



OECD International Academy for Tax Crime Investigation

Asset Recovery: Freezing and Seizing Assets



INTERNATIONAL ASSET RECOVERY

INTRODUCTION

Diana Cottrell
UK Liaison Prosecutor
South Africa



Ice Breaker

WHY IS ASSET RECOVERY IMPORTANT?

In your breakout groups, come up with three short reasons (one or two words) why recovering the proceeds of crime (all crimes and not just tax) is important?

Breakout 10 mins



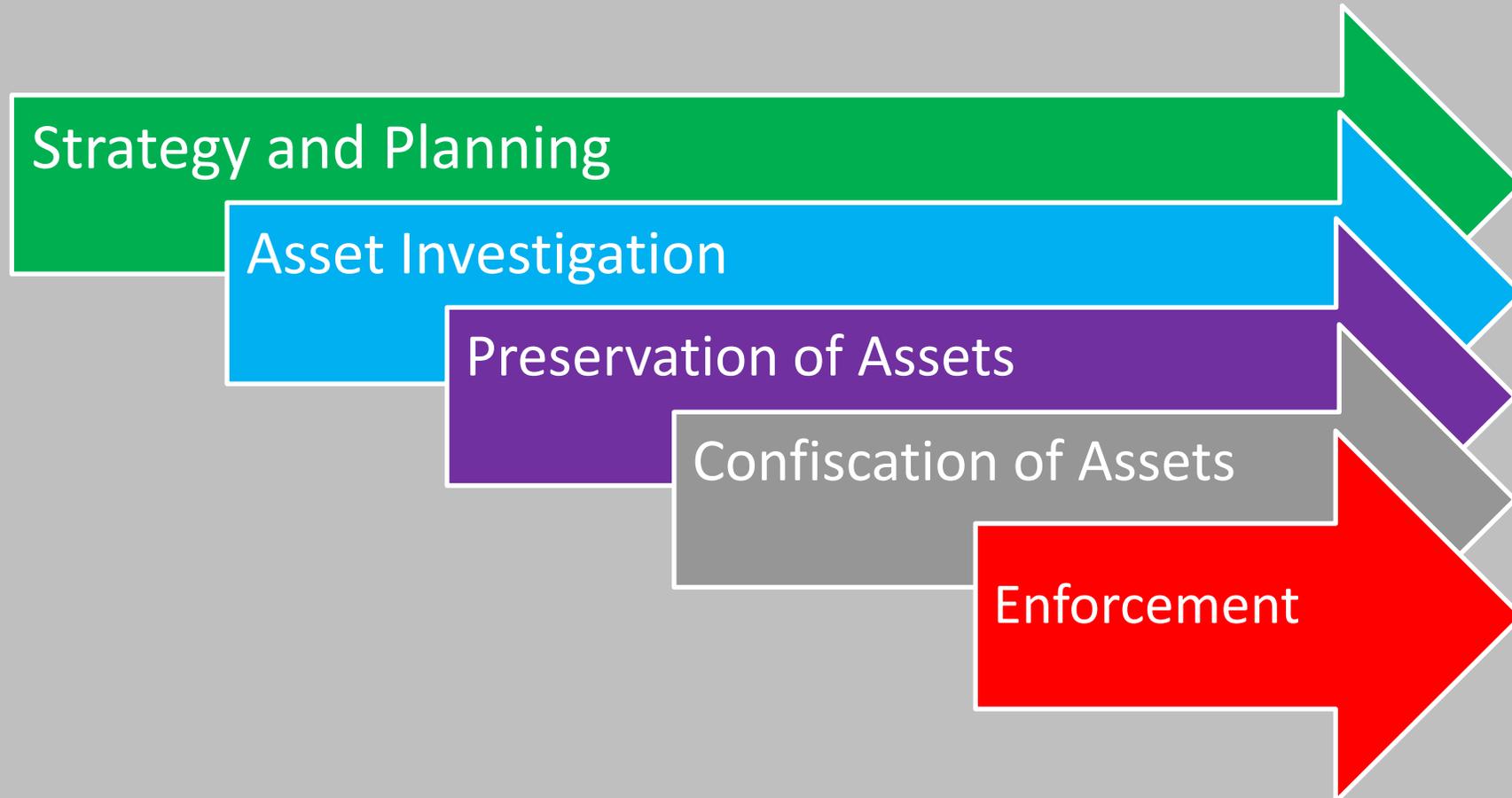
Breakout

**WHAT ARE THE STAGES TO RECOVERING
ASSETS?**



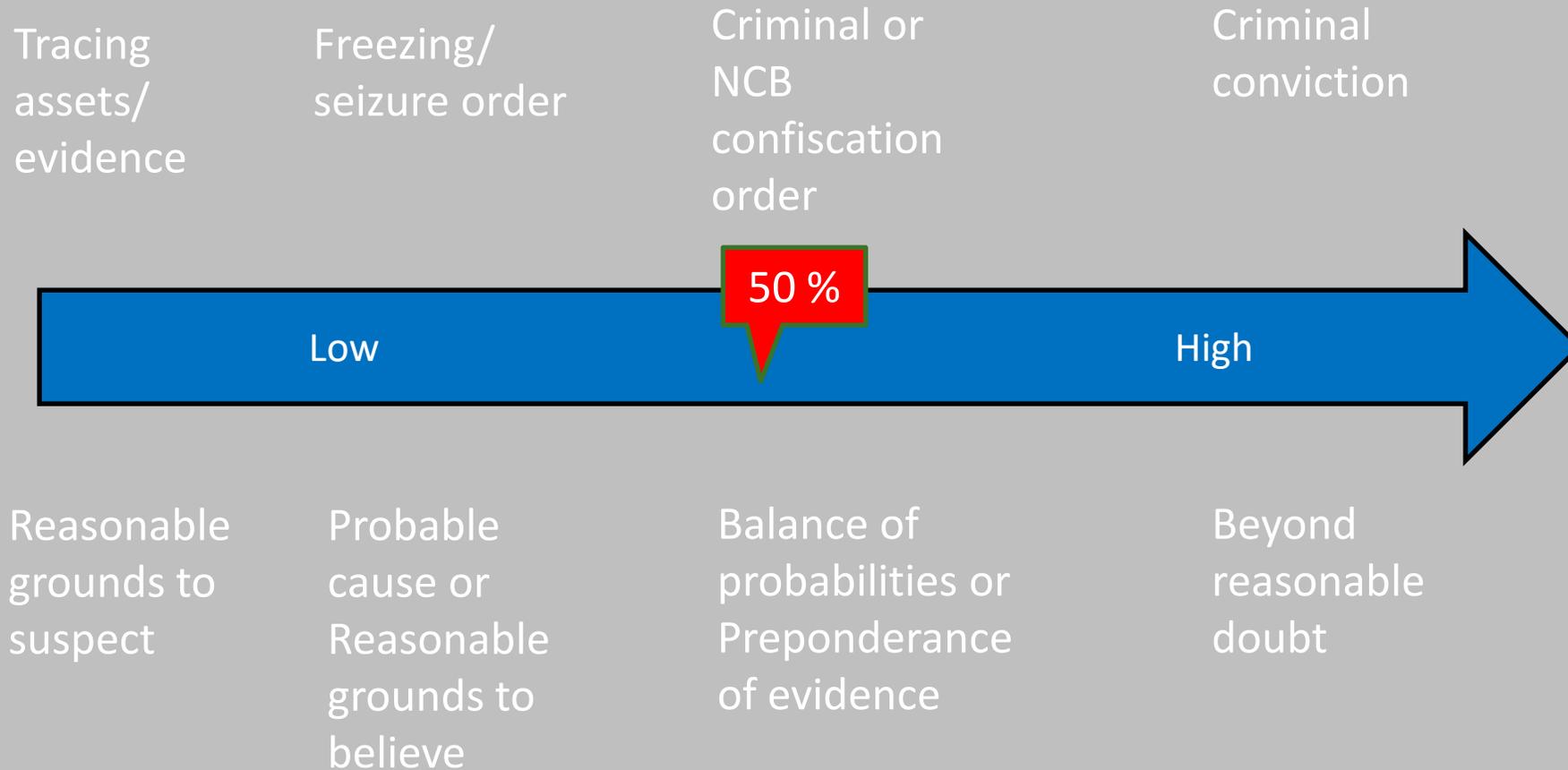
Strategy & Planning

Asset recovery can be broadly divided into five stages:





Standards Of Proof





Asset Recovery Investigation Strategy





Case Example

UK VAT Fraudster £5m



Strategy and Planning

- Consider asset recovery strategy when investigation starts and identify the following problems:
 - No clear idea of how criminality being committed
 - No evidence of a risk of dissipation



Case Example

Asset Investigation – Arrest Stage

Production Orders

ANY BANK
POLICE STATION, LEICESTER, LE1 7JH

ACCOUNT NUMBER: 10045301 STATEMENT: 17
SORT CODE: 90-99-18 NUMBER: 1
PAGE: 1 of 1

P. R. Potkinson
7 The Grange
West Orange
30a Parkside

DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
	Balance brought forward			35.00
8 May	CD07 High St	10.00		25.00
8 May	DC07 Pet Care Pic	3.00		22.00
11 May	RACS Regular Times		40.00	62.00
19 May	CH007	2.70		59.30
19 May	DD Gas & Co	16.00		43.30
22 May	50 TV Licence Company	21.00		22.30



Search & Seizure





Case Example

Strategy and Planning

Asset Investigation – Post-Arrest

Problem: Risk of dissipation

Solution: Account Monitoring Order

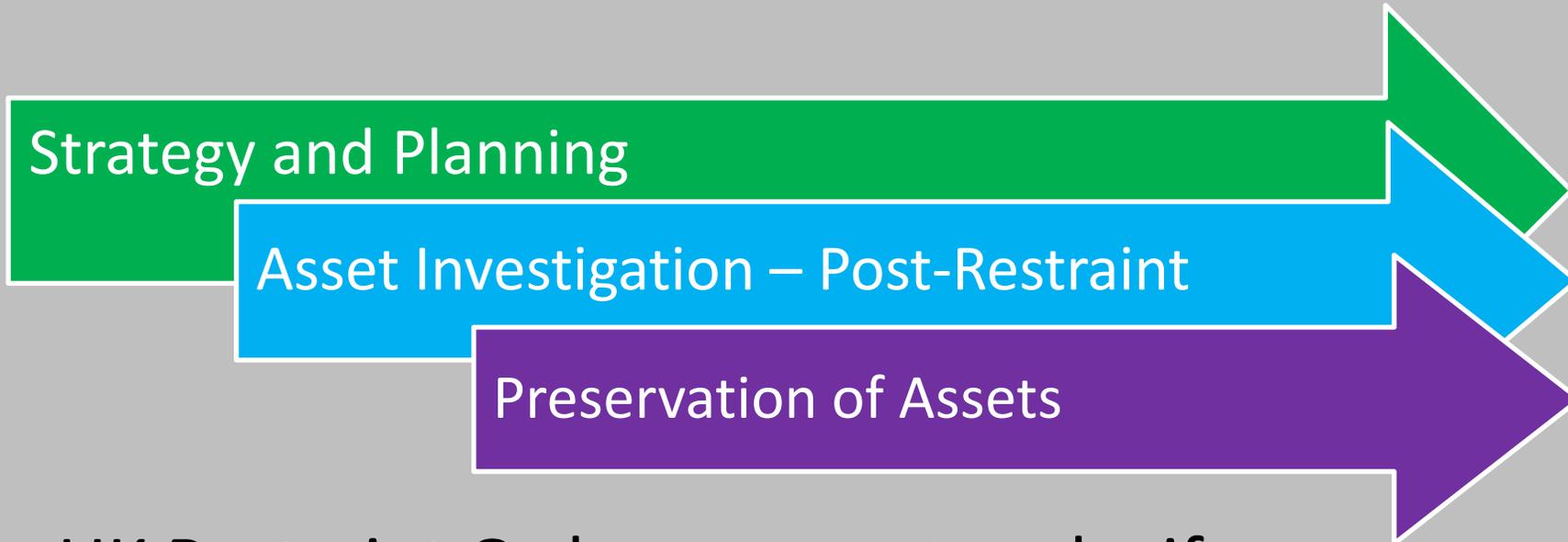


ACCOUNT STATEMENT
April 1 through April 30
Account Number: 98765432

Balan	Balan	Balanc	Balan	Balance as of 4/30	
Activi	Activi	Activity	Activi	Activity detail	
Deposi	Deposi	Deposits	Depositi	Deposits	
Date	Date	Date	Date	Date	Description
4/3	4/3	4/3	4/3	4/3	Deposit
				15	15.00
4/15	4/15	4/15	4/15	15	Automatic Deposit
					1,266.36
Total	Total		Deposits		1,281.36
Withdraw					
					\$ Amount
					1,200.50
					1,200.50



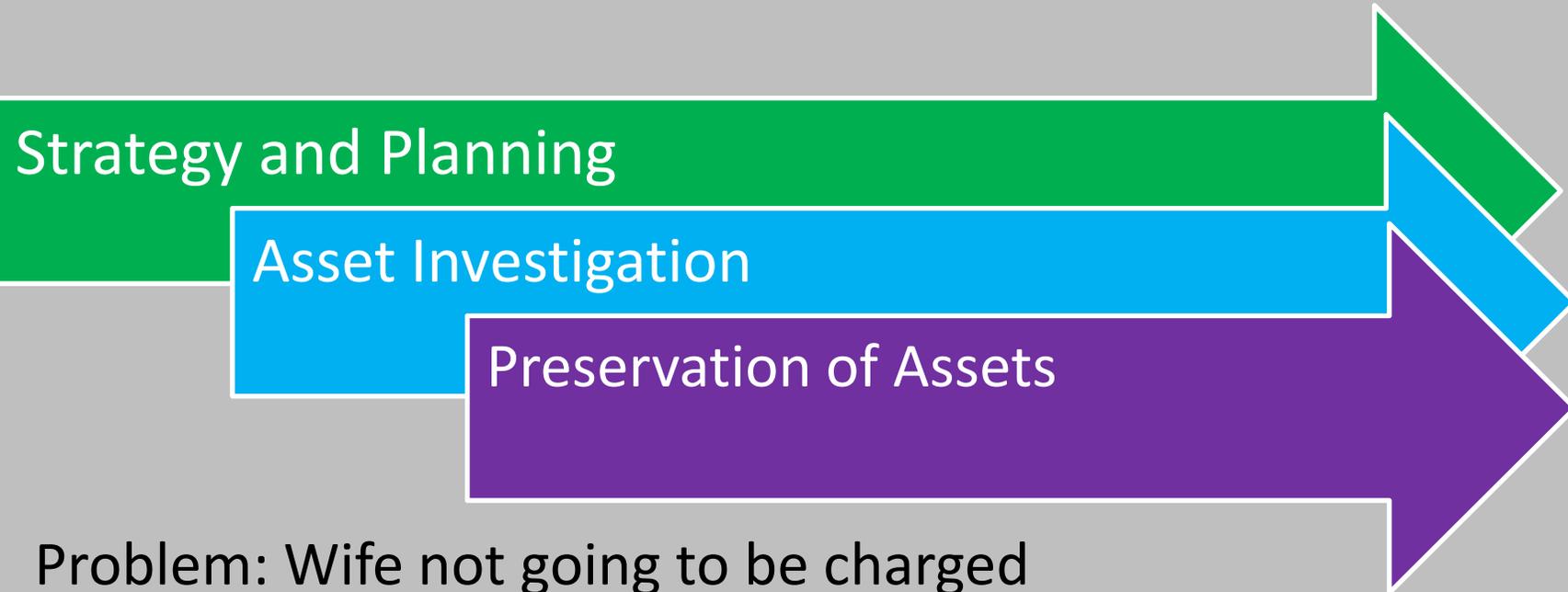
Case Example



- UK Restraint Order - suspect and wife
- Worldwide assets
- Included disclosure order against suspect
- FIs continue to trace criminal proceeds
- Strategy continually reviewed



Case Example



Problem: Wife not going to be charged

Solution:

- Prove suspects beneficial ownership of assets and amend restraint order.
- Consider civil tax debt claim against wife



Case Example

Strategy and Planning

Problem: Suspect critically ill, may die

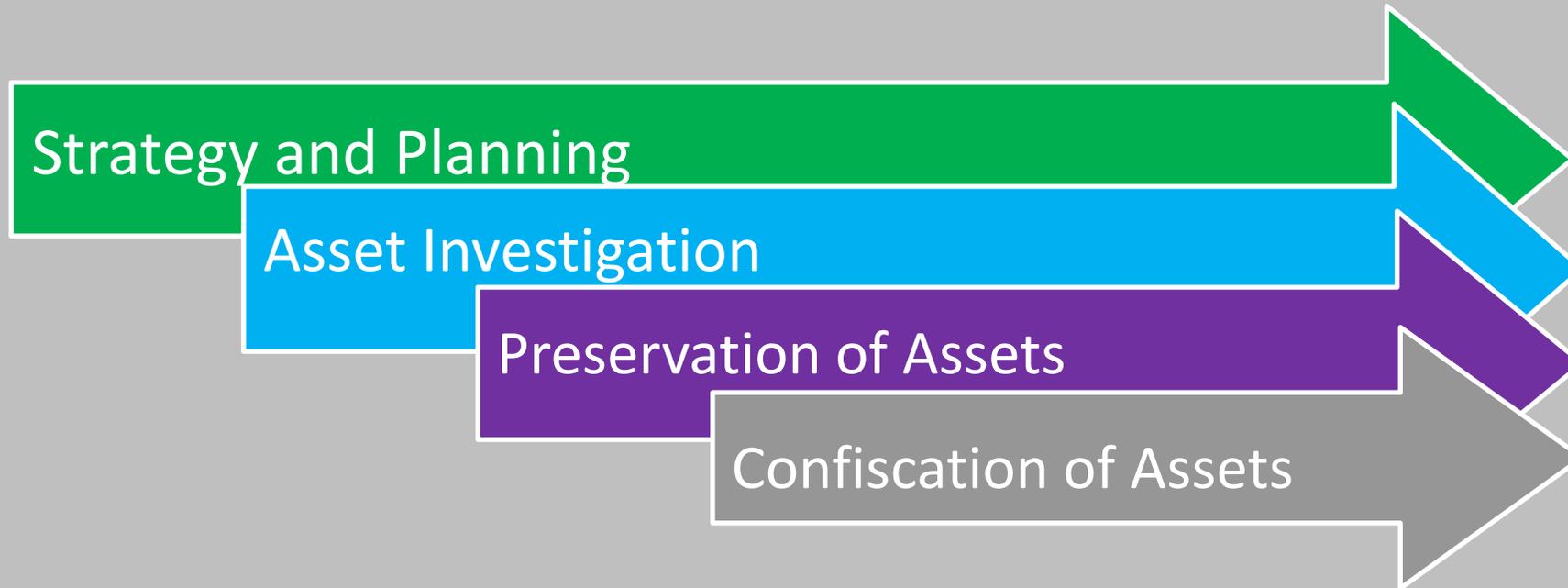
Solution:

- Non conviction based confiscation prepared
- Progress confiscation quickly





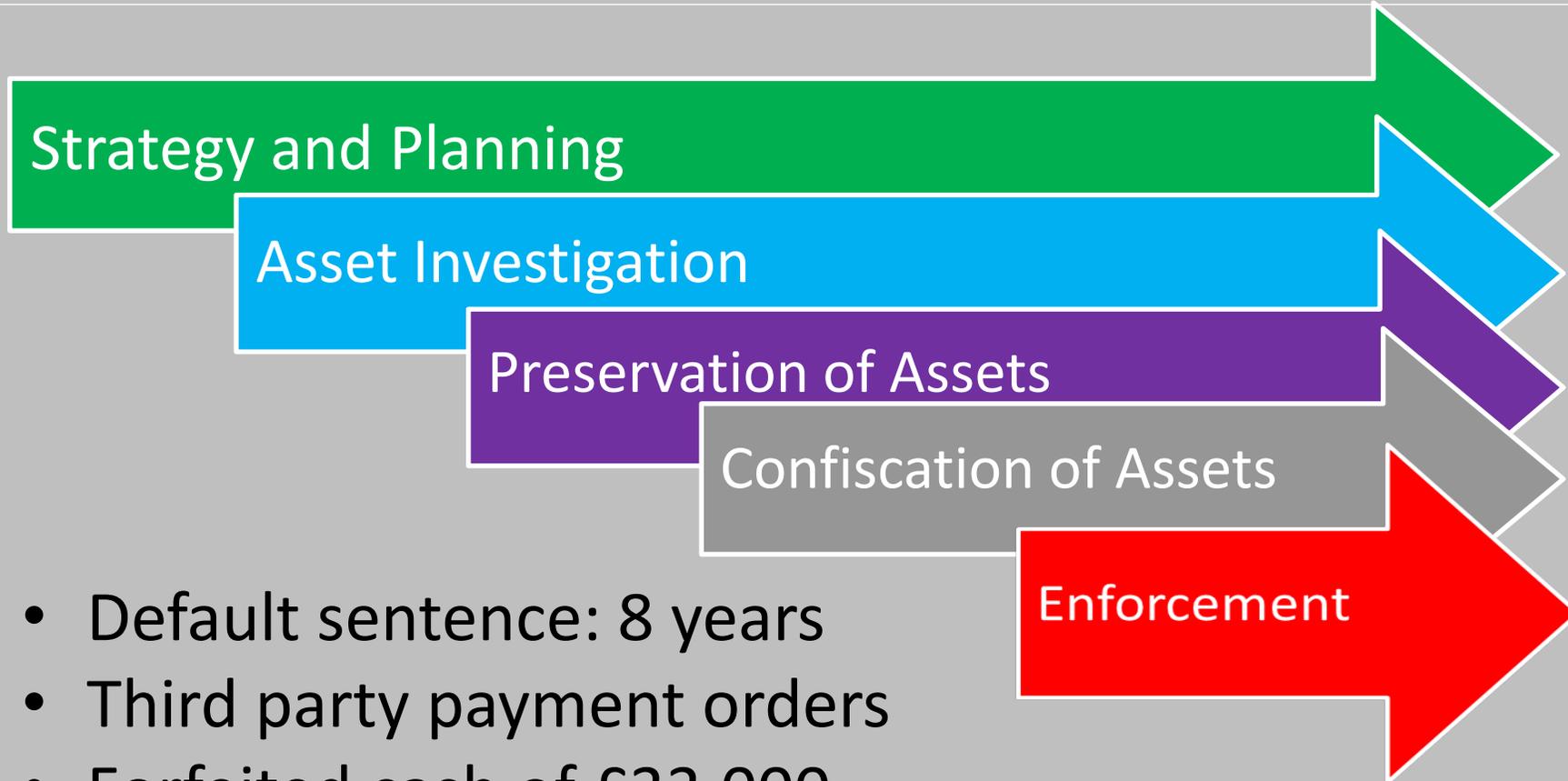
Case Example



- Statements in support of confiscation prepared and served at sentencing
- Interested parties (including wife) served with orders to disclose interest in assets
- Responses resulted in further investigation
- Legal argument to prove beneficial ownership based on trust principles
- Court determined ownership of property



Case Example

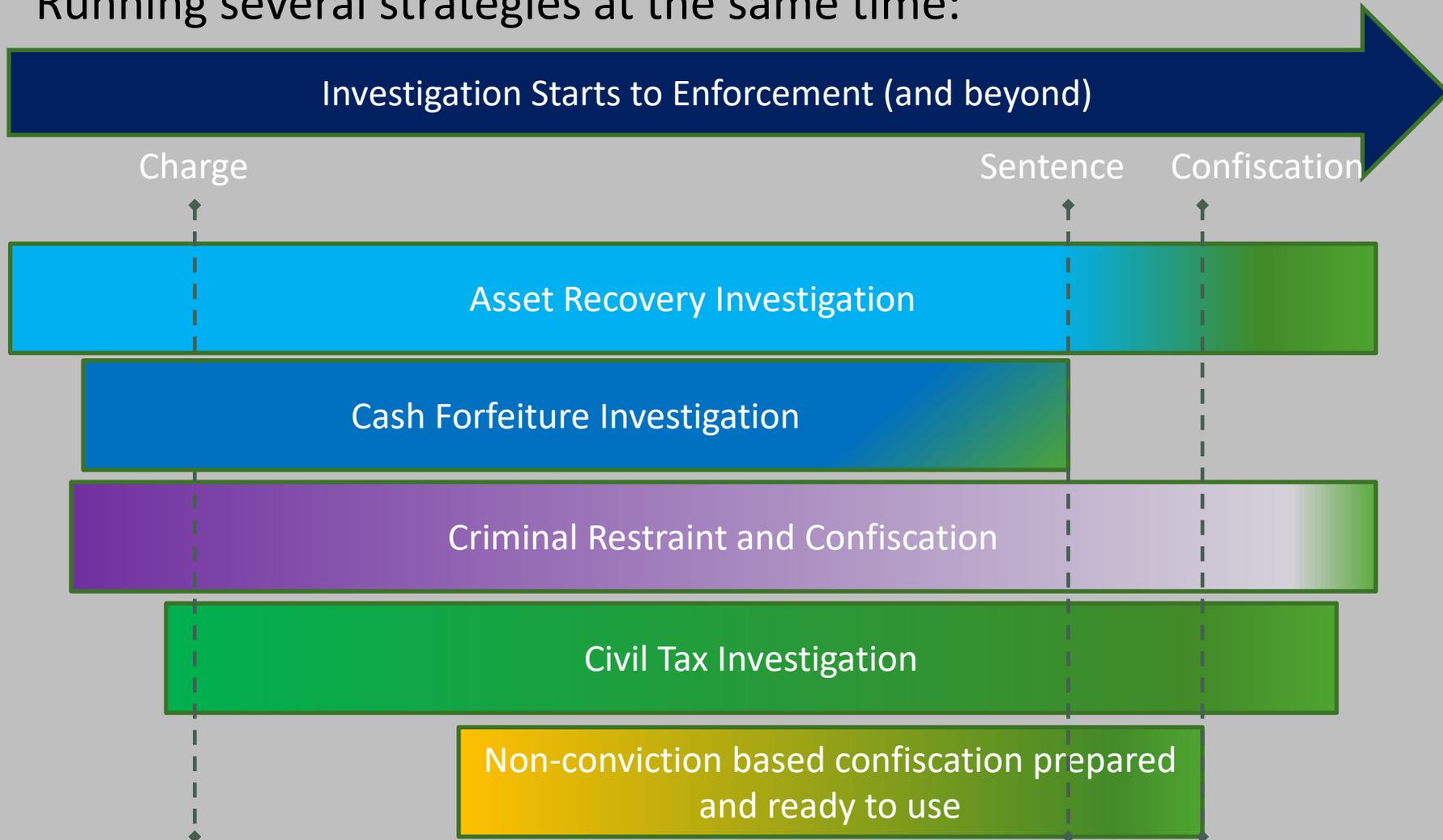


- Default sentence: 8 years
- Third party payment orders
- Forfeited cash of £33,000
- Search and seizure post confiscation order



Case Example

Running several strategies at the same time:





My sessions will cover...

- Asset Freezing
- Money Laundering Typologies
- Mutual Legal Assistance
- International Confiscation
- Asset Management – Preservation and Enforcement



Starting Point Quiz





ANY QUESTIONS?