



**Olivia Okello**  
**Kenya Revenue Authority**  
**[Olivia.Okello@kra.go.ke](mailto:Olivia.Okello@kra.go.ke)**  
**+254 723 296 842**

**FINANCIAL INTELLIGENCE IN  
BRIBERY AND CORRUPTION  
INVESTIGATIONS**

## Forms Of Corruption

- Bribery
- Kickbacks
- Illegal Gratuities
- Economic Extortion
- Collusion

## Objectives of Financial Investigations

- Determining the origin of funds or other assets obtained from or related to illegal activities;
- Tracking the flow of money or other assets related to illegal activities;
- Determining the location, movement, change of asset form (modification), as well as acquisition, ownership, or use of funds or other assets obtained as a result of a wrongful act that is dangerous to the society;
- Determining assets for subsequent confiscation.

## Considerations in Corruption Investigations

- Identification of assets to be restrained/preserved
- Location of assets (Physical/Jurisdictional)
- Nature of assets e.g. Precious metals, works of art, virtual currency
- Costs of preserving
- Depreciation in value
- Technology
- Management and disposal of assets (Receiver manager)

## Financial Intelligence

- The battle against corruption, money laundering, and tax crimes is complex and requires tenacity and creativity.
- To prove an offence relating to illicit wealth, bribery and corruption, it would be easier to use/rely on direct evidence in the form of:
  - Financial records
  - Accounting records
  - Result of examination of such records
- No such records may exist in the first place much as it may be obvious that the subject is living beyond known sources of legal income
- Investigators may lack capacity to obtain the requisite evidence to sustain a case for bribery and corruption.

## Financial Intelligence and Profiling



*Gathering of information about the financial affairs of entities of interest, to understand their nature and capabilities, and predict their intentions.*

## Financial Intelligence

- Critical for Civil, Criminal and Financial Investigations.
- 3D's Detect, Disrupt and Deter
- Timely identification of;
  - IFFs,
  - Modus Operandi,
  - Persons Involved( Enablers, facilitators, actors)
  - Proceeds
  - Opportunities(Risk Management)
- Sufficient Expertise Required

# Financial Intelligence Management

# Learning Objectives

```
graph TD; A[Learning Objectives] --> B[Introduction to intelligence and Int Programs]; B --> C[Sources of Information]; C --> D[Intelligence Gathering Techniques]; D --> E[Financial Analysis]; E --> F[Reports, Dissemination & Feedback];
```

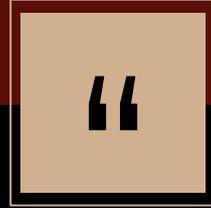
Introduction to intelligence and Int Programs

Sources of Information

Intelligence Gathering Techniques

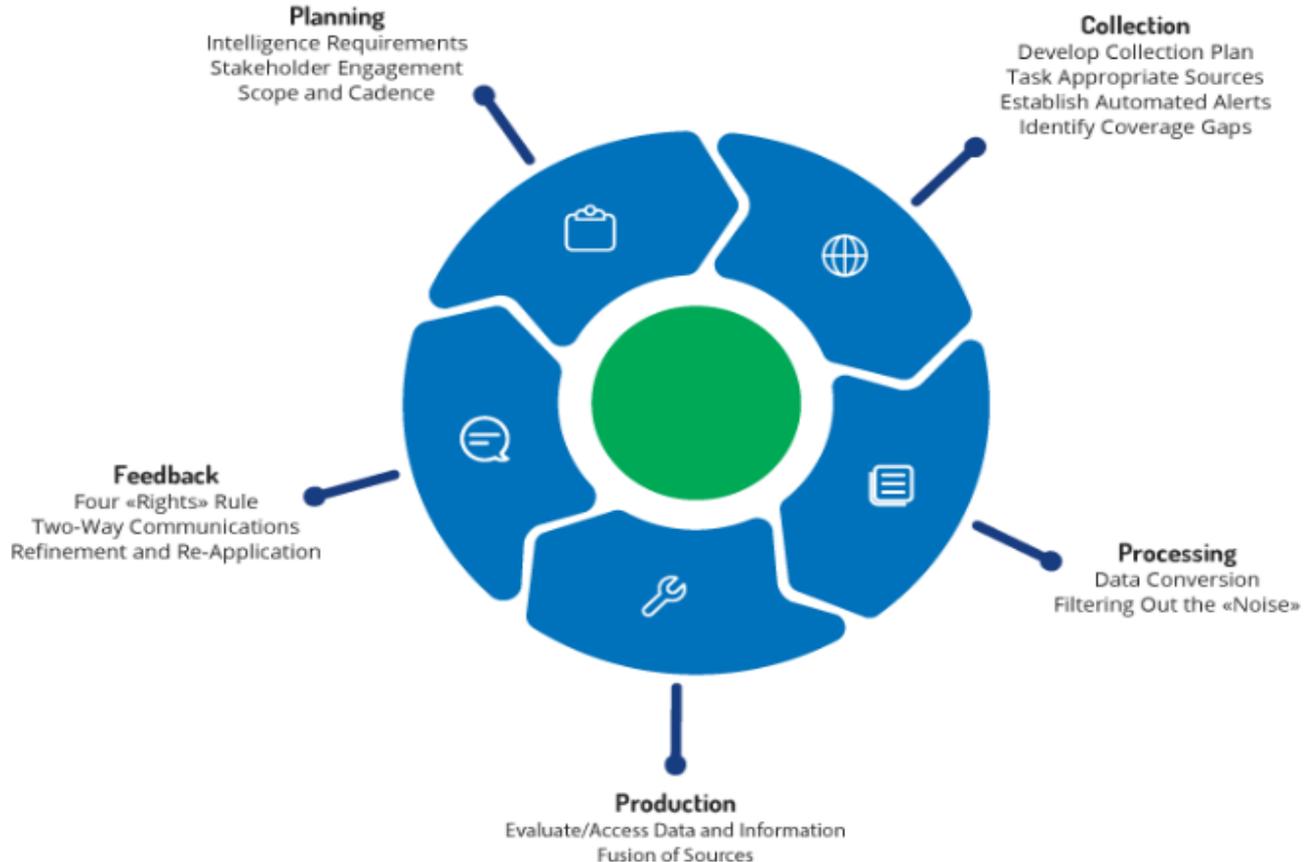
Financial Analysis

Reports, Dissemination & Feedback



*Financial Information could be  
anywhere*

# Intelligence Cycle



# INTELIGENCE PROGRAMS

# Sources and Agents

- An agent means a person employed under contract to provide investigative information.
- A **source** refers to individuals who provides the investigators with valid and reliable information.
- Source Management guidelines guides on:
  - Sporting
  - Recruitment
  - Management
  - Termination of sources and agents
  - Compensation of sources and agents.

## Who is a Source?

- Are individuals who have been recruited for purposes of providing intelligence to an Authority.
- They have full access to the needed information.
- They are compensated for engagement.
- The source handler/officer has full control of the source/agent and needed information.
- They have been trained by their handlers on confidentiality and how to channel information.
- They have been validated as reliable – Source Classification either A1

# Informers and Informer Reward Schemes

- **Informer** – Any person in possession of information relating to commission of a tax offence and who passes that information to the Authority.
- **Informer Management Guidelines** – guides the Process of Receiving of Information, Recording, Processing, Compensation, Filing
- **Kenya's Quantum of Rewards under Informer Reward Scheme** provides for;
  - Information leading to recovery of un assessed taxes – Kshs. 5,000,000 (USD 50,000) or 5% of taxes identified, whichever is less
  - Others – Kshs. 500,000 (USD 5000)
- Also provides clearly for Exclusions from Rewards

# Whistle Blower Protection

## Law and Policy

- Most jurisdictions recognize the importance and have some form of whistle blowing policy.
- Various Studies e.g. by T.I reveals that the different sets of guidelines had their own blind spots, own style and distinctive emphasis e.g. *Can a public Officer be a whistle blower?*
- **ISO Standard 37002** - the new whistleblowing management system standard was published in July 2022.
- ISO 37002:2021 aims to provide guidelines for implementing, managing, evaluating, maintaining and improving robust and effective whistleblowing management systems. <https://www.integrityline.com/expertise/blog/iso-37002/>
- Salient Considerations: **Legal Frameworks, Procedures, Anonymity, Training, Culture**

# Inter Agency Intelligence Programs

- Objective is to overcome the long-standing and substantial barriers that hinder intelligence sharing.
- Examples include:
  - Joint- Inter-Agency Task Forces
  - National Criminal Intelligence Sharing Plan – US Department of Justice
  - Multi Agency Framework – Kenya
  - Shared Resources – e.g. Forensic Lab, Vessel Tracking systems etc.

# SOURCES OF INTELLIGENCE

Intelligence Collection activity needs to reach all data and/or information possible by means of open actions(overt) or not(covert).

# Classification of Intelligence Sources

- Influenced by need or not to use Intelligence specialized techniques for their collection.
- Mainly qualified as:
  - **Open source (OSINT)** is information that is publicly available
  - **Closed source** is information collected for a specific purpose with limited access and availability to the general public e.g. PGA Databases
  - **Classified** is information collected by specifically tasked covert means including use of human and technical

## *Discussion Points*

- *Areas of New Intelligence – Artificial Intelligence?*

# Triggers for an Intelligence Collection Activity



PGAs



Informers/Whistle  
Blowers



Threats/Risk  
Assessments



Post Events –  
Reactive

# Sources of Information

- Internal Sources
- Government Agencies Databases – Social Security, Health Registry, FIUs, Land Registry, Police Records, Educational Institutions, Court records, Travel Records(Immigration)
- Financial Institutions – Banks, CRB, Lenders
- Business Records – Company Registry, Business Filings
- **Open Source Information** - *roughly 90% of valuable intelligence comes from open sources*
- Actual Events(Occurrence)
- Intelligence Sources(Overt/Covert)
- Warrants and Searches
- Testimonies – Own source information

# 1. Internal Sources

- Organization's databases – Tax Filings
- Complaints and Information Centre (CIC) and iWhistle
- Self Declarations/Self Filings e.g. wealth declarations for public officers.
  
- Considerations:
  - Information Integrity – Accuracy/Relevance
  - Information Security – Reliability
  - Data Mining - Ease of Access, Methods of access
  - How intelligent is your data?

## Internal Sources

- Structured, Sensitive and regulated.
- Decisions to be made about which data is important to an organization and the format/nature of data.
- Data to be audited regularly as it could be outdated or even illegal due to changing regulatory frameworks.

## 2. OGAs Information Sources

- ✓ successful investigations often requires coordination and collaboration amongst state agencies.
- ✓ Certain preconditions are needed to enable information sharing between agencies, including ensuring the integrity of agents and building trust and open relationships.
- ✓ **Legal** and **Process** gateways must exist between the relevant agencies.
- ✓ Enabling legislation should provide legitimate expectations and also limitations to disclosures.

## 2. OGAs Information Sources

### Mechanisms for Exchange

- direct access to information contained in agency records or databases;
- an obligation to provide information spontaneously (sometimes expressed as a “reporting obligation”)
- an ability, but not an obligation, to provide information spontaneously; and
- an obligation or ability to provide information only on request.

## 2. OGAs Information Sources

### Partner Government Agencies include:

- Financial Reporting Centre
- Registrar of Companies (BRS)
- Motor Vehicle Registration Systems(TIMS)
- Directorate of Criminal Investigations
- Ethics and Anti Corruption Commission
- National Intelligence Services
- Utility Bills Companies – Kenya Power and Lighting, Water Bills registrations
- National Police Services
- Land Registries – Stamp Duty and Capital Gains Taxes etc.

## 2. OGAs Information Sources

Examples of Information Exchanged Include;

- FRC – STRs/Bank Statements/Money Declarations
- LEAs – Requests for Tax Information on Financial crimes/ML/TF
- Immigration – Travel Records for profiling, DPOs
- Public Procurement – IFMIS database on Govt tenders and contractors
- Recruitment in the Public Sector – Requests for Taxpayer Profiles for JSC, PSC, Elective Posts
- Debt and Enforcement/Assets Tracing – Utility bills, Geo locations
- Registrar of Companies – Beneficial Owners, Directors, Associated and Related Companies, Changes to Directorships etc.
- Judicial Rulings – Enforcement, Judicial Reviews

## 2. MAT Framework

- Established through an Executive Order of November 2015
- Objective – Noose on corrupt individuals is tightened to ensure that prosecution and disruption of finances is achieved.
- All agencies are required to undertake joint operations on corrupt individuals.
- For example, the DCI and EACC will conduct investigations, the police will arrest, the KRA will go after taxes and revenue, the ARA/EACC will trace, identify, freeze and preserve or recover assets.

### 3. Open Sources – OSINT

Accounts for over 90% of valuable intelligence

- Using databases to find information
- Locating people using online records
- Obtaining financial information, and locating assets
- Public records.

# Investigative Issues

Criminals may use the Internet for numerous reasons including:

- Trading and sharing information such as IDs, photos, tickets, financial data, etc.
- Display of lifestyle – trophy cabinets
- Concealing their identity
- Identifying and gathering information on victims
- Communicating with co-conspirators
- Distributing information
- Coordinating meetings, parcel drops, etc.

# Social Media Investigations

## Search Engines (Index) – Preferred search engines?

- Search engines are "engines" or "robots" that crawl the web looking for new web pages.
- These robots read the Web pages and put the text (or parts of the text) into a large database or index that you can then access...
  - Google—<https://www.google.co.uk>
  - Bing—<http://www.bing.com>
  - Yahoo—<https://uk.yahoo.com>
  - Yandex—<https://www.yandex.com>
  - Index UAE—<http://www.indexuae.com>
- Works in 3 steps; *Crawling, Indexing, Ranking*

# Google Searches

- Regional Search
- Time filter
- Google – Similar/Related
- Google Image Search
- Google Reverse Image Search
- Phrase searching: “fraud in New Zealand”
- Boolean search: AND\* fraud, NOT\* scam
- Google Alternative: “fraud”, -scam
- Boolean search: fraud OR scam OR swindle
- Parentheses: ( ) also known as nesting...

## Beyond Google

- [DuckDuckGo — Privacy, simplified.](#)
- <https://search.carrot2.org/>
- <https://startpage.com>
- [www.cluuz.com](http://www.cluuz.com)

# Open Sources – Useful Websites

- Finding Archived Web Pages - <https://archive.org/web>
- Reverse Image Search - <http://www.tineye.com/>
- IP/DNS Lookup Sites - <http://whois.domaintools.com/>
- Social media searches - <https://www.social-searcher.com/>
- Yandex: <https://www.yandex.com>
- Online newspapers: <http://www.newsola.com>
- People Searches:
  - <https://pipl.com>
  - <https://www.whois.com/whois>

*Comprehensive list to be shared in the Resources*

## Documenting OSINT Intelligence

- Record URL's (especially Facebook)
- Email communications (keep copies of relevant correspondence)
- Screen capture – Print screen, Save As or apps such as 'Camtasia' or 'HTTrack'
- Depending on nature of case keep hard copies of screen shots, emails etc...

# Pitfalls of The Internet

All enquiries will leave a footprint!

- Devices will leave footprints across the internet
- Disguise your online ID (Proxy and VPN services reroute your internet traffic and change your IP)

Consideration must be given to the type of investigation being undertaken and the risk of compromise.

- Open source carries greater risk
- Digital evidence is fragile and can be easily lost or corrupted

Secure way of browsing

- Secure your browsers –as simple as an update!
- Do not be tempted to use your own devices!
- Try; [fakenamegenerator.com](http://fakenamegenerator.com), [torproject.org](http://torproject.org)

Integrity of the investigation

Personal security



# Google Cache and Privacy

- Web browsers are designed to download Web pages and store them locally on your computer's hard drive in an area called cache
- Browser cache (also known as Internet cache) contains records of every item you have viewed or downloaded whilst surfing the Internet
- When you visit the same page for a second time, your browser speeds up display time by loading the page locally from cache instead of downloading everything again.
- Internet cache can pose a threat to your privacy as everyone who has access to your computer can see some personal information by simply opening the cache folder
- In most browsers, you can clear the cache from the Privacy or History area in the Settings or Options menu, depending on the browser

## 4. International Sources

Which are the available legal frameworks for international cooperation in corruption investigations?

- United Nations Convention against Corruption – MLA treaty, 187 signatories
- Africa Union Convention on Preventing and Combating Corruption,
- Framework for the Return of Assets from Corruption and Crime in Kenya (FRACCK)
- Asset Recovery Inter-Agency Network of Southern Africa (ARINSA) and East Africa (ARIN – EA)
- Competent Authorities (AEOI/EOIR), MLAs, DTAs
- UNODC-WCO Container Control Programme (CCP) – 55 Member States, Joint Port Control Units, ContainerComm platform.
- INTERPOL - International Criminal Police Organization - 194 member countries EOI is through a communications system called I-24/7
- WCO - Regional Intelligence Liaison Offices (RILO)
- Egmont Group – Informal Network of 166 FIUs

## 4. International Sources – Kenya Framework

- ✓ Kenya has a comprehensive legal framework for undertaking international cooperation.
- ✓ The Mutual Legal Assistance Act, 2011 provides flexibility in application of MLAs by use of treaties, conventions and reciprocity.
- ✓ It also recognizes special investigative techniques and it gives effect to foreign orders with regard to confiscation and asset forfeiture.
- ✓ Others laws that provide for International Cooperation include POCAMLA, the Extradition (Commonwealth Countries) Act, Cap. 77 and the Extradition (Contiguous and Foreign Countries) Act, Cap. 76.
- ✓ The country provides the widest possible range of Mutual Legal Assistance (MLA), pre-MLA assistance, and informal information or intelligence such as obtaining evidence or information relevant to any criminal matter.

# INTELLIGENCE GATHERING TECHNIQUES

## Typologies of Criminals

- Live from proceeds of crime,
- Derive income from illicit activities,
- Live lavish life,
- Acquire luxury goods,
- Flaunt their wealth for others to see,
- Do not want to keep financial or other records of their transactions
- Do not declare income from illicit sources for income tax purposes for fear of being investigated by authorities or law enforcers

# Intelligence Gathering Techniques

- Data Mining and Analytics – Manual Vs Machine Assisted (Toad for SQL and Tibco Jaspersoft) <https://www.jaspersoft.com/>
- Surveillance
- Reconnaissance
- Interviews
- Informers/Whistle Blowers
- Audio Visual Tools
- Search and seizure

# Elicitation

- Technique used to gather intelligence through what appears to be normal, even mundane, social or professional contact.
- Normally used to confirm or expand knowledge of a sensitive program or gain clearer insight into a person targeted for recruitment.
- **Cover Story** – Usually made up stories used to gather information or to conceal identity when at risk.
- **Remember** – you are always at risk because of the nature of information that you possess or have access to.

# Intelligence Gathering Techniques

*Key Consideration – law, process and output!*

- Objectives
- Rights and privileges,
- Consequences of breach in law during intelligence gathering  
e.g. exclusion of evidence, invasion of privacy claims.

# Analysis and Production Methodologies

## Intelligence Evaluation

Assessment of reliability and quality of information.

Source rating

## Collation

Storage, Chain of Custody(chronologies), Working Documents(to do lists)

## Analysis

Examination to make meaning; Look for indicative elements, links and associations.

Consider forensic examination, expert examiners



# Analysis and Production

- The link between Intelligence and Intelligence Outputs requires critical evaluation;
- What exactly is the problem; what decision do we have to make and why is it significant or important?
- What information do we already have or might we reasonably obtain that could be relevant to the problem in hand. Where is it/how can we get it?
- What meaning can we extract from the information; what does it tell us about what's going on?
- Is there only one possible explanation, or are there other alternatives or options. Are some more likely than others?
- How do these affect the decision we have to make, are some options potentially better than others; do some carry greater risk of success and/or failure?
- Are we ready to take action with a reasonable level of confidence, or do we need to gather more information first? If so, what else do we need and where/how can we get it?

## From Intelligence to Evidence

- Intelligence gathering is usually a prelude to evidence gathering.
- National legislation dictates how intelligence can be used for law enforcement purposes.
- Legislation also dictates whether evidence gathered during the course of an investigation is protected from disclosure in criminal proceedings
- **EVIDENCE: DATA USED TO ESTABLISH PROOF**

# Analysis and Production Methodologies

Refers to process of converting data and into meaningful information.

## Quantitative Vs Qualitative

- Financial Analysis - Mathematical models, financial profiles
- Situation analysis – event charting, activity charting
- Content Analysis

## Outcomes

- Values/Recoveries
- Relations and Networks
- Trends and patterns

# Financial Analysis

- Any investigation into a person's financial matters, or the finances of a business or a private limited company;
- Determination of:
  - a) Where money comes from;
  - b) How it is moved; and
  - c) How it is used.
- Determination of a subject's illicit assets;
- Examination of the revenue generated by criminal activity/proceeds of a crime; and
- Following the trail of illicit assets.

## Financial Analysis

- i. Financial analysis techniques can help investigators discover and examine unexpected relationships in financial information.
- ii. analytical procedures are based on the premise that relatively stable relationships exist among economic events.
- iii. Unexpected deviations in relationships most likely indicate errors, but also might indicate illegal acts or fraud that require further investigations.
- iv. Several methods of analysis exist to help the users of financial information to identify possible incidences of fraudulent reports.

## Methods of making Corrupt Payments

- Gifts, travel and Entertainment
- Cash payments
- Financial Instruments – Checks, prepaid cards
- Hidden Interests – Beneficial ownership
- Loans
- Transfer of Assets, not at fair value
- Promises for favorable treatment.

# Financial Analysis Techniques

- Comparative Techniques
- Financial Relationships
- Unexpected Relationships

## Financial Analysis Techniques

- **Unexplained Wealth Analysis** - The difference between a person's total wealth and their lawfully acquired wealth.
- **Net worth Analysis** - Simply put, is the amount by which the assets of a person/entity exceed the liabilities.
- **Source and Application Analysis** - Comparing money earned (Source) and money spent (Application).

## Financial Analysis Techniques

- Business Profile Analysis – how is the organization legally structured
- Money Flow analysis
- Financial Statement analysis, check out for;
  - Overbilling Schemes
  - Ghost Employees
  - Fictitious Expenses
  - Off book payments

# **CASE STUDY**

**FINANCIAL ANALYSIS – SOURCE & APPLICATION**

# **REPORTING and DISSEMINATION**

## **Case Profile**

# Intelligence Reports/Summaries

- When collecting intelligence, Have the end in mind – Intelligence led Investigations/audits.
- Your report should provide a clear picture of the offender or the *modus operandi* or the matter under review.
- Report must be **accurate, clear, relevant** and **timely**.
- Consider:
  - Format: Intelligence Summaries/Reports/Oral Briefing
  - Supporting materials – Recorded Statements, Evidential Matter, Emails, Pictures, samples, exhibits
  - Classification of Intelligence material(Restricted, Confidential, Internal, Public)
  - Legal considerations for written reports – libel, privacy, privileges, disclosure
- Ensure you have a feedback mechanism

# Tools for Data Visualization and Analysis

## Free Tools vs Purchased Tools

- i. Ms Excel
- ii. Oracle Business Intelligence, Caseware Idea
- iii. Tableau: <https://www.tableau.com/products/desktop/download>
- iv. Movieclips.com
- v. yEd: <https://www.yworks.com/products/yed>
- vi. IBM i2<sup>®</sup> <https://www.ibm.com/security/resources/demos/i2-analyze-demo/>

## Information Security

How do your organizations ensure confidentiality and information security?



# How Do We Handle Information Security

Background Check/Vetting of Staff

Oath of Confidentiality/Acceptable Use of ICT Assets Agreement

Training

Culture – Clean Desk Policy, Need to Know Considerations, shredding

Access Controls – Pass Activated doors/Procedures on ICT asset movement and Usage

Physical Controls – Laptop cable locks/Cabinets/File Access Monitoring/CCTVs

Repositories - Document Classification, Encryption, Access Controls

Controlled Access and Levels of approvals for Information Sharing

International Exchange of Information – OECD Guidelines

# Challenges in Intelligence Management

- Legality & Ethics - Taxpayer rights/privileges, Who has jurisdiction?
- Confidentiality – Taxpayer rights and Privileges, Privileged Information
- Bureaucracy and Silo Mentality
- Complexity of financial crimes - Digitization, Cross Border(ownership), volatility of digital intelligence
- Feedback



# Feedback Session



# SUMMARY

Bribery and Corruption are not only ethical vices but financial crimes that affect the integrity of our financial systems.