

PROFILING & ASSET TRACING

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09 NOVEMBER 2021

SCOPE

- Why Trace Assets?
- Fundamentals of Asset Tracing
- Profiling: Individual, Financial, Assets & Lifestyle Audits
- Obtaining Financial Information
- Mapping Analyzed Data
- Collaboration & Cooperation
- Asset Recovery in Fighting Economic Crimes
- Challenges

AIM

- Understand the basics of conducting Profiling & Asset Tracing
- Highlight role of Asset Recovery in combating Economic Crimes

Introduction

- Theft of public funds has devastating effects to countries, causing untold damage to economies and population;
 - Weakens confidence in public institutions.
 - Damages investment climate for private sector.
 - Ruins delivery programs.



Introduction Cont.

- United Nations Convention Against Corruption (UNCAC) (2003) was developed as a response to the global problem.
- **Chapter V-** Framework for return of stolen assets through various mechanisms.

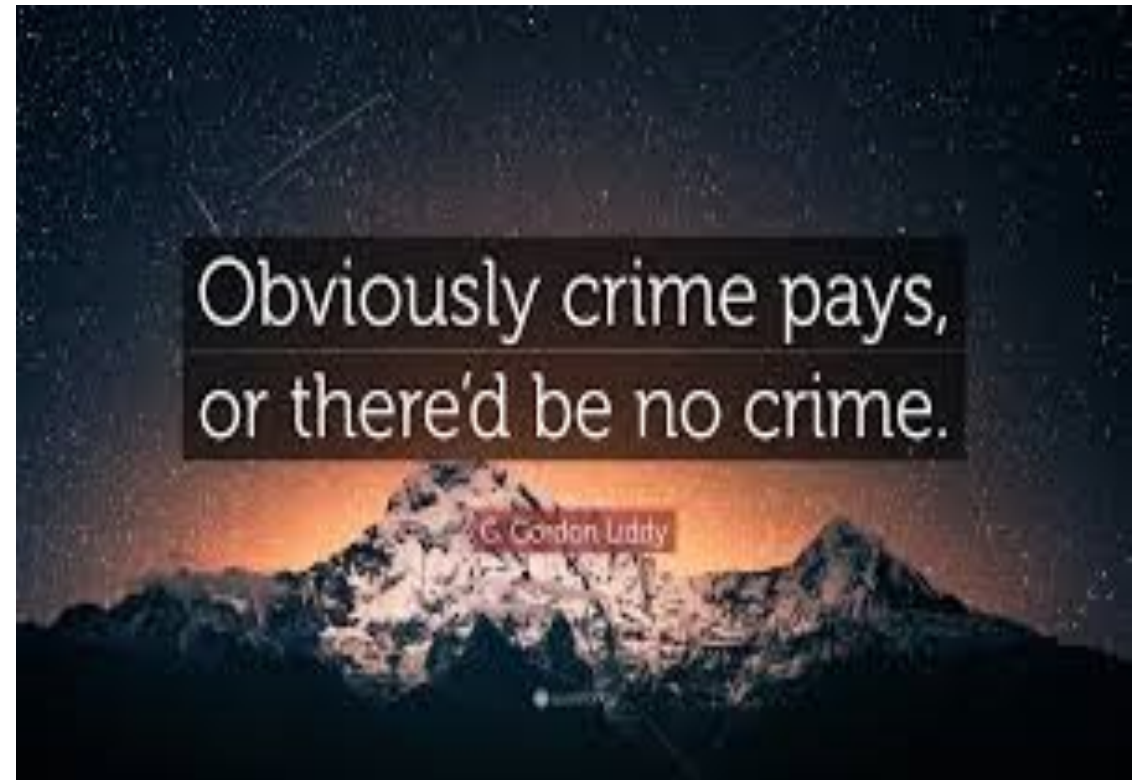




Cite examples of Economic Crimes you know of or present in your countries.

Why Asset Tracing?

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



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

- Collection of information from different sources to have an overall understanding of the target.
 - Individual Profiling.
 - Company Profiling.
 - Financial Profiling.
 - Asset Profiling.
 - Lifestyle Audit.

1. Individual Profiling

- A person's profile collates the information under the 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.

- Date and Place of birth, Passport & national ID's copies.
- Names and Birthdates of spouses, children, parents, siblings.
- Recent photographs.
- Criminal Records search.
- Public source searches.
- Real estate records.
- Information on bank accounts.

2. Company Profiling

- Most criminals are using 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.

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. Lifestyle Audits

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



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

4. Lifestyle Audits

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5. Asset Profiling

- Asset tracing of liquid, movable and immovable assets.
- Utilizes 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 value?
- Ownership information.
- How assets were financed.
- Financial information analysis and tracking money flow.
- History of ownership of properties.

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
- Surveillance-Foot & Mobile, Electronic, Technical
- Interviews
- Financial Intelligence Units' Data bases

Sources of Information Cont.

- Criminal & Court records
- Account monitoring orders
- Search & Seizure Warrants
- Trash Runs
- Mail Cover



*Do you have access to government databases
in your countries?*

Subject Profile Sample.docx



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



MRWOODBERRY

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



Breakout Questions

Group 1& 3

Describe how you would launder \$1Million illicit funds acquired through drug trafficking within a 12 month period.

Group 2 &4

Working as financial investigators, detail how you would go about investigating suspected laundering of \$1 Million (above) to uncover the criminals' activities.

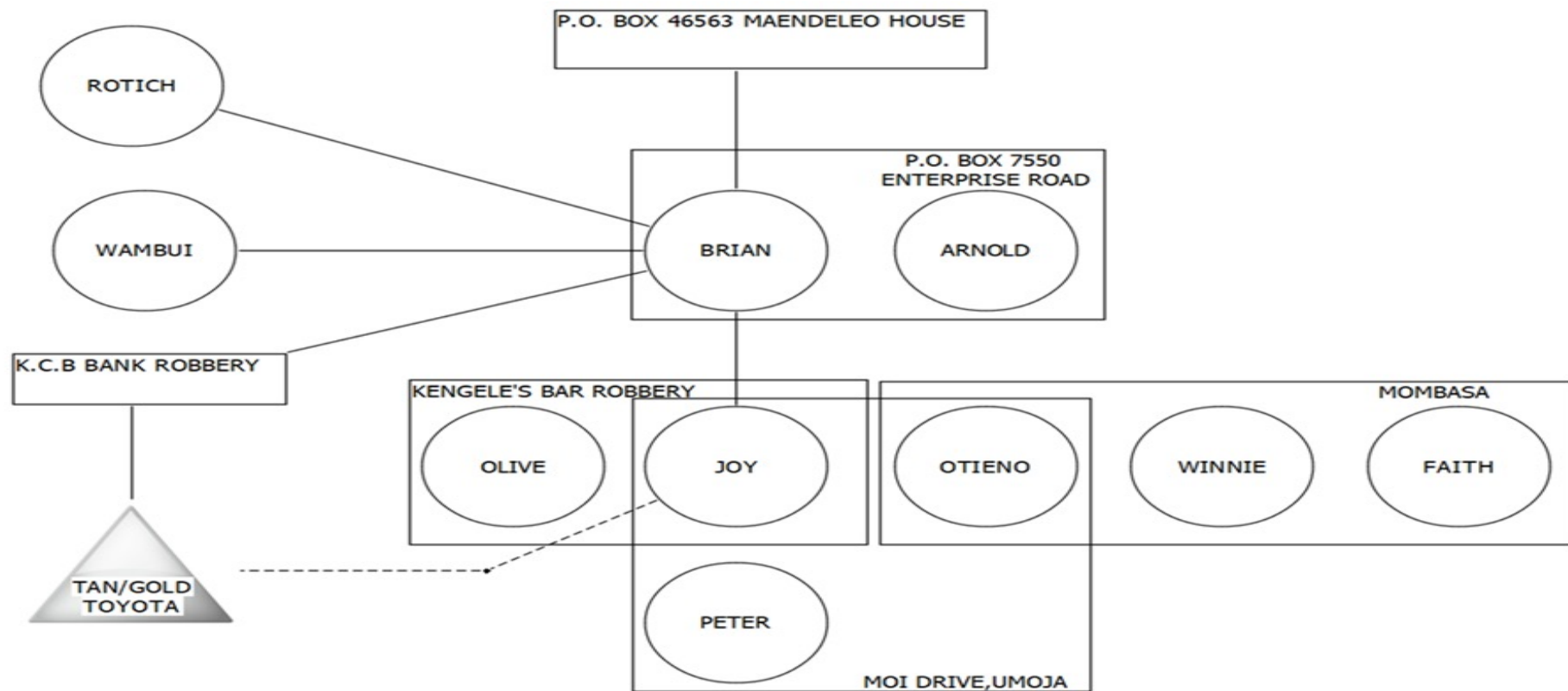
Mapping Analyzed Data

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

1. Cash flow Analysis- Financial Analysis

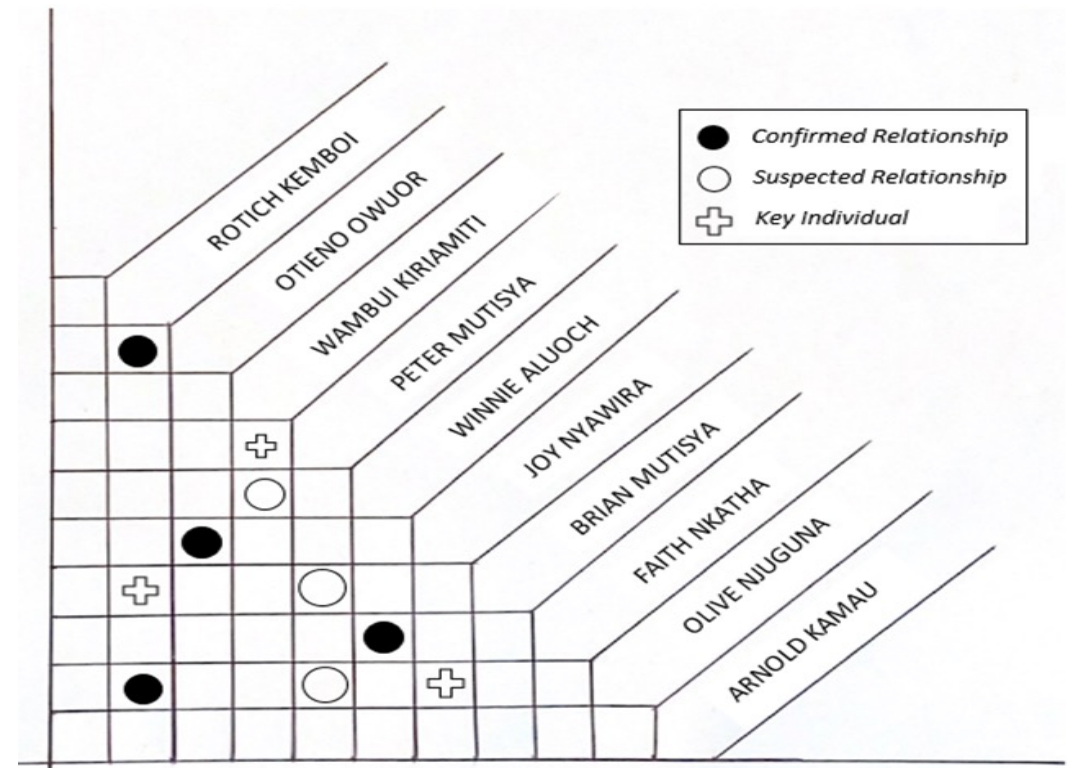
- Commonly referred to as “**Following the Money**”
- Aimed at discerning the source and disposition of money.
- Helps ID illicit funds and assets acquired using same.

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

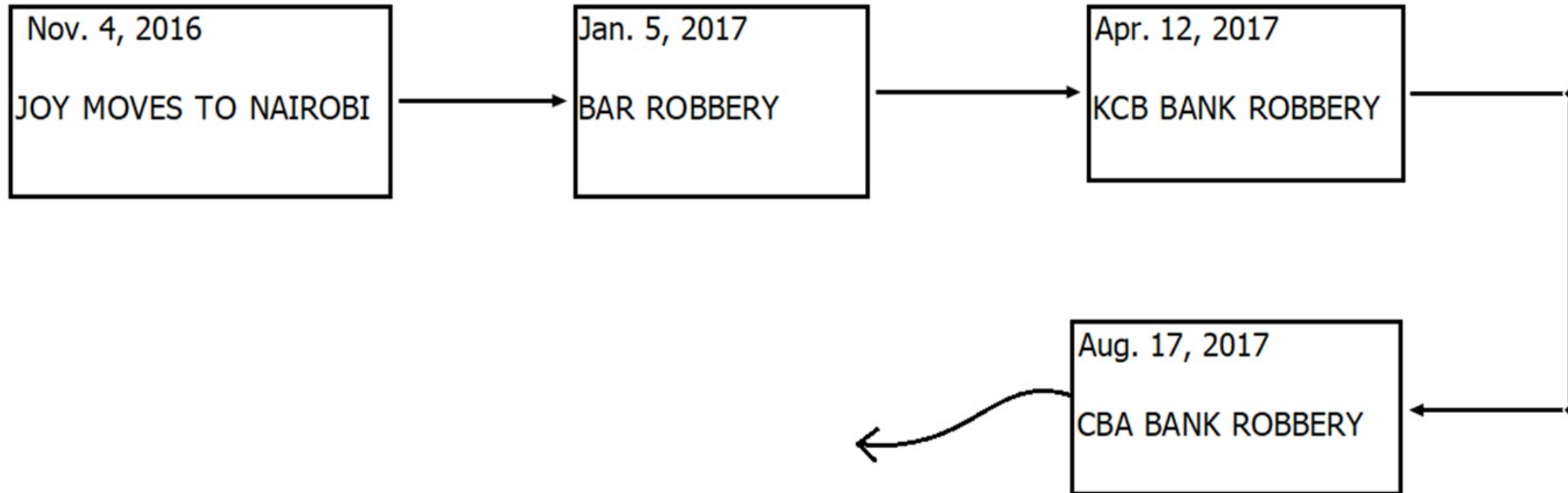


3. Association Matrix

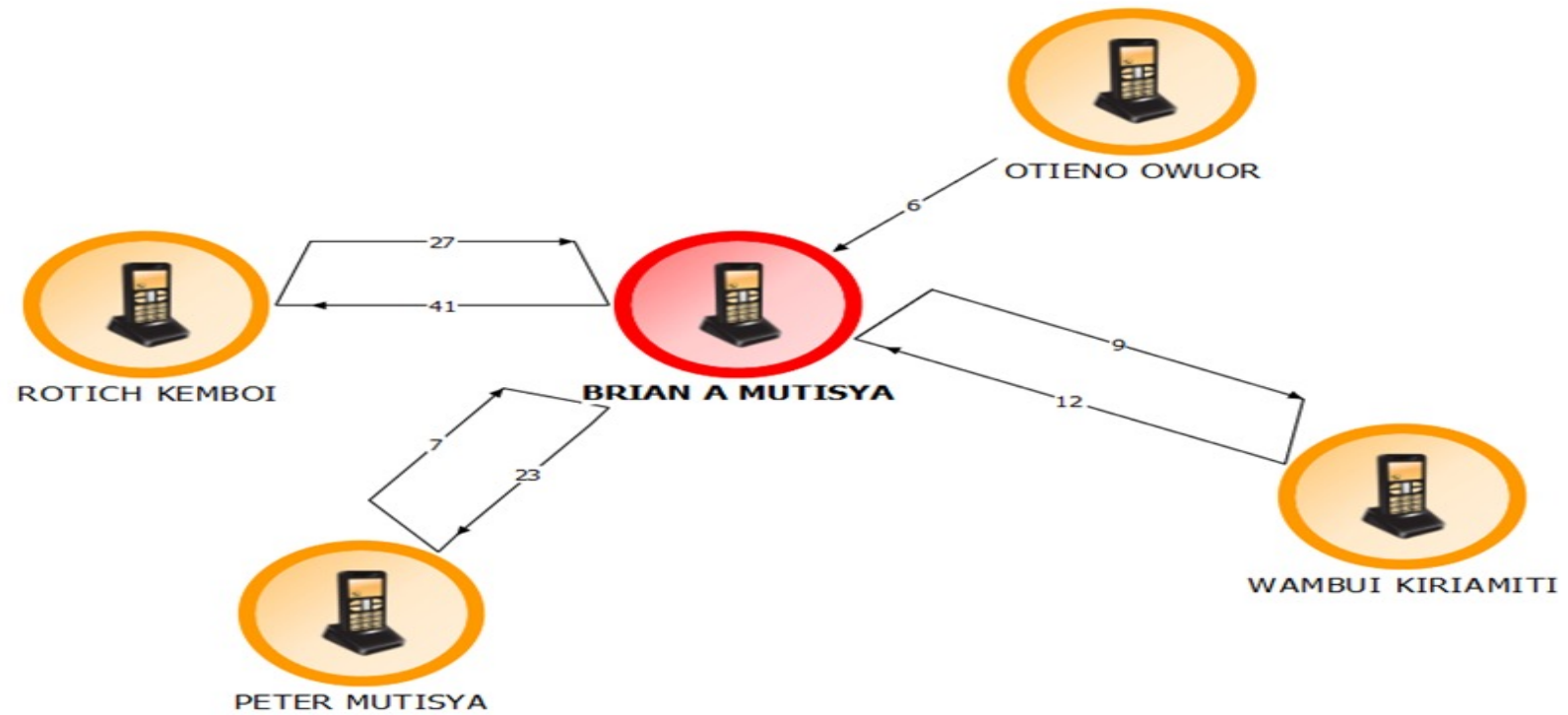
- Establishes relationship between people in the investigations.
- Reflects the strength of relationships as well as identify key individuals.



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.

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.

Collaboration & Cooperation

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

Role of Asset Recovery Agency (ARA)

- Created under the Proceeds of Crime and Anti-Money Laundering Act (POCAML) 2009 (Section 53) to identify, freeze and seize assets which are proceeds of crime with a view of combating money laundering.
- The Act includes violation in foreign jurisdiction; proceeds of crime in a which find their way into Kenya as well as Terror Financing.

Asset Recovery Tools

- Freezing
- Forfeiture (Criminal & Civil-Non-conviction based)
- Taxing (illegal) income
- Cooperating with other states to obtain assets abroad

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.

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?

