



Liberia Presentation on Financial Analysis Case Example and Challenges



Financial Analysis Case Introduction

In AML/CFT practices, Financial Analysis can be referred to as the process of monitoring, analyzing and investigating suspicious activities within the financial sector.

If these suspicious activities are found true, they are further investigated in order for culprits to be brought to justice and illegally attained wealth confiscated or recovered.



Financial Analysis Case Introduction cont.

The abuse use of the Financial system for money laundering activities is a key challenge faced by the financial services sector. In view of this, the authorities have introduced major AML/CFT regulations to detect and prevent such activities. Complying with these regulations, banks and other Reporting Entities (REs) required to implement an effective AML/CFT compliance, along with appropriate tools and functioning systems.



Some Red Flags That Raised Suspicion

- ❖ KYC and account activities differ
- ❖ An Attempt to transfer funds to the account of a company that doesn't exist (shell company)
- ❖ Immediate closure of account.



Financial Analysis Case Example

- ❖ John Doe, a Liberian Student at the Jean University opened an account with Shift Bank Liberia Limited (Account Number 2097002356) on January 14, 2021 with an initial deposit of \$100. On January 18, 2021 barely four days after the account opening process, the subject made a deposit of \$13,000
- ❖ On January 21 2021, a day after a huge deposit, John wired out \$13,000 to the Peters Foundation (account Number : 4626866809) at Bliss Bank Ltd. He claimed at first the reason for transfer was to support the Foundation in helping physically challenged people in the country.



Financial Analysis Case Example

- ❖ He later reverse his statement and said the purpose of transfer was to pay rent. When the bank Compliance officer decline to process the transaction, on grounds that there were no supporting document to validate the transfer, John cancelled the transaction and withdrew his funds and closed the account.
- ❖ Few days after, he opened a new account with Hope Bank as Jim Doe but maintain all other information.



Financial Analysis Case Example

- ❖ He attempted to repeat same.
- ❖ Both banks filed STRs to the FIU. While analyzing the case, the FIU could not get sufficient supporting document from either of the banks. As the result, the case was put on hold.



Case Additional Information

Subject Personal Information

Name: John Doe/Jim Doe

Date of Birth: May 17,1993

Place of Birth: Zorzor, Lofa County

Address: LPRC Community, Gardnersville, Liberia

Phone #: 0330608936

Email: johndoe@gmail.com

❖ The Peters Foundation is a shell company



Case Findings

- ❖ John Doe is an unemployed student with an unknown source of funding
- ❖ US \$13,000 transfer cannot be attributed to the foundation's activities
- ❖ Conflicting accounts given during the transfer
- ❖ Double Identity and fake contact information



Challenges in our Jurisdiction

- ❖ Lack of Proper KYC and CDD Procedures
- ❖ The Lack of Executive/Political will power
 - In the absence of collaboration and support from the executive branch, it is difficult to carryout AML/CFT compliance duties, attain information as well as prosecution, confiscation and seizure



Challenges in our Jurisdiction

- ❖ The Lack of inter agencies collaboration
 - It takes longer time to obtain information from other security agencies. Analyzing cases are prolonged as a result of bureaucracy
 - The fight for supremacy hinders inter agencies collaboration
 - Not enough fundamental understanding of ML/FT



Challenges in our Jurisdiction

- ❖ **Interferences from Authority**
 - Operational obstruction from authorities

- ❖ **Availability of Information and Data**
 - The inaccessibility and unavailability of ready information.
 - Failure to retain information.



Challenges in our Jurisdiction

- ❖ The qualities of data/information
 - Often time the information data received are scanty
 - Incomplete data
 - Duplicate or altered data