

PROFILING & ASSET TRACING

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SCOPE

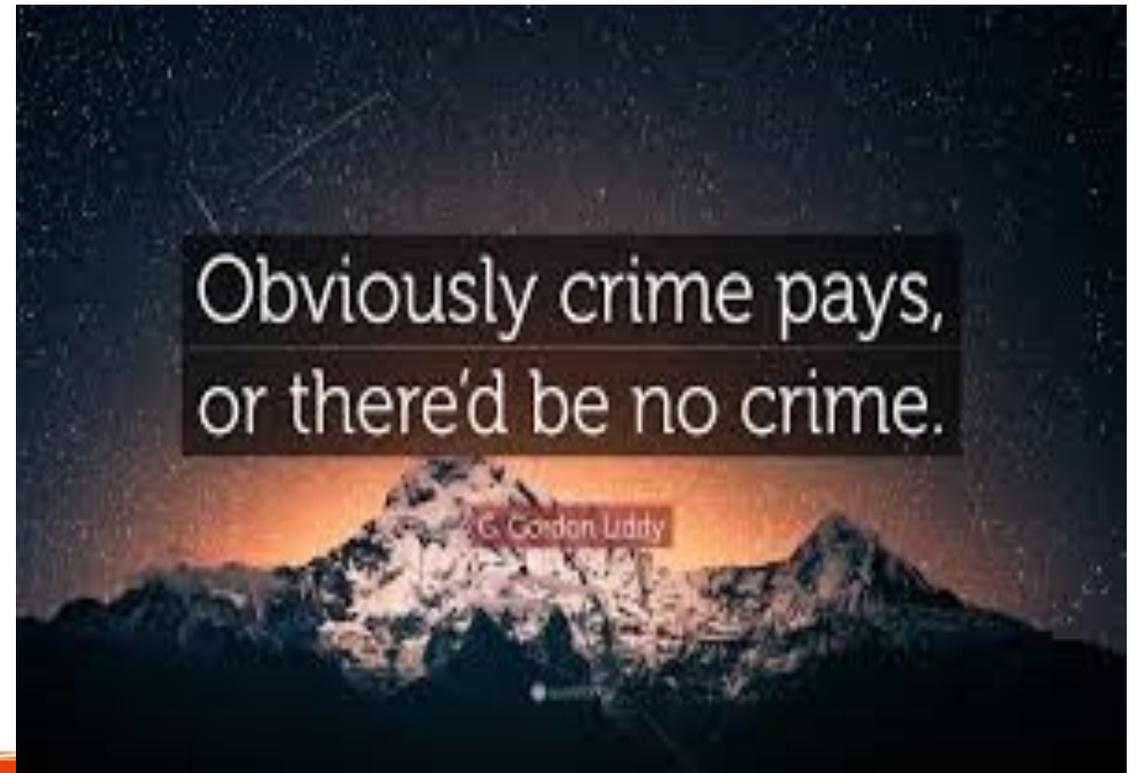
- Why Trace Assets?
- Asset Recovery Process; Intelligence/Evidence Collection
- Fundamentals of Asset Tracing
- Profiling: Individual, Financial, Assets
- Obtaining Financial Information
- Sources of Information
- Mapping Analyzed Data
- Collaboration & Cooperation
- Challenges

AIM

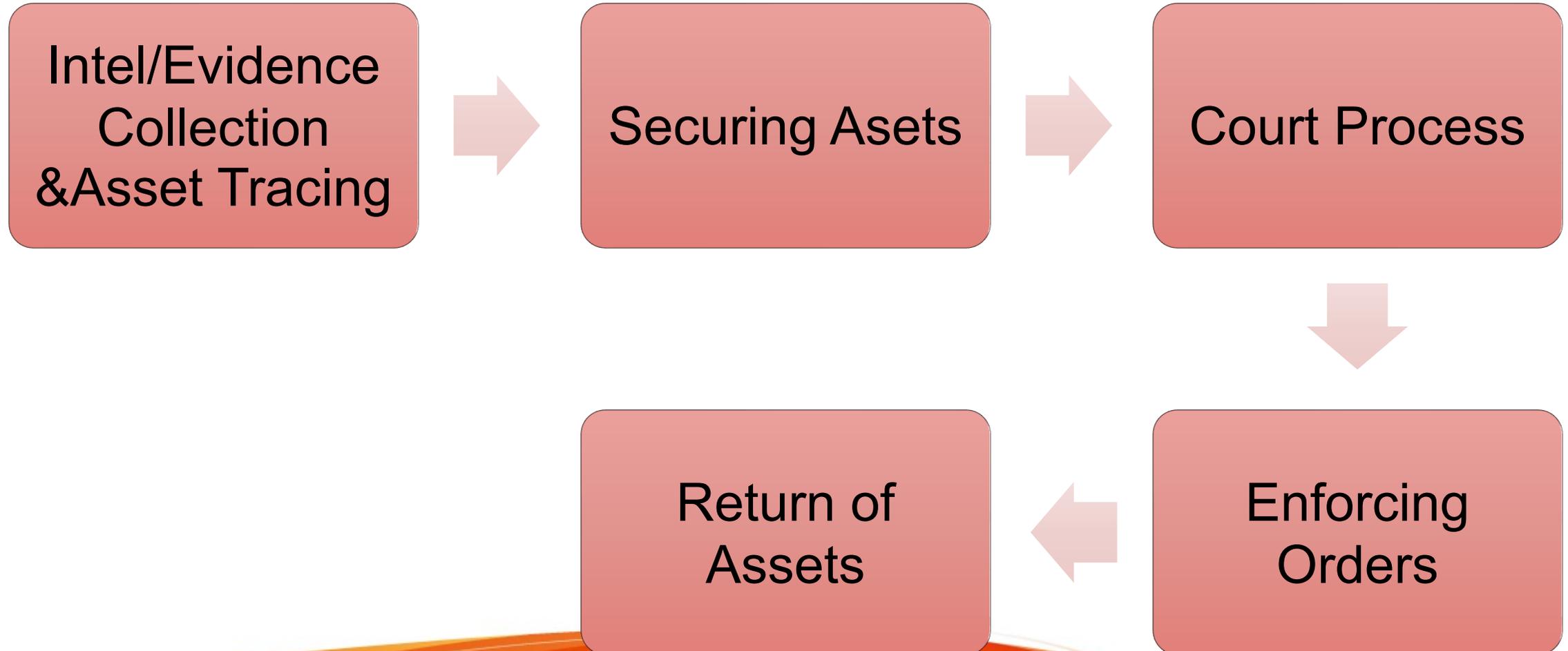
- Highlight importance of Asset Tracing in Asset Recovery Process
- Understand the basics of conducting Profiling & Asset Tracing

Why Asset Tracing?

- Why the need to confiscate proceeds of crime?
- Undertaking detailed profiling and asset tracing, makes this possible.



Asset Recovery Process



Intel/Evidence Collection & Asset Tracing

Who Gathers?

- Law Enforcement Officers
- Private Investigators
- Interested Parties in civil actions

From Where?

- Open Sources/Public
- Intelligence from law enforcement
- Government Databases
- Investigative Techniques

Fundamentals of Asset Tracing

- Undertaken at the onset of any financial investigation.
- Evidence linking criminal activities to acquired assets.
- Proper procedures should be followed when obtaining financial data & evidence.
- Continuously assess need to institute provisional measures to seize/restrain assets.

Profiling

Gathering information from different sources to have a better understanding of the target.

- Individual Profiling.
- Company Profiling.
- Financial Profiling.
- Asset Profiling.
- Lifestyle Audits.

1. Individual Profiling

- Collates information under key characteristics of their physical description, personal particulars, former and present behavior and relationships. It is similar to a resume, tailored to meet the needs of an investigation.
- The profiles are used to gain an appreciation of the history of the person of interest and how that person came to be where they are today.
- Persons related to and associated with the individual of interest are also profiled.

Individual Profiling Cont'

- Full Names & Aliases
- Date of Birth
- ID/ Passport/Phone Numbers
- Companies
- Recent photos

- Occupation
- Educational Background
- Family information (Spouse, Children, Siblings)
- Bank account details
- Real estate records
- Criminal Records

2. Company Profiling

- Most criminals use legitimate businesses and companies as fronts to disguise or facilitate criminal activities.
- A simple profile of the business or company can help an investigator understand how and why the criminal may use it.
- Company profiles look at the key characteristics of a business or company that may be relevant to an investigation.

Company Profiling Cont'

Aims to Identify;

- Ultimate beneficial owner
- Directors/Shareholders details and contacts
- Nature of business
- Turnover
- Bank Details
- Tax Status

Achieved Through;

- Tax Authority systems/DB
- Companies' Registry
- Reporting Institutions etc

3. Financial Profiling

Involves obtaining information on:

- Bank account numbers & Names;
- Branches;
- Bank Balance;
- Bank Statements;
- Account opening details and signatories.

Financial Profiling Cont'

- Mobile Banking
- Telecoms- Mobile Service providers
- Credit Reference Bureau
- Stock Market
- Tax returns
- Insurance companies
- Lifestyle- Credit Cards, Schools
- Financial Intelligence Units

4. Asset Profiling

Asset tracing of liquid, movable and immovable assets utilizing a range of techniques and information sources.



Asset Profiling Cont'

- Asset type e.g. apartment, stand-alone, land, vehicles.
- Location.
- Estimated Value-
Depreciating or appreciating?
- How assets were financed.
- Financial information analysis and tracking money flow.
- Current ownership information.
- History of property ownership.

5. Lifestyle Audits

- A study of a person's living standards to see if it is consistent with reported income.
- Key in detecting corruption among other financial crimes.
- Lifestyle Audit = Financial Profiling + Asset Profiling.
- Wealth Declaration and Vetting of Government Officials.



*Do you have wealth declaration in your
respective countries?*

Sample Subject Profile



Subject
Profile Samp

Obtaining Financial Data & Evidence

- Admissibility in a Court of Law.
- Legality of techniques used locally and internationally.
- Include selected techniques in investigative plan.
- Utilize basic & non-intrusive techniques.
- Covert Techniques.

Sources of Information

- Open Sources- Internet, Media- Print, Social Media
- Closed Sources- Government Systems- Hospital Insurance, Social Security, Registrar of Persons, Tax Authorities, Immigration
- Surveillance-Foot & Mobile, Electronic
- Interviews
- Financial Intelligence Units' Data bases



*What level of access do you have to
Government databases in your countries?*

Sources of Information Cont'

- Criminal & Court records
- Account Monitoring Orders
- Search & Seizure Warrants
- Trash Runs
- Mail Cover

Case Study of Social Media as a Source of Information



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How the US caught flashy Nigerian Instagrammers 'with \$40m'



Olalekan Jacob Ponle, known as "mrwoodbery" to his Instagram followers, flaunted his wealth





IT'S

OK

TO TAKE

BREAK

A



Monkey Business Illusion

Identifying Relevant Data

- Suspicious Transaction Reports (STR's)
- Account Opening Documents & KYC
- Bank Account Statements
- Wire Transfers
- Accounting Records
- Insurance Policies
- Purchase & Sale Documents

1. Suspicious Transaction Reports (STR's)

- Source and destination of funds
- Narrative on nature of suspicion and KYC information
- Frequency of the use of wire transfers, checks etc
- Information on other asset/products held by the target at the bank

2. Account Opening Documents & KYC

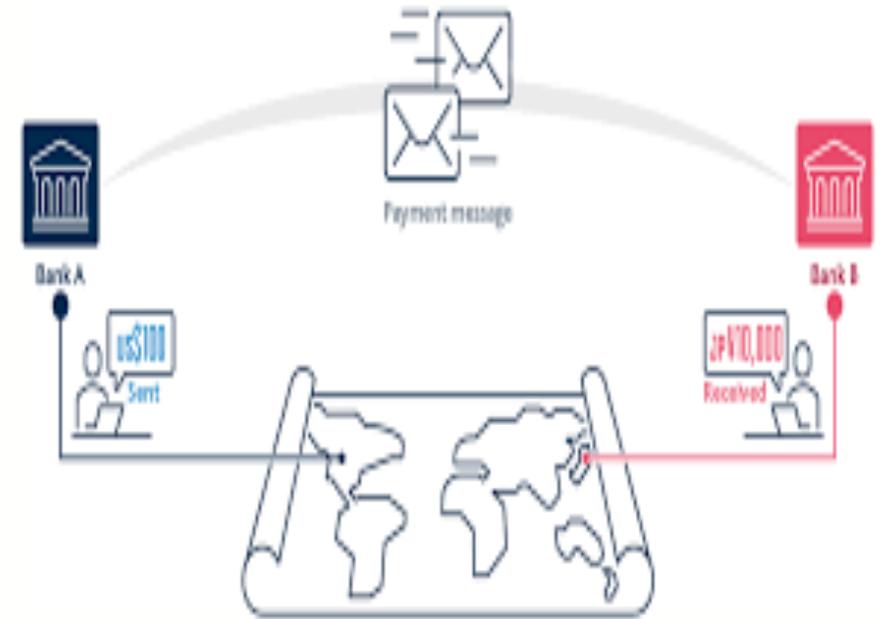
- Additional due diligence required on PEP's
- Account manager/persons with power of attorney
- In case of companies; Incorporating documents, board members, persons authorised to conduct business
- Supporting documents on source of funds; contracts, real estate sales

3. Bank Account Statements

- Focus on ID source and destination of funds
- Cash- Deposit/withdrawal slips to ID person transacting.
- Bonds- How they were deposited in the bank.
- Checks- ID originating account, Narration, Endorsor

4. Wire Transfers (EFT)

- Domestic or across borders
- **Aim-** Break audit trail and secure funds in bank secrecy havens.
- **How-** Transactions through numerous financial institutions in transit jurisdictions
- **What-** Bank Identifier Codes



5. Accounting Records

- Financial Statements of a business support a business' accounts
- Examples- Journal, Ledger, Balance Sheet, Income statements
- What- ID account names, amounts, receipts, disbursements.
- How- Comparing accounting entries, actual payments and supporting documents

6. Insurance Policies

- Single high value insurance purchases
- Additional insurance on valuables/education
- Evidence of regular payments and source

7. Asset Purchase and Sale Documents

- **Where-** Land registry, Purchase & Sale Agreements, Loans, Mortgages, Tax Returns.
- **What-** Value and date of purchase
 - Name of buyer/seller
 - Mode of payment
 - Source of funds)
- **Consider-** assets held by family members and associates but controlled by target, Travel Data

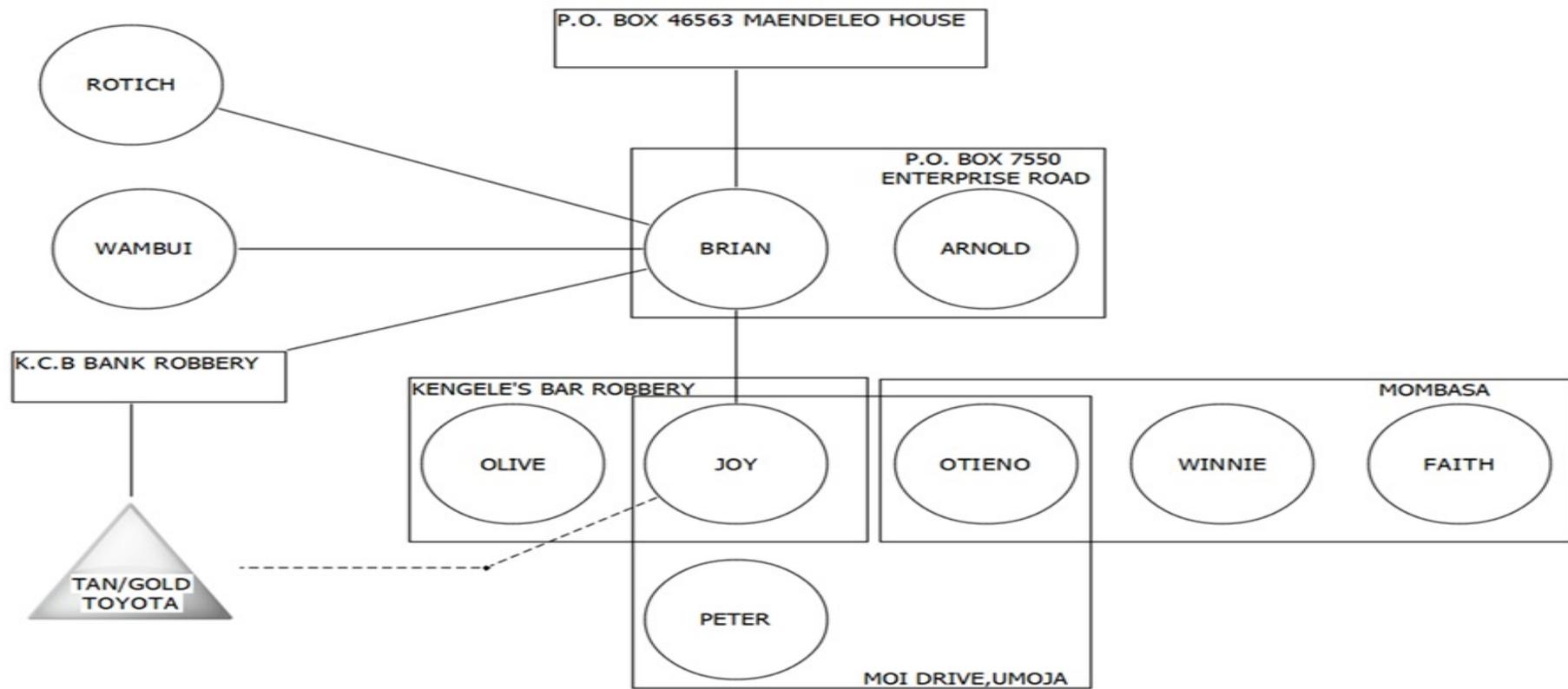
Mapping Analyzed Data

- Cash flow Analysis
- Link Chart Analysis
- Association Matrix
- Time-Event Charts
- Call Data Analysis
- Telecoms Analytics

1. Cash Flow Analysis

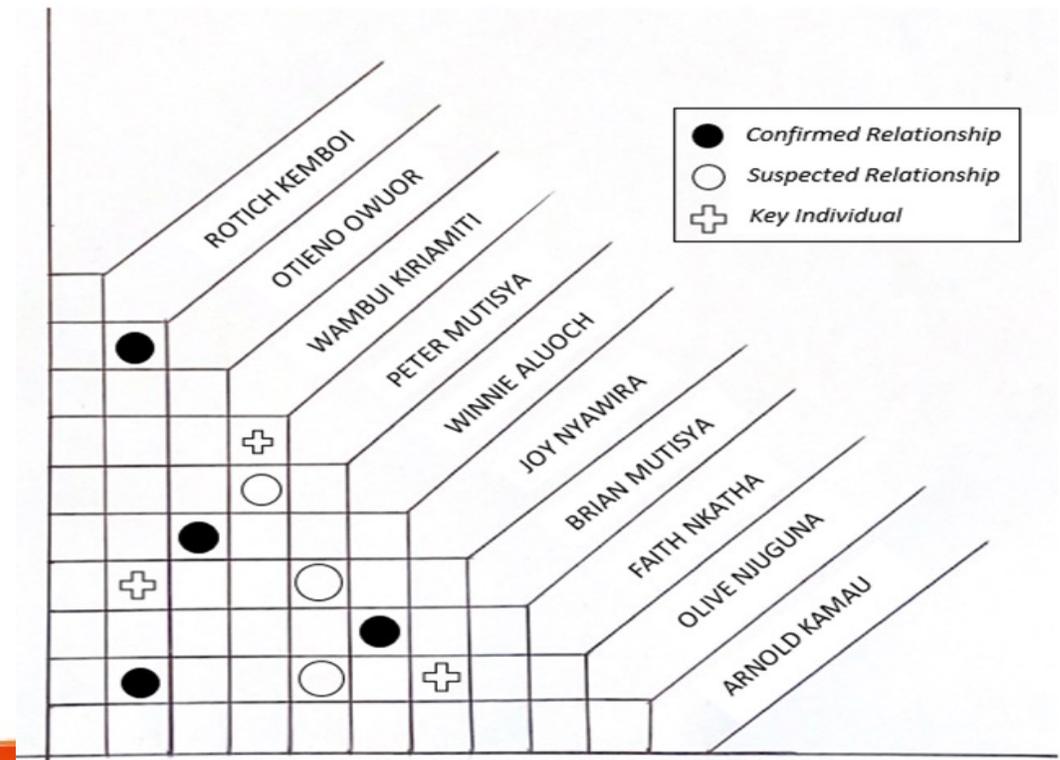
- Commonly referred to as “Following the Money”
- Aimed at discerning the source and disposition of money.
- Helps ID illicit funds and assets acquired using same.

2. Link Chart Analysis-Evaluates relationships (connections) between organizations, people, transactions and events.

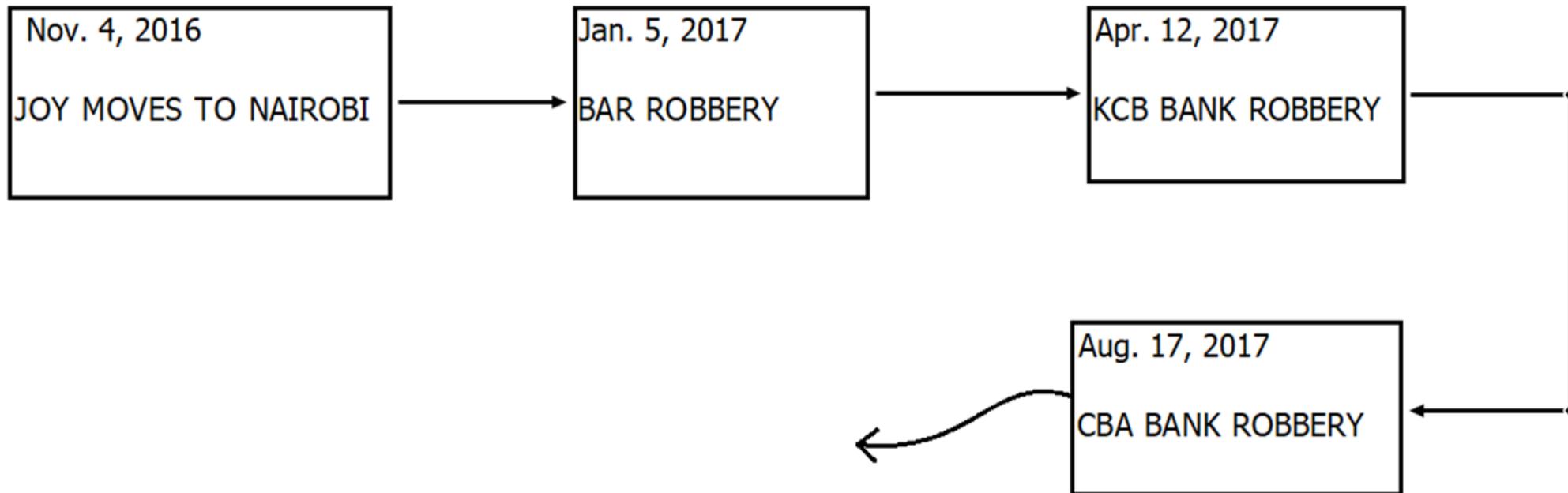


3. Association Matrix

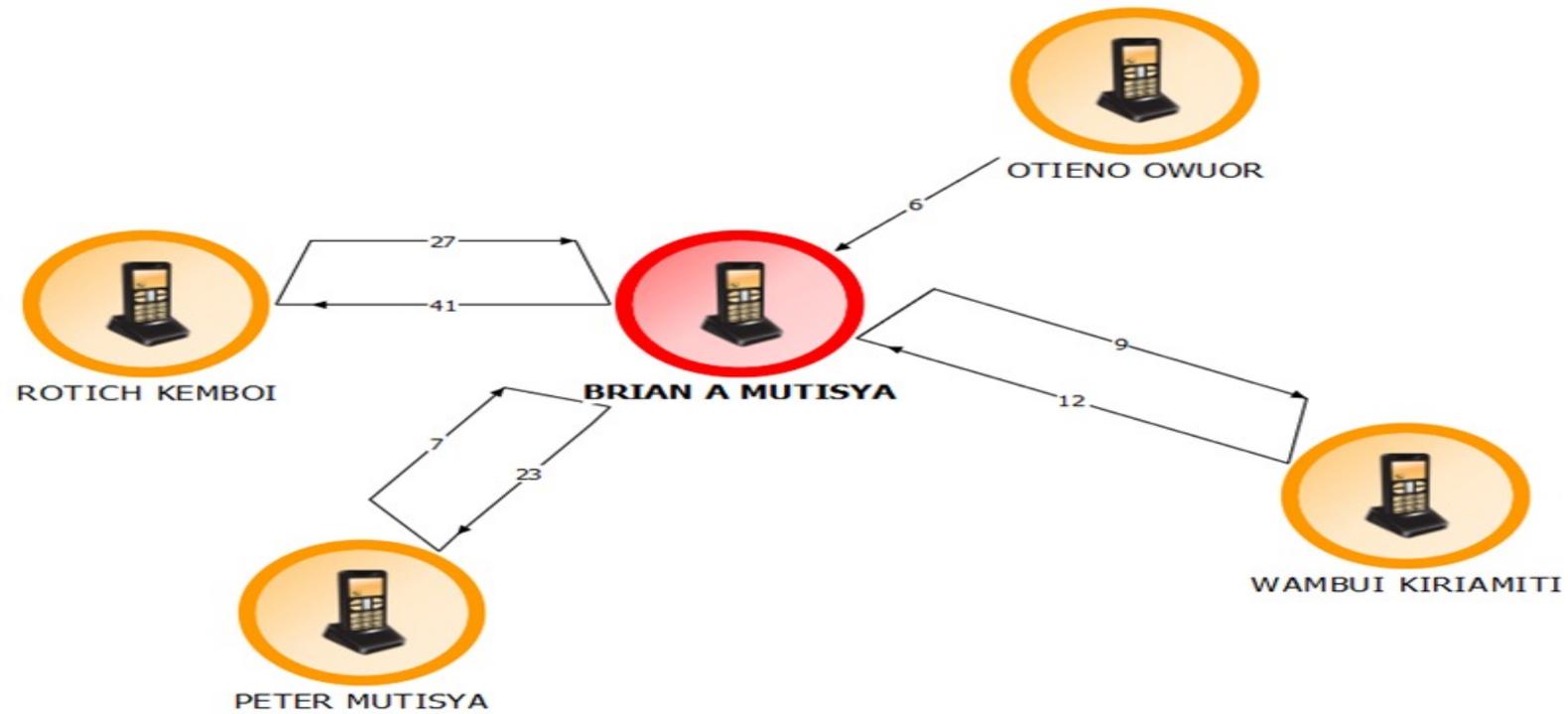
- Establishes relationship between people in the investigations.
- Reflects the strength of relationships as well as identify key individuals.



4. Time-Event Charts- An excellent way to present a chronology of group activities.



5. Call Data Analysis

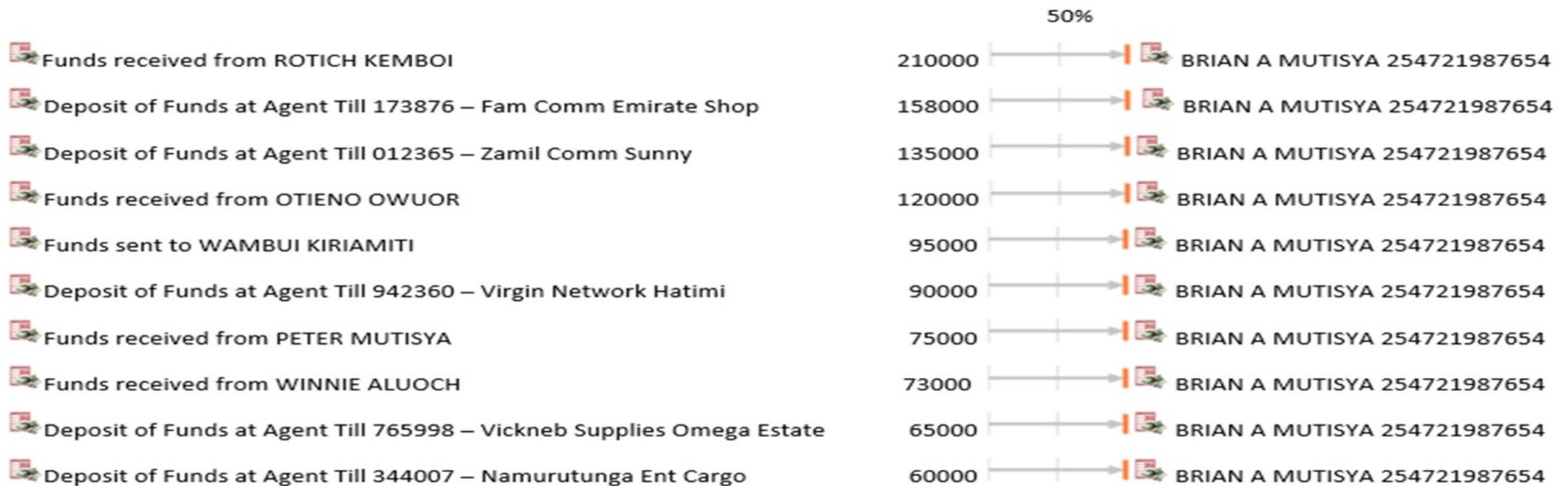


5. Call Data Analysis Cont'

- Additional Telephone numbers;
- Associates- Who do they communicate with;
- When, Where i.e last and first call;
- Call duration;
- Plot movements-meetings, times, venues;
- Relationships between calls and events in the investigation.

6. Telecoms Analytics- Analysis of POI's telecoms transactions; amount, frequency and recipients.

Connections with highest total values



Collaboration & Cooperation

- Whole of Government approach.
- Transnational nature of economic crimes and complex financial networks across various jurisdictions calls for countries to cooperate.
- Effective international cooperation among countries involved in generation and investment of illicit funds is critical to effectively tackle vice.
- Formal (MLA) and informal channels may be used.

Collaboration & Cooperation Cont'

Financial Action Task Force (FATF);

Global Money Laundering & Terror Financing watchdog established to develop measures to combat money laundering.

- 39 Members
- 1 Observer- Indonesia
- 9 Associate Members- APG being the largest
- 23 Observer Organizations (Including UN)

Collaboration & Cooperation Cont'

- Camden Asset Recovery Inter-agency Network (CARIN)
- StAR- World Bank & UNODC partnership
- EGMONT Group- Formed by FIU's

Breakout Activity on Asset Tracing & Recovery

LEA officers in UK became aware of allegations of corruption and misappropriation of assets by a former African Governor. It was suspected that his assets are located in the United Kingdom.

Describe the considerations to be made, and how to best approach the investigation in tracing the assets.

What Investigative Techniques can be used ?

Case Study on Asset Tracing & Recovery- UK (ARH Brun et al)

Former Plateau State (Nigeria) Governor, JOSHUA DARIYE was suspected of corruption and misappropriation of assets.

Techniques Used & Steps Followed;

- Conduct public records search
- ID suspect's family and associates
- Enquiries to relevant banks
- Obtained production orders

Case Study on Asset Tracing & Recovery- UK (ARH Brun et al)

- Search of publicly available information & Govt agencies
- Credit reference checks
- Production orders
- MLA request sent to Nigeria to determine source of funds

Findings & Conclusion

- Grant obtained by Dariye was diverted & concealed in own company bank accounts.
- Funds transferred to account in Nigeria then London for own use.
- Nigerian company that purchased London property received \$157M of stolen funds.
- Company paid \$626,800 for London property after Dariye authorized Govt contract worth \$58M in Plateau State.

Best illustrates use of associates and proxies in stealing and hiding assets in foreign jurisdictions; Use of different techniques

Points to Remember

- Asset recovery is vital in any financial investigation.
- Identify & secure assets as early as possible.
- Consider available legal options (Criminal/Civil).
- Consider inter-agency and international cooperation as early as possible
- Proper management of frozen assets.
- Proper disposal of assets.

LOOKING IS NOT SEEING





Challenges to Asset Tracing

- Collusion among perpetrators, Bank officials etc;
- Non-compliance by reporting institutions;
- Lack of centralized Government database;
- Cash-based economy- Dead end on money trail;
- Use of associates, professional enablers & Shell companies to acquire property.
- Lack of Mutual Legal Assistance in some jurisdictions.

Conclusion

- Profiling & Asset tracing plays a key role in asset identification and subsequent recovery;
- Asset identification and recovery efforts should be instituted at the earliest opportunity.
- No criminal should be allowed to enjoy proceeds of crime.

If you know the enemy and know yourself, you need not fear the result of a hundred battles.

If you know yourself but not the enemy, for every victory gained, you will also suffer a defeat.

If you know neither the enemy nor yourself, you will succumb in every battle!

SUN TZU

QUESTIONS?

