.



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Crypto Coins.

**The main problem is the
lack of international
regulation.**



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INVESTIGACIÓN.



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PHASES OF THE INVESTIGATION.

Location of Assets.

Identification of “Modus Operandi”

Identification of criminal structure.

Information Analysis.

Operational action.



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Location of Assets

It depends on law if each country.

Sources of information

Without or With

Warrant.

Open or Closed.



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Sources International information.

CARIN.

Is an informal network of law enforcement and judicial practitioners in the field of asset tracing, freezing, seizure and confiscation. It is an inter-agency network. Each member state is represented by a law enforcement officer and a judicial expert (prosecutor, investigating judge, etc. depending on the legal system



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ARO Platform

- Established in 2009 by the Commission and Europol to enhance co-operation and co-ordination of Asset Recovery Offices at EU level - (Council Decision 2007/845/JHA).
- Identified a need to improve the access to centralised data bases, in particular to financial information in order to trace and identify bank accounts effectively across the EU
- Sub-Working Group on centralised bank account registers (CBRs) established in March 2011
- First operational meeting held in June 2011 (Belgium, Bulgaria, Croatia, Czech Republic, Denmark, France, Italy, Luxembourg, Moldova, Netherlands, Portugal)



IDENTIFICATION OF MODUS OPERANDI

LOTTERY, CASINO, BUY GOODS. (Simple)

SIMULATE EXTRA-ECONOMICS ACTIVITY. (Simple)

BANKING COMPENSATION SYSTEM.(Complex).

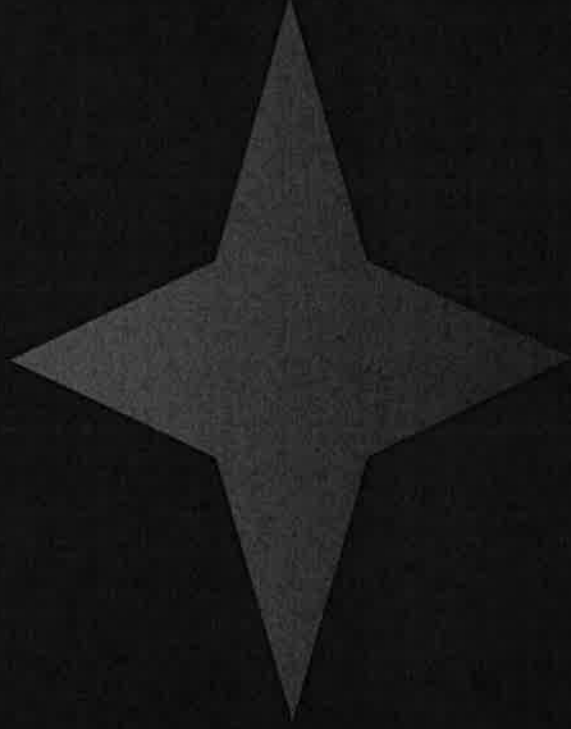
VAT CARROUSELS. (Complex).

TRANSFER OUTSIDE OF THE BANKING CIRCUIT. (Complex)

And more.....



Why use a star to explain the economic research



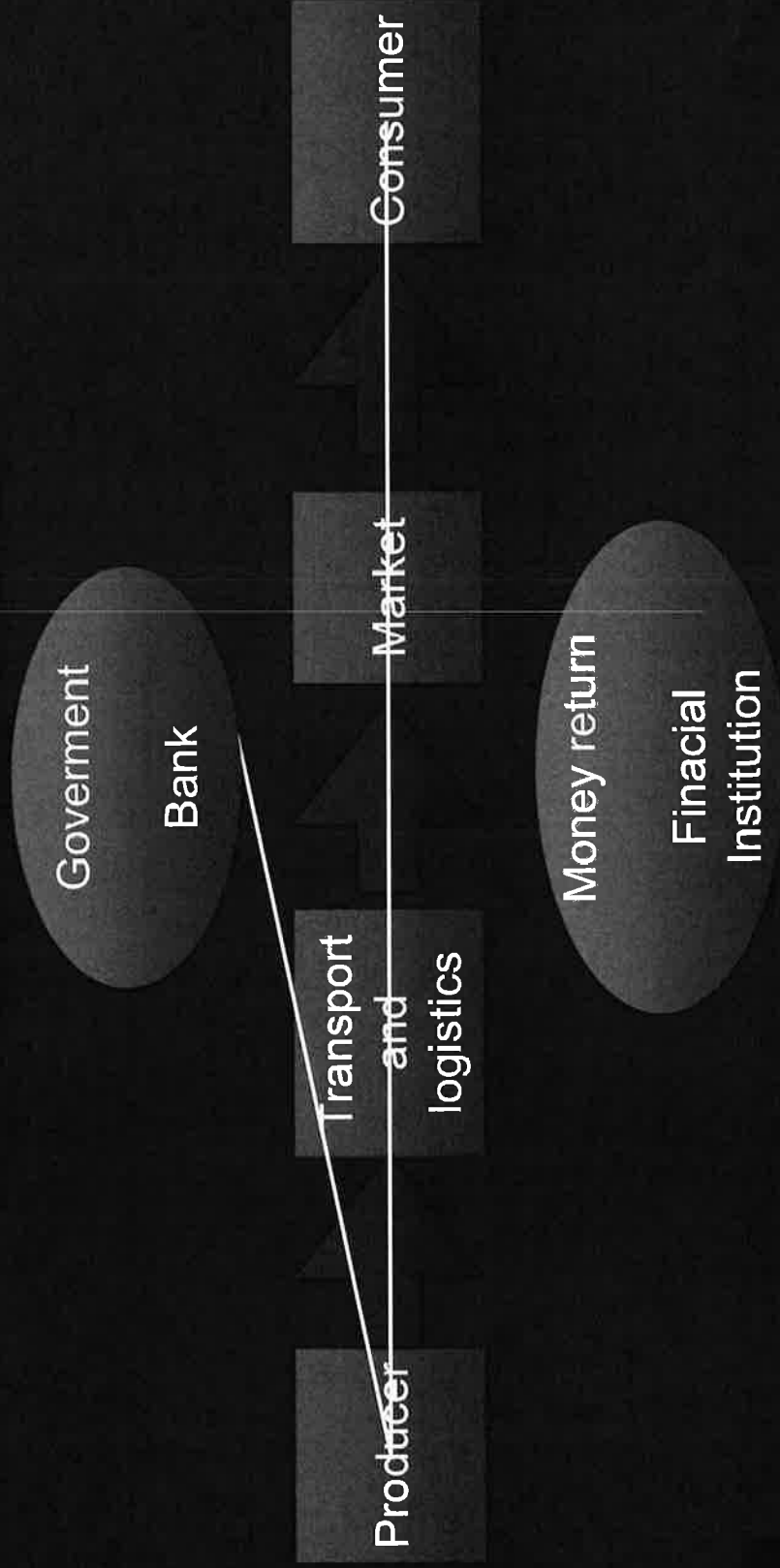
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**Structures change and
their relationships are
not stable, and they
aren't pyramidal.**



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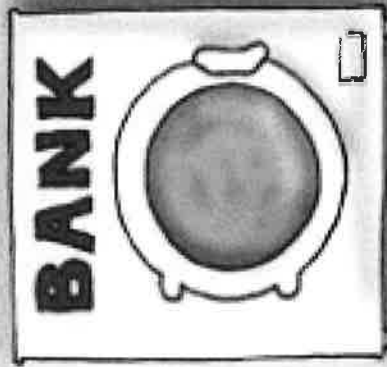
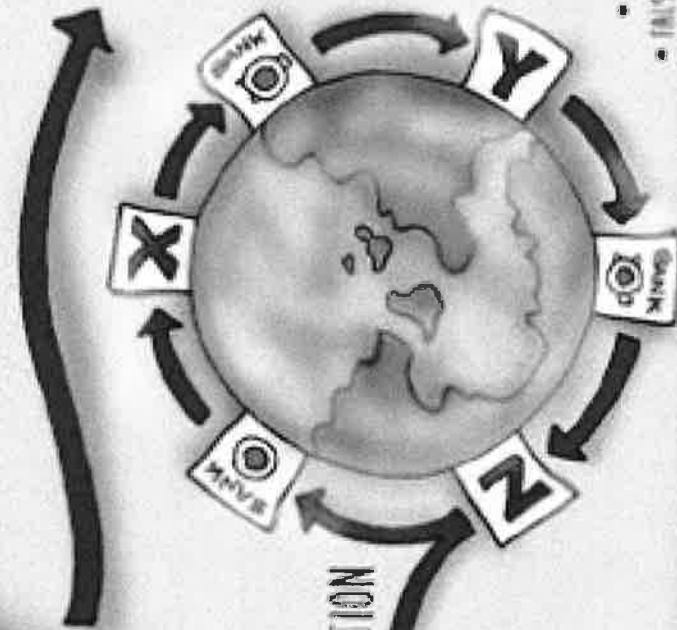
BASIC FLOW OF THE ECONOMIC



MONEY LAUNDERING HOW IT'S DONE

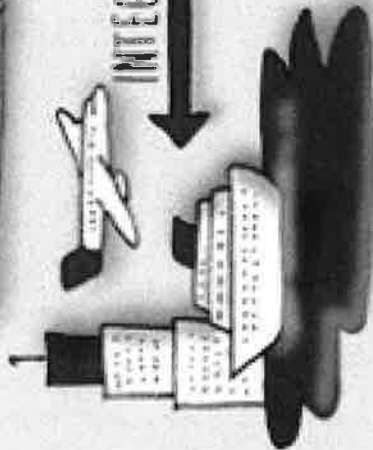


PLACEMENT



LAYERING

- TRANSFERS
- SHELL COMPANIES
- WIRE TRANSFERS
- OFFSHORE BANKS
- LOANS
- FALSE INVOICES



INTEGRATION

'CLEAN' ASSETS



**In Money laundering there is
always a simulated phase**



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FINALLY OPERATIONAL PHASE.



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TELEPHONE TAPPING



Escribe un pie de foto.



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SURVEILLANCE AND FOLLOW UP



Escribe un pie de foto.



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CIBER RESEARCH SYSTEMS



Escribe un pie de foto.



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THE END.



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INTRODUCTION TO RESEARCH OF ECONOMIC CRIMES



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What are we going to
talk about?



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Scams, Financial frauds, Political Corruption and money laundering.



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SCAMS

Tecnological fraud. (Phishing, Pharming,
logical security....)

CEO Frauds.

SOCIAL ENGINEERING FRAUDS.

STALKING



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Fraudulent letters.

Rich Deal.

Fraud in electronic commerce.



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FINANCIAL FRAUDS

Financial Scams-
(CFDs, FOREX ...)

Crimes of the financial market.

Corporate crimes.



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CORRUPTION

Administrative
Prevarication.
Bribery.
Embezzlement.



How to face economic research?



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THE RESEARCH
MUST ALWAYS
RESOLVE THE
FOLLOWING
QUESTIONS.



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Three examples, three investigations.



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CASE.-1



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A group of people with
stolen IDs, open an
account in Online
Banking.



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Then request micro
credits an enter the
money into the
account, finally take it
out as cashier.



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Line.-1

Technological Reserch.

IPs



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Line.-2

Phone Position and traffic
of calls and messages.



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Line.-3

Economic line, Who open the
accounts, video recording of
who gets the money



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The intelligence
criminal is basic to
solve these cases.



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Cross data between
data base.



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A criminal group buys
companies with good
credit history, and asks
banks for credit lines



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Propose a business
project to be financed
by the banks and they
increase the credit
lines



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Finally when the bank
feels confident, they
exhaust the credit line
and disappear with the
money.



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Lines of investigation?



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First Step.

GET THE MAIN
INFORMATION:
PEOPLE AND
COMPANIES INVOLVED



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Second Step.

ANLYZE THE
CRIMINAL METHOD.
Financial analysis.



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Third Step.

SPECIFY THE PERIOD.

(Essential in an economic analysis.)



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Fourth Step.

DETERMINE THE
FINANCIAL ENTITIES
AFFECTED.



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Fifth step.

Operational Development.

(Telephone tapping,
monitor and follow up....)



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The future is to use
MALWARE.

Computer Trojan,
worm



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A city council of an
important city tender
the construction of a
sports center



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The construction
company delivered a
significant amount of
money to the ruling
political party.



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The construction never
finished and also
presented an extra
cost of four million
Euros.



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In the investigation of corruption, It is difficult to understand the legal process, because they usually try to hide the crime in complex administrative adjudication processes.



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After understanding the process, the facts were analyzed discreetly, evidence of crime was obtained and we requested phone taps.



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Listening to the phone,
an inspection was made
of the department
involved, where corrupt
official work.



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Many calls were
collected between
officials and politicians
involved



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**THANK YOU FOR
YOU ATTENTION**



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