



CASE STUDY MONEY LAUNDERING

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Money Laundering

- Money laundering is an illegal activity that makes large amounts of money generated by criminal activity, such as drug trafficking or terrorist funding, appear to have come from a legitimate source. The money from the criminal activity is considered dirty, and the process “launders” it to look clean. Financial institutions employ anti-money laundering office (AMLO) policies to detect and prevent this activity.

Mule Accounts

- Accounts created by criminals using stolen or synthetic identities by opening new accounts for illegal purposes that they have complete control over and that cannot be traced back to them.
- Accounts belonging to legitimate customers who have allowed criminals to use their account for illegitimate reasons.

Thailand's justice system

Thailand's justice system has respective criminal justice procedure as complaint and accusation, detection, arrest, charge and investigation, prosecution, court trial, sentence, and correction. The Thai revenue department is in investigation process and always received information about the illegal act from AMLO and Central Investigation Bureau (Royal police department). AMLO and Central Investigation Bureau will make an accusation, detection, arrest, charge and sent a criminal information to revenue department as well. After the investigation ended, Revenue department (legal officer) worked with the police to file a lawsuit to the court.

Other law enforcement agencies generally have the power to arrest or fine but not to interrogate except DSI officers and administrative officials who have been appointed with interrogative power in specific cases, and independent organizations with special authority, namely, the Election Commission of Thailand, the National Anti-Corruption Commission, and the Public Sector AntiCorruption Commission.

Agency involved in the investigation

FINANCIAL INTELLIGENCE UNIT



ANTI-MONEY LAUNDERING OFFICE

Financial Intelligence Unit

INTELLIGENCE UNIT AND NATIONAL SECURITY UNITS



NATIONAL INTELLIGENCE AGENCY

Intelligence Unit



OFFICE OF THE NATION SECURITY COUNCIL

Nation Security Unit



INTERNAL SECURITY OPERATIONS COMMAND

Nation Security Unit

LAW ENFORCEMENT AGENCIES, CRIMINAL JUSTICE AGENCIES AND TAXATION AGENTS



ROYAL THAI POLICE

General Crime



DEPARTMENT OF SPECIAL INVESTIGATION

Special Crime



OFFICE OF THE ATTORNEY GENERAL

Prosecution



COURT OF JUSTICE

Trial and Sentence



OFFICE OF THE NARCOTICS CONTROL BOARD

Narcotics



OFFICE OF NATIONAL ANTI-CORRUPTION COMMISSION *

Corruption



OFFICE OF PUBLIC SECTOR ANTI-CORRUPTION COMMISSION **

Corruption



DEPARTMENT OF INTELLECTUAL PROPERTY

Intellectual Property Crime



DEPARTMENT OF NATIONAL PARK, WILDLIFE AND PLANT CONSERVATION

Environmental Crime



ROYAL FOREST DEPARTMENT

Environmental Crime



OFFICE OF THE ELECTION COMMISSION

Election Fraud



CUSTOMS DEPARTMENT

Custom Offenses

TBML

Dual-Use Items



EXCISE DEPARTMENT

Excise Tax



REVENUE DEPARTMENT

Tax Evasion and Tax Fraud

Revenue Department of Thailand

- The process of the Revenue Department's operations:
- 2 type of Investigation
- 1. Mostly receiving information from external agencies, such as relevant organizations that send suspicious transaction data, or from external individuals, such as complaints from the public.
- 2. Do the investigation by ourselves. Use the existing data to continue the investigation to identify any issues.

After that, compile data, analyze the information, and in cases that require it, forward the data to regional revenue offices across the country for further investigation.

When a violation is found, the officers will proceed with assessing and collecting taxes from the taxpayers.

Case Study: Description of the case

- The Revenue Department received information from AMLO (Anti-Money Laundering Office) that Ms. A has conducted unusual transactions, showing a significant amount in her bank account. However, upon investigation, no tax filings were found for the year 256x. The Revenue Department will issue a summons to the bank as a witness to obtain details of Ms. A's transactions and proceed with issuing a summons to her as well.
- Ms. A stated that she was unaware of the large turnover in her bank account. However, she recalled that in the year 256x, she had opened a bank account and allowed Mr. B, a foreign national, to use it for transactions. Mr. B wanted to conduct business in Thailand but, as a foreigner, needed an account to receive funds for business purposes, and he agreed to pay Ms. A a fee for using the account.
- This caused Ms. A's account to become a "nominee account." The money that entered Ms. A's account was A large amount of money was deposited into Ms. A's account and most of it was withdrawn on the same day, which kept Ms. A unaware of any irregularities in the account. As a result, Ms. A was unable to explain the origin of the large sums of money, leading the Revenue Department officials to assess her taxes based on the deposits in her account.

Description of the case:

- The income was classified as "other income" under Section 40(8), constituting a violation under civil and commercial law, as well as under the Revenue Code. Additionally, since Ms. A had never filed a tax filings , she is also liable under criminal law.
- The alleged offences:
 - Tax evasion and money laundering (investigation still ongoing).



QUESTION