

SUMMARY OF CASES RELATED TO THE MONEY LAUNDERING AND TAX CASES

Delhi 24 Oct 2024

Role and competence of the Public Prosecutor in the criminal field

- Representing the State and
- Holding the authority to initiate criminal actions,
- Defends democratic legality and
- Promotes compliance with the law based on the constitution, as the holder of criminal action.

The public prosecution holds the authority to initiate criminal actions because it has the prerogative to investigate. It can delegate its investigative competence to criminal police bodies, namely the Anti-Corruption Commission (CAC), the Scientific Criminal Investigation Police (PSIK), and the National Police of Timor-Leste's Criminal Investigation Department. It also possesses the prerogative to sustain cases in trial and oversee criminal execution

Money laundering crimes in Timor-Leste

- Regarding money laundering, most complaints arise from suspicious transaction reports filed by the Financial Investigation Unit (FIU).
- Many underlying crimes associated with money laundering involve tax fraud committed by companies
- In the criminal legal framework of Timor Leste, there is a chapter addressing crimes against the economy, which includes tax fraud.
- The crime of tax fraud in Timor Leste does not specify a minimum amount for prosecution.
- The tax system here operates on the principle of self-assessment, where individuals voluntarily declare their income.

Related to work experience

- **How to detect and initiate an investigation**

The investigation began with information from NCB Interpol Singapore to NCB Interpol Timor Leste. Using this information, PSIK, in cooperation with the Financial Investigation Unit (FIU), was able to trace funds originating from a company in Singapore.

These funds were then transferred to a company registered by the defendants in Timor Leste, which had the same name as the original company in Singapore.

A total of USD 42 million was transferred to the defendants' account, from which they managed to withdraw USD 300,000.

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On the day the defendants made this withdrawal, PSIK utilized technical and tactical police methods to identify and detain the suspects, as well as to seize relevant items.

These items were subsequently presented to the Public Prosecution to request the court of first instance in Dili to apply enforcement measures and validate the seized objects

The modus operandi of the cases

- The modus operandi in this case involved a Business Email Compromise (BEC) scam, where the defendants intercepted legitimate emails from ENN LNG Singapore, Pte. Ltd, to carry out fraudulent fund transfers.
- Business Email Compromise (BEC) is a sophisticated fraud scheme that targets individuals and organizations making legitimate fund transfers. It involves compromising legitimate email accounts using various computer tools to facilitate illicit transfers.
- The trial is currently in the investigation phase, with another prosecutor overseeing the case. During my shift, I was able to detain eight individuals, five of whom are now in pre-trial detention.

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During the interception of legitimate emails from the Singaporean company, two foreign defendants (Nigerians) managed to enter and exit Timor Leste. They found a Timorese individual who was financially supported by the two Nigerians to register a company with a name similar to that of the Singaporean company.

They then opened an account at Bank Mandiri to continue intercepting communications from legitimate companies in Singapore, ultimately transferring money to the company they established in Dili, Timor Leste.

Results and Challenges

- There is limited cooperation with some countries, even when requests are submitted through the central office of international criminal cooperation.
- The process often takes many years without yielding positive results, creating difficulties and resulting in insufficient evidence for the prosecution to substantiate charges in court.
- As a result, partial filings have been made, awaiting outcomes until the statute of limitations expires.
- Regarding tax fraud, there are no prosecutors or investigators within the criminal police specifically focused on these crimes.
- Although PSIK has established a unit to investigate economic crimes, the results of these investigations often require the tax authority to conduct audits.

THANK YOU