



# FINANCIAL CRIME CASE

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# Introduction

- ❖ Analysis of suspicion transactions reports and a tip from the general public led to an investigation and arrest of a former head of government department and his accomplice who are currently answering charges on fraud, corruption and money laundering.
- ❖ The former head of government department and his accomplice are accused of corruptly awarding contracts worthy about \$100,000 to a company co-owned by the former head of government institution and his accomplice.

## Background of the case

- ❖ An STR was received on a government department account being headed by Mr. X for further investigations on some transactional activities between the government department account and an account registered in the name of Company B.
- ❖ The account of company B received a total of \$100,000 from government entity headed by Mr. X

## Background of the case

- ❖ Analysis and investigation of the account of company B led to a number of findings on fraud, corruption, money laundering and regulatory compliance violations by the financial institution.

## Finding 1: ownership of Business B and account

An analysis of company B's account was made and the following was established :

- ❖ Mrs Q an accomplice of the former head of government entity opened a business account with Bank W.
- ❖ As part of KYC documents she presented her passport and a passport of a foreign national as the owners of the account and the business.

## Finding 1 : ownership of Business B and account

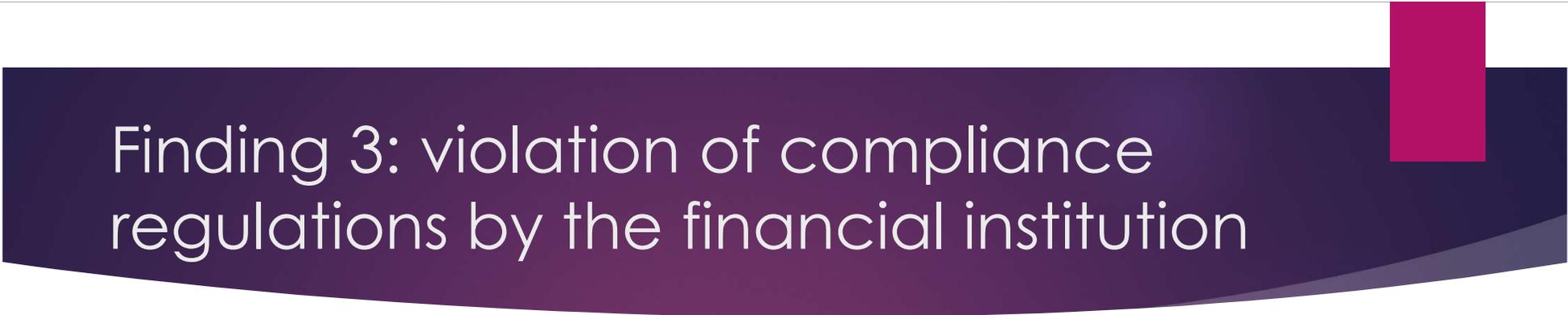
- ❖ Mr X distanced himself from the account by using the middle names which are common in country Z and apparently forged a passport of country Z.

## Finding 2: Red flags in company's B account

- ❖ Account started receiving huge cheque deposits from government entity head by Mr. X few days after it was opened.
- ❖ Huge cheque deposits were followed by immediate withdraws ( bank cheques and cash).
- ❖ Funds were transferred to account of D Company owned by Mrs Q and Mr X, head of government entity.

## Finding 2: Red flags in company's B account

- ❖ Review of Company D's registration documents revealed that the names for the foreign shareholder of company B were the middle names of the Mr X.
- ❖ The date of birth, address of the alleged foreign shareholder of company B were exactly the same with that of Mr X.
- ❖ Some funds were transferred to personal accounts of Mrs. Q and Mr X.



## Finding 3: violation of compliance regulations by the financial institution

- ❖ The bank failed to conduct due diligence on the information presented by the applicants as required by law

## Action taken after analysis

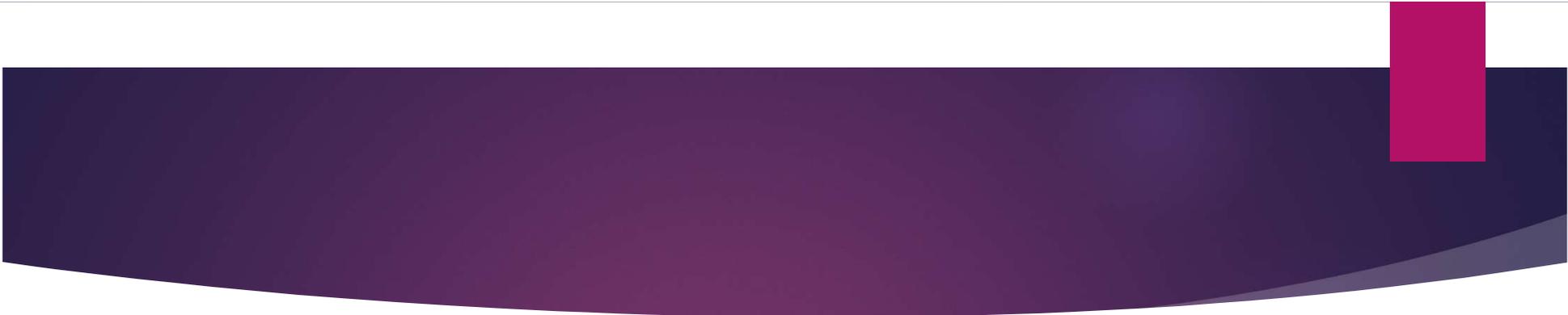
- ❖ A financial intelligence report was developed and dissemination to the Police and the Anti-Corruption Bureau for further investigation on suspected violations of the Corrupt Practices Act, Public Procurement Act and other crimes under the Penal Code.
- ❖ Mrs Q and Mr X are being prosecuted for violating the aforesaid laws .

# Challenges

- ❖ It was difficult to trace the money that was withdrawn through Cash cheque encashment.

# Opportunities

- ❖ Collaboration with law enforcement agencies
- ❖ Company registry
- ❖ Cooperation from the financial institutions.
- ❖ Egmont.



Thank You

Questions and Answer