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OECD Latin America Academy for Tax and Financial Crime Investigation

Asset Recovery: Freezing and Seizing Assets



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Outline

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INTRODUCTION

- Guyana is the only English speaking country located in the south America and it is bordered between Suriname on the east, Venezuela on the south and Brazil North on the Atlantic
- Guyana has a population of Approximately just under eight hundred thousand
- (800,000) persons
- Georgetown is the Capital City



INTRODUCTION



The Law

- Pursuant to section 2 of the Anti-Money Laundering Act Cap 10:11.
- **Serious Offences”** means a serious offence against a provision of: -
 - (a) Any law in Guyana, for which the maximum penalty is death or imprisonment for life or other deprivation of liberty of not less than six months imprisonment.
 - (b) Any offence listed in Second Schedule or.
 - (c) A law of foreign state, in relation to an act or omission, which had it occurred in Guyana, would have constituted an offence for which the maximum penalty is death or imprisonment for life or other deprivation of liberty for a period of not less than six months imprisonment and includes Money Laundering and Terrorist Financing or an offence listed in the Second Schedule.



Serious Offences

- Participation in an organized criminal group and racketeering.
- Terrorism, including terrorist financing.
- Trafficking in human beings and migrant smuggling.
- Sexual exploitation, including sexual exploitation of children.
- Illicit trafficking in narcotic drugs and psychotropic substances.
- Illicit arms and ammunition trafficking.
- Corruption and bribery.
- Counterfeiting and piracy of products.
- Environmental crime.
- Murder, grievous bodily harm.
- Kidnapping, illegal restraint and hostage-taking.
- Robbery or theft.
- Smuggling.
- Extortion.
- Forgery.
- Piracy and
- Insider trading and market manipulation.
- Fraud.
- Counterfeiting currency.



Role of Socu

The role of Special Organized Crime Unit (hereafter referred to as SOCU) is to:

1. Conduct Anti-Money Laundering and Countering the Financing of Terrorism investigations as a “Specialised Unit” of the Guyana Police Force.

In doing so SOCU initiates investigations based on the undermentioned:

- **Reports from FIU**
- **Reports from law enforcement agencies such as CANU, GRA, CID and other Police Divisions.**
- **Direct walk-in reports.**
- **Open sources**
- **Informant**
- **Reports from Government Ministries**

2. Investigate any other Serious offence as necessary or as directed by the Commissioner of Police (COP).



Case Study

- FIU Sent Intelligence report to SOCU Indicating that the suspects conducted multiple suspicious transactions at several financial institutions in Guyana, raising concern that they may be involved in money laundering activities
- These suspicions were based primarily on the large number of unsubstantiated cash deposits made by the suspect business accounts of Ken's Trading Enterprise.
- The sources of funds declarations submitted, to several commercial banks shows that the majority of the deposits were attributed to sales proceeds from biodegradable food boxes sold to local businesses, in particular Chinese Restaurants.



Overt and Covert Operation

- As a result of the FIU Report SOCU conducted surveillance on the suspects homes and business places for several months. Intelligence was gathered on the suspects lifestyles, associates, assets, banking habits along with other traits and characteristics.



Intelligence Verification

- Investigators contacted several businesses in the capital city to verify if the suspects conducted large cash transactions with them, all the businesses reported in the negative.
- Statements were obtained during this process



Request From Government Agencies

- Guyana Revenue Authority
 - Commercial Registry
 - Land Registry
 - Deeds Registry
 - Gold Board
 - National Insurance Scheme
 - Lottery and Gaming Authorities
 - Etc
-
- All Responded and no useful information was received favorable to the suspects



Production Order

- Production orders were prepared, taken before the Chief Justice who granted them.
- The orders were served on all Commercial Banks and money transfer agencies whom was given Fourteen (14) Days to produce certified copies of all transactions done by the suspects with their institutions.



Financial analysis

- All financial records supplied by the various institutions, Banks and money transfer agencies were handed over to the specialist to analyze

WITHDRAWALS (DEBITS)						
YEAR	REPUBLIC BANK	GRTI	SCOTIA BANK	CITIZENS BANK	DBI.	GRAND TOTAL
	\$	\$	\$	\$	\$	\$
2017	321,984	-	7	-	-	321,991
2018	21,839,165	-	128,873,100	-	-	150,712,265
2019	1,294,961,809	977,321,200	298,419,521	164,693,353	790,477,109	3,525,872,992
2020	3,288,917	-	-	61,643,288	419,733,917	484,666,122
TOTAL	1,320,411,875	977,321,200	427,292,627	226,336,641	1,210,211,026	4,161,573,369



No.	Name of recipient	Amount Transferred (\$)	Value of Goods declared to GRA (\$)	Unaccounted Funds(\$)
1	Marco HK Technology Ltd	1,008,971,550	29,029,077	979,942,473
2	Hong Kong Pinvel Technology	645,761,067	-	645,761,067
3	Direction Technology (Hong Kong) Ltd	225,533,036	-	225,533,036
4	Hong Kong Duobao Trade Co Ltd	221,648,797	-	221,648,797
5	Lemon Tree Holding Group	188,179,384	-	188,179,384
6	Hong Kong Zerui Trade Co Ltd	165,458,752	-	165,458,752
7	Haining Thriving Import	148,200,104	-	148,200,104
8	YIXI Holdings Limited	116,428,976	52,541,773	63,887,203
9	Haining Jintao Import & Export	83,339,763	-	83,339,763
10	Hotan Country Maani Shoes Co. Ltd	82,242,000	-	82,242,000
11	Pujiang County Bai Yao Industry and Trade Co. Ltd.	80,110,362	-	80,110,362
12	Zhejiang Pujiang Zhengjauwu	71,401,575	-	71,401,575
13	Hong Kong Louis Prince Co. Ltd	56,458,169	-	56,458,169
14	Lixian Zhuo Fang Clothing	52,361,714	-	52,361,714
15	Ke Jing Group Co. Ltd	43,200,000	-	43,200,000
16	Xinji City Yitai Fur and Leather Finery Co. Ltd.	43,154,210	-	43,154,210
17	Haining Huayi Textile	43,150,000	-	43,150,000
18	Gaoyang Bayun Textiles Co. Ltd	41,416,000	-	41,416,000
19	Ocean Faith China Limited	32,340,000	-	32,340,000
20	Wuhan Huizhenda Import & Export	32,248,800	-	32,248,800
21	Lixian Quernuan Gloves Co. Ltd	9,504,000	-	9,504,000
22	Chaogang Hu USA	4,349,010	-	4,349,010
23	Ruian Shine – Dragon Import & Export Ltd		1,971,159	
24	Samko Limited		4,155,405	
25	Shenzhen Caiyi Blister & Plastic Product Co. Ltd.		27,879,682	
TOTAL		3,395,457,269	115,577,096	3,313,886,419

Search and Seizures

- Search Warrants were prepared and executed on suspects residence and business place



Suspects Arrested and Interviewed

- Submitted Written Statement under caution
- Sent on Bail after 72 Hours Legal custodial time
- Signed Recognizance to report for nightly at SOCU Headquarters until the conclusion of investigations.



File Completed Legal Advice Sought

- Investigator visited the Directors of Public Prosecution Chambers (DPP) with a view of seeking legal advice
- DPP advise that suspect and son be charged with 134 Counts of Money Laundering while his wife to be charged with 134 Counts of Conspiracy to commit Money Laundering



Suspects Failure to report to SOCU

- Suspects breach their recognizances and went into hiding



Arrested at Guyana International Airport

- Suspect and wife tried to flee jurisdiction via the airport and was arrested by immigration officers and handed over to SOCU.



Charges Laid

- Suspect and wife were charged with the charges mention before, son was later arrested and charge for the said offences.
- Suspects currently in prison, trial ongoing



High Court Bail

- Suspects through their attorneys made application to the Chief Justice for bail and their applications were denied.



Confiscation & Forfeitures

- SOCU Currently made civil forfeiture application before the Chief Justice to confiscate all properties belonging to the suspects.









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END OF PRESENTATION
THANK YOU / QUESTIONS