

# PROFILING & ASSET TRACING

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# SCOPE

- Why Trace Assets?
  - Asset Recovery Process; Intelligence/Evidence Collection
  - Sources of Information
  - Fundamentals of Asset Tracing
  - Profiling: Individual, Financial, Assets
  - Obtaining Financial Information
  - Identifying Relevant Data
  - Collaboration & Cooperation
  - Challenges
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# AIM

- Highlight Importance of Asset Tracing in Asset Recovery Process
  - Understand the Basics of Conducting Profiling & Asset Tracing
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# 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 of government programs.



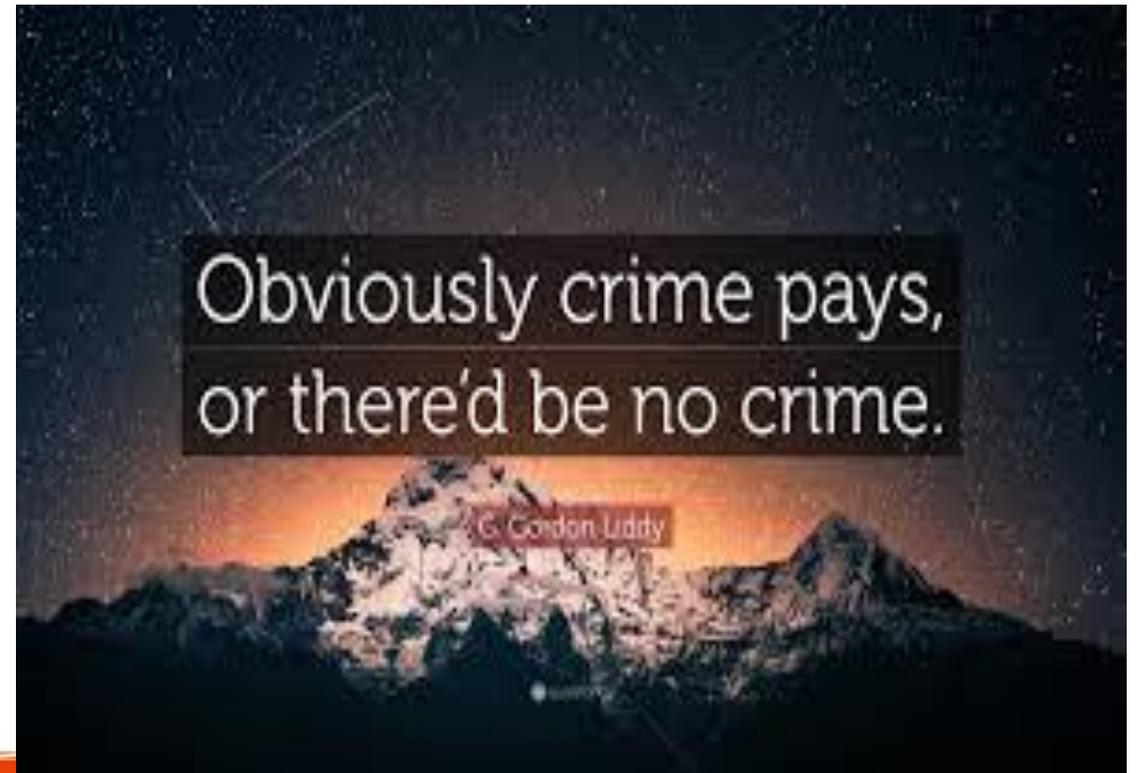
## Introduction Cont.

- 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.
- Seven (7) provisions provided.

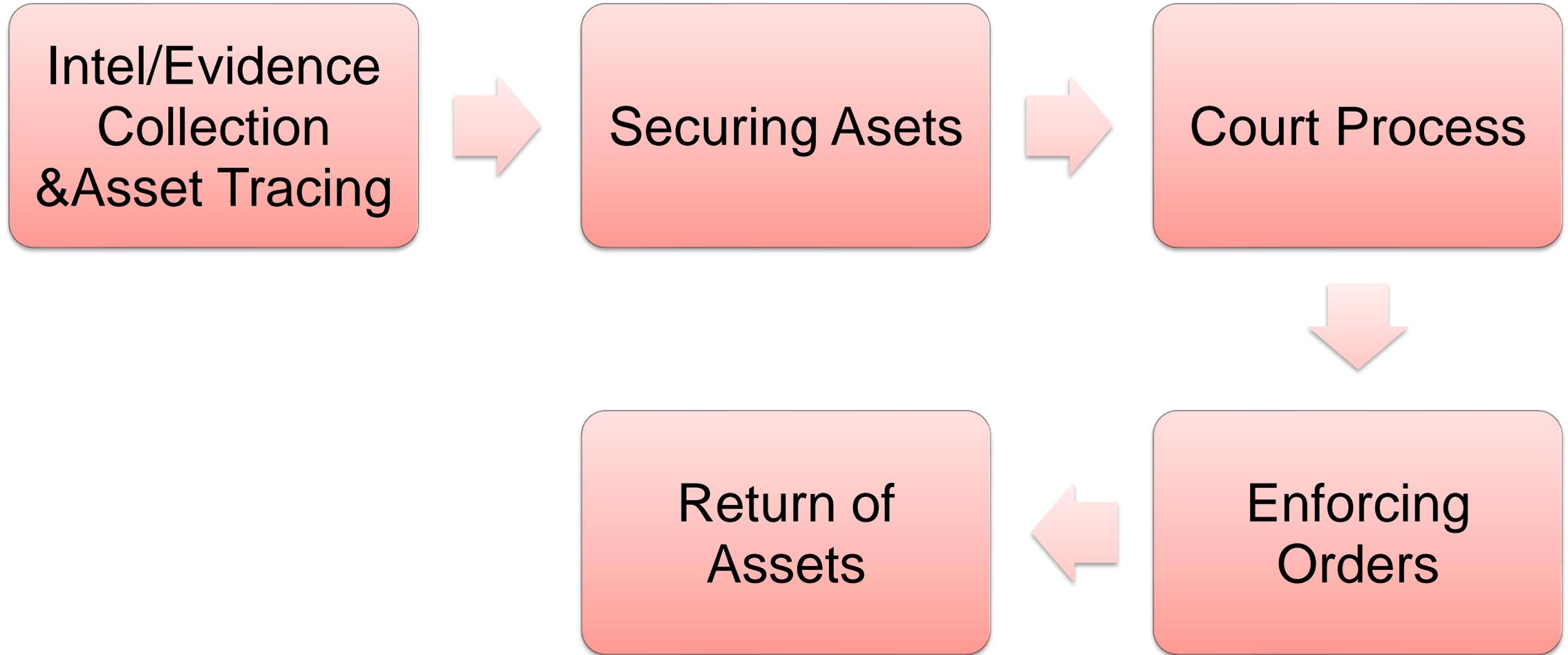


# Why Asset Tracing?

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



# Asset Recovery Process



# Intel/Evidence Collection & Asset Tracing

## Who Gathers?

- Law Enforcement Officers
- Private Investigators
- Interested Parties in civil actions

## From Where?

- Open Sources/Public
- Intelligence from law enforcement
- Government Databases

# Fundamentals of Asset Tracing

- Undertaken at the onset of any financial investigation.
  - Evidence linking criminal activities to acquired assets , if property based systems.
  - Proper procedures should be followed when obtaining financial data & evidence.
  - Continuously assess need to institute provisional measures to seize/restrain assets.
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# 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
  - Interviews
  - Financial Intelligence Units' Data bases
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# Sources of Information Cont.

- Criminal & Court records
  - Account monitoring orders
  - Search & Seizure Warrants
  - Trash Runs
  - Mail Cover
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# Case Study of Social Media as a Source of Information



# NEWS

Home | Coronavirus | Video | World | UK | Business | Tech | Science | Stories | Entertainment & Arts

World | Africa | Asia | Australia | Europe | Latin America | Middle East | US & Canada



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



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





# Profiling

Gathering information from different sources to have a better understanding of the target;

- Individual Profiling
  - Company Profiling
  - Financial Profiling
  - Asset Profiling
  - Lifestyle Audits
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# 1. Individual Profiling

- Collates information under 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.
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# Individual Profiling Cont'

- Full Names & Aliases
  - Date of Birth
  - ID/ Passport/Phone Numbers
  - Companies
  - Recent photos
  - Occupation
  - Educational Background
  - Family information (Spouse, Children, Siblings)
  - Bank account details
  - Real estate records
  - Criminal Records
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## 2. Company Profiling

- Most criminals use 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.
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# Company Profiling Cont'

## Aims to Identify;

- Ultimate beneficial owner
- Directors/Shareholders details and contacts
- Nature of business
- Turnover
- Bank Details

## Achieved Through;

- Tax Authority systems/DB
- Companies' Registry

# 3. Financial Profiling

Involves obtaining information on:

- Bank account numbers & Names;
  - Branches;
  - Bank Balance;
  - Bank Statements;
  - Account opening details and signatories.
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# 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
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## 4. Asset Profiling

Asset tracing of liquid, movable and immovable assets utilizing 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?
  - How assets were financed.
  - Financial information analysis and tracking money flow.
  - Current ownership information.
  - History of property ownership.
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## 5. Lifestyle Audits

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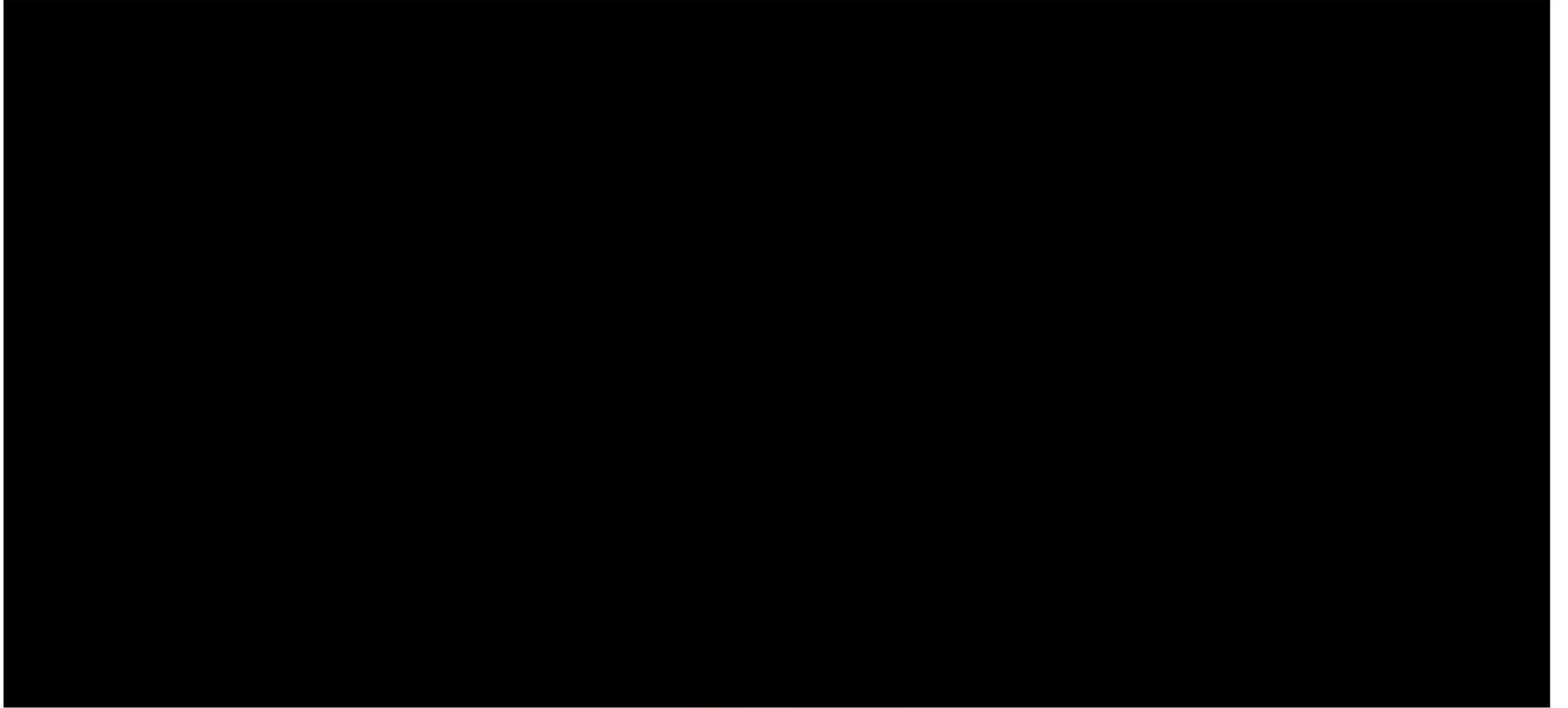


*Do you have wealth declaration in your  
respective countries?*

# 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.
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# Monkey Business Illusion



# Identifying Relevant Data

- Suspicious Transaction Reports (STR's)
  - Account Opening Documents & KYC
  - Bank Account Statements
  - Wire Transfers
  - Accounting Records
  - Insurance Policies
  - Purchase & Sale Documents
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# 1. Suspicious Transaction Reports (STR's)

- Source and destination of funds
  - Narrative on nature of suspicion and KYC information
  - Frequency of the use of wire transfers, checks etc
  - Information on other asset/products held by the target at the bank
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## 2. Account Opening Documents & KYC

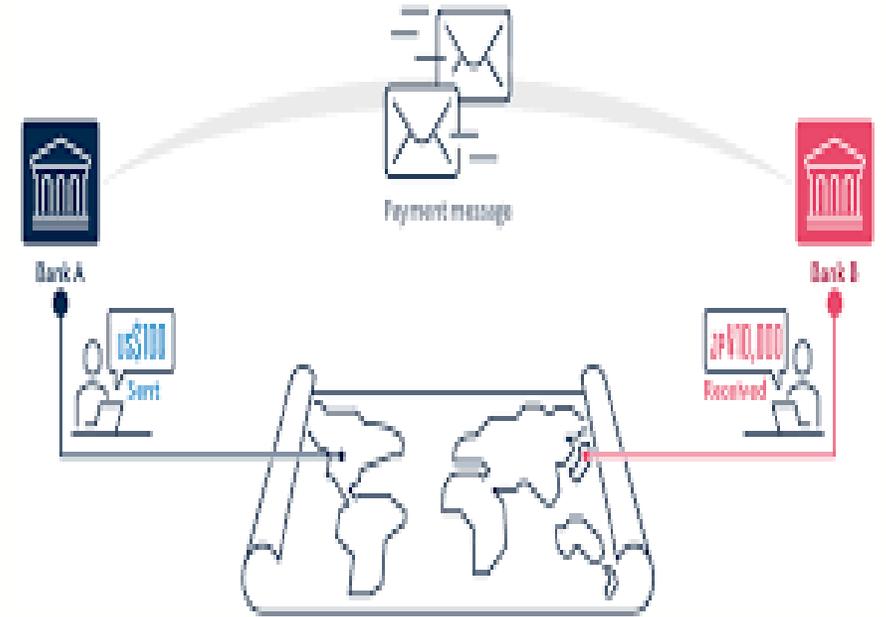
- Additional due diligence required on PEP's
  - Account manager/persons with power of attorney
  - In case of companies; Incorporating documents, board members, persons authorised to conduct business
  - Supporting documents on source of funds; contracts, real estate sales
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# 3. Bank Account Statements

- Focus on ID source and destination of funds
  - Cash- Deposit/withdrawal slips to ID person transacting.
  - Bonds- How they were deposited in the bank.
  - Checks- ID originating account, Narration, Endorsor
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# 4. Wire Transfers (EFT)

- Domestic or across borders
- **Aim-** Break audit trail and secure funds in bank secrecy havens.
- **How-** Transactions through numerous financial institutions in transit jurisdictions
- **What-** Bank Identifier Codes



# 5. Accounting Records

- Financial Statements of a business support a business' accounts
  - Examples- Journal, Ledger, Balance Sheet, Income statements
  - **What-** ID account names, amounts, receipts, disbursements.
  - **How-** Comparing accounting entries, actual payments and supporting documents
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# 6. Insurance Policies

- Single high value insurance purchases
  - Additional insurance on valuables/education
  - Evidence of regular payments and source
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# 7. Asset Purchase and Sale Documents

- **Where-** Land registry, Purchase & Sale Agreements, Loans, Mortgages, Tax Returns.
  - **What-** Value and date of purchase
    - Name of buyer/seller
    - Mode of payment
    - Source of funds
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# 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.
  - Formal (MLA) and informal channels may be used.
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# Collaboration & Cooperation Cont'

**Financial Action Task Force (FATF)**-Global Money Laundering & Terror Financing watchdog established to develop measures to combat money laundering.

- Camden Asset Recovery Inter-agency Network (CARIN)
  - StAR- World Bank & UNODC partnership
  - EGMONT Group- Formed by FIU's
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# Breakout Activity on Asset Tracing & Recovery

LEA officers in UK became aware of allegations of corruption and misappropriation of assets by a former African Governor. It was suspected that his assets are located in the United Kingdom.

*Describe the considerations to be made, and how to best approach the investigation in tracing the assets.*

*What Investigative Techniques can be used ?*



# Case Study on Asset Tracing & Recovery- UK (ARH Brun et al)

Former Plateau State (Nigeria) Governor, JOSHUA DARIYE was suspected of corruption and misappropriation of assets.

## **Techniques Used & Steps Followed;**

- Conduct public records search
  - ID suspect's family and associates
  - Enquiries to relevant banks
  - Obtained production orders
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# Case Study on Asset Tracing & Recovery- UK (ARH Brun et al)

- Search of publicly available information & Govt agencies
  - Credit reference checks
  - Production orders
  - MLA request sent to Nigeria to determine source of funds
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# Findings & Conclusion

- Grant obtained by Dariye was diverted & concealed in own company bank accounts.
- Funds transferred to account in Nigeria then London for own use.
- Nigerian company that purchased London property received \$157M of stolen funds.
- Company paid \$626,800 for London property after Dariye authorized Govt contract worth \$58M in Plateau State.

*Best illustrates use of associates and proxies in stealing and hiding assets in foreign jurisdictions; Use of different techniques*

# 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.
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# 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.
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# 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.
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*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?*

