

2nd National Anti-Money Laundering Conference

7 October, 2010
Holiday Inn, Suva, Fiji.

Topic: Common Fraud

Speaker: ASP. Puran Lal

Organisation: Fiji Police Force

Position: Officer-in-Charge, Anti-Money Laundering Unit

Conference Theme:
"Investigating Money Laundering"

Organized by: Fiji Financial Intelligence Unit





NATIONAL ANTI-MONEY LAUNDERING CONFERENCE

*INVESTIGATING
MONEY LAUNDERING*

7 October 2010, Holiday Inn, Suva

**ASP Puran Lal
OC Anti Money Laundering & Proceeds of Crime Unit
CID/HQ
Fiji Police Force**





Presentation Outline

- 1. Introduction (Aml Unit established 2001 Operational from CID/HQ)**
- 2. Emerging trends, Credit card, Black Money Scam, Advanced Fee Fraud. Forgery, Ponzi Scam, Phishing etc.**
- 3. Restraining & Forfeited Assets**
- 4. Challenges**



Investigation- Money Laundering.-Aim

- **The aim of the AML Unit investigate and prosecute Criminals under the Proceeds of Crime Act .**
- **Prevent criminals from being able to enjoy the fruits of their crimes, by depriving them of the proceeds and benefits gained from criminal conduct,**
- **Prevent the re-investment of those proceeds and benefits in further criminal activities.**



What does the Proceeds of Crime investigation look at ?

- **Where did the money from the crime go?**

Funds tracing

- **What assets does the suspect have under his/her control ?**

Asset identification (discovery)



Functions of Unit

- **Further Analysis of financial Information -FIU**
- **Investigate suspects under POC Act.**
- **Arrest and Charge under the Act**
- **Request for Restraining and Forfeiture Order for tainted properties- DPP**



Money Laundering

- **A process...(a series of actions) through which income of an illegal origin is concealed, disguised, or made to appear legitimate...(main objective) to evade detection, prosecution, seizure, and taxation.**



Globalization

Rapid developments financial information, technology communication allows money to move anywhere in the world with speed and ease.

This makes the task of combating money laundering more urgent than ever.

Criminals are now taking advantage of the globalization of the world economy by transferring funds quickly across international borders.

Simple Money Laundering Transaction

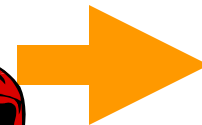
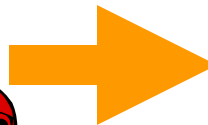
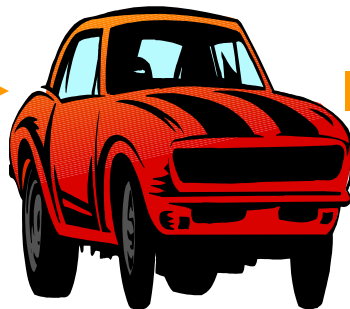
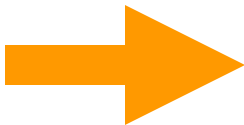


Cash from Drug Deal

Buy Car From Car Dealer 1

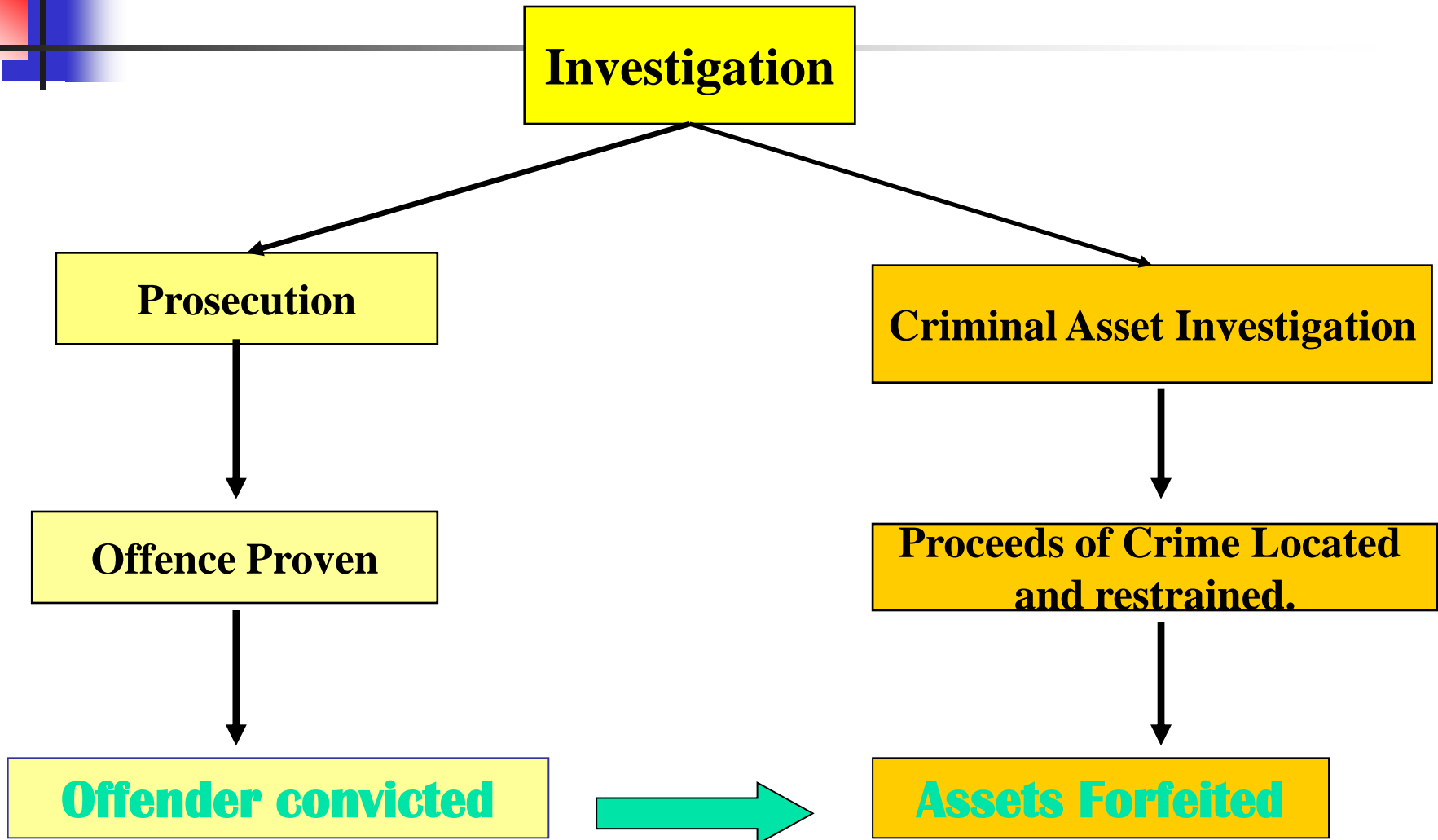
Sell Car to Car Dealer 2

Cheque From Car Dealer Banked





Criminal Investigation/ Criminal forfeiture



Common Fraud in Fiji - Case Studies.



Mr Puran Lal discussed the following case studies:

CREDIT CARD FRAUD-SKIMMER DEVICE - CASE 1;

FRAUD-FORGERY, OMOFD AND MONEY LAUNDERING - CASE 2;

ADVANCE FEE FRAUD – CASES 3 & 4;

BLACK MONEY SCAM -CASE 5;

CYBER FRAUD – PHISHING CASE 6;

CYBER FRAUD – ONLINE ID THEFT – CASE 7;

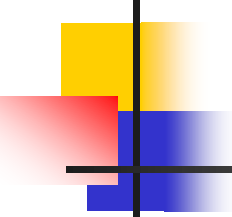
PONZI SCAM- CASE 8;

FORGERY & MONEY LAUNDERING - CASE 9;

Case details have been excluded primarily due to confidentiality reasons.

(Razim Buksh, Director Fiji FIU, Conference Organizer)

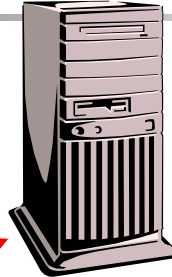
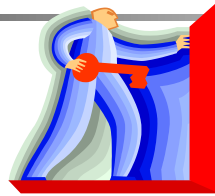


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- **Phishing is an e-mail fraud method in which the perpetrator sends out legitimate-looking email in an attempt to gather personal and financial information from recipients. Typically, the messages appears to come from well known and trustworthy Web sites.**

Sequence of the offence – con't



**1. Hack into
other's server,
and put a
bogus website**



**4. Victims provide
their passwords**



Hacker

**3. Send out phishing
emails**



**6. Crime
proceeds remit
to criminal's
account**

2. Employ a money mule



**5. Transfer
money away
from victim's
account**





- **A Ponzi scheme is an investment opportunity which is actually built upon fraud. This scheme is an investment scam in which investors are promised extraordinary high profits on their investments. These promised returns are much more than the guaranteed market rates which are simply *“too good to be true”*.**
- **Suppose an advertisement is placed that promises extraordinary returns on an investment – for example, 20 percent on a 30-day contract. The objective is usually to deceive laymen who have no in-depth knowledge of finance or financial jargon. Verbal constructions that sound impressive but are essentially meaningless will be used to dazzle investors.**
- **International Case USA Latest Case Benard Madoff 1990 scam began defrauded his clients to the total sum of 65 Billion the largest scam in history. 2008 arrested by FBI for fraud and money laundering. Convicted 50yrs imprisonment.**



Money Laundering Typologies

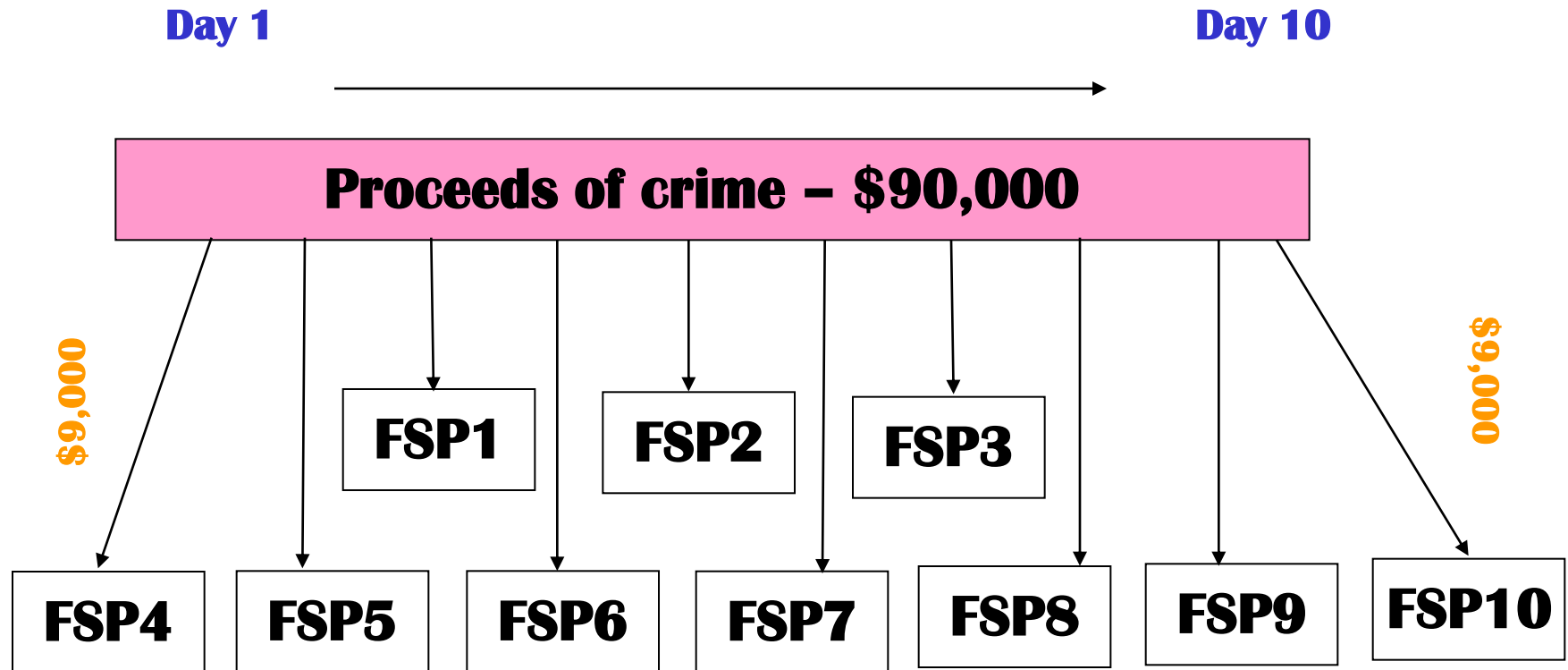
Why does structuring occur?

- **To avoid AML reporting requirements**
- **To avoid suspicion of commercial activity**
- **To help launder proceeds of crime**

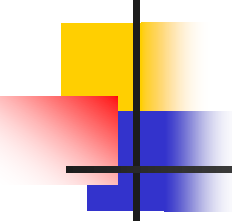


Money Laundering Typologies

Structuring of deposits





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- **In between 2006-2008 accused employed as clerk company.**
 - **Misappropriated approx \$850,000**
 - **Structured the cash deposits- below threshold \$10,000 into family and friends accounts.**
 - **Purchased assets cars and house.**



Forfeited Assets Con't

- **Accused purchase house of \$150,000 and sold it to \$10,000. Transaction done to hide the property.**
- **Immigration record reveals buyer was in overseas when transfer documents were executed. Transfer executed by a solicitor.**



Fundamental Concepts

- **By depriving criminals of the profits of their criminal activity you remove the motivation to commit the crime.**
- **Successful asset forfeiture prevents the reinvestment of criminal proceeds in further criminal activity.**



CHALLENGES

- **Training- The need for specialized training for the law enforcement officers**
- **Management and administration of Assets (who will meet the control cost)**
- **Storage facilities**
- **Clear direction Disposal of the forfeited assets**

