



# ASSET RECOVERY

## *Investigative Techniques*

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# What Motivates Crime?

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Profits, Greed for Wealth, Power it brings

Profits can be consumed

invested legally

invested in future crime!

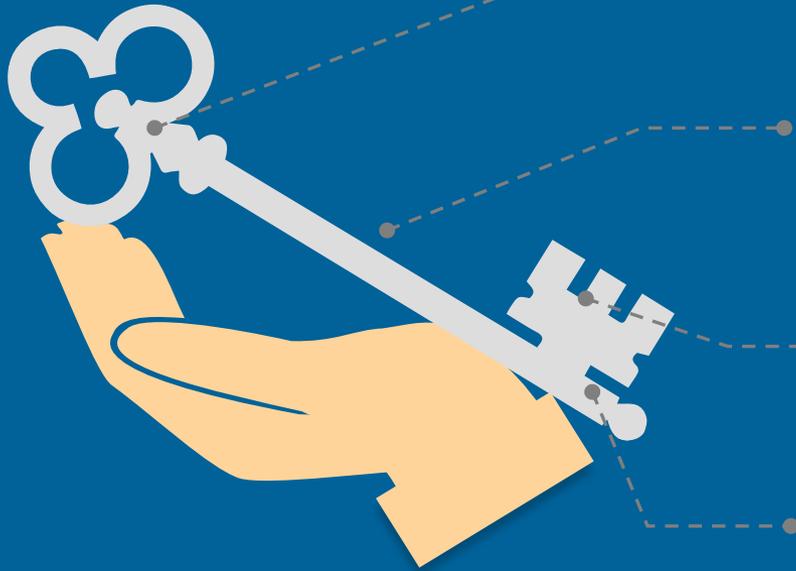
These actions always leave trails – audit trails

- Money Trails (Cash Flow)
- Paper Trails
- Electronic Trails

***REMOVE ALL ASSETS LINKED TO CRIMINAL ACTS***



# Why focus on proceeds of crime?



• **Income for the government**

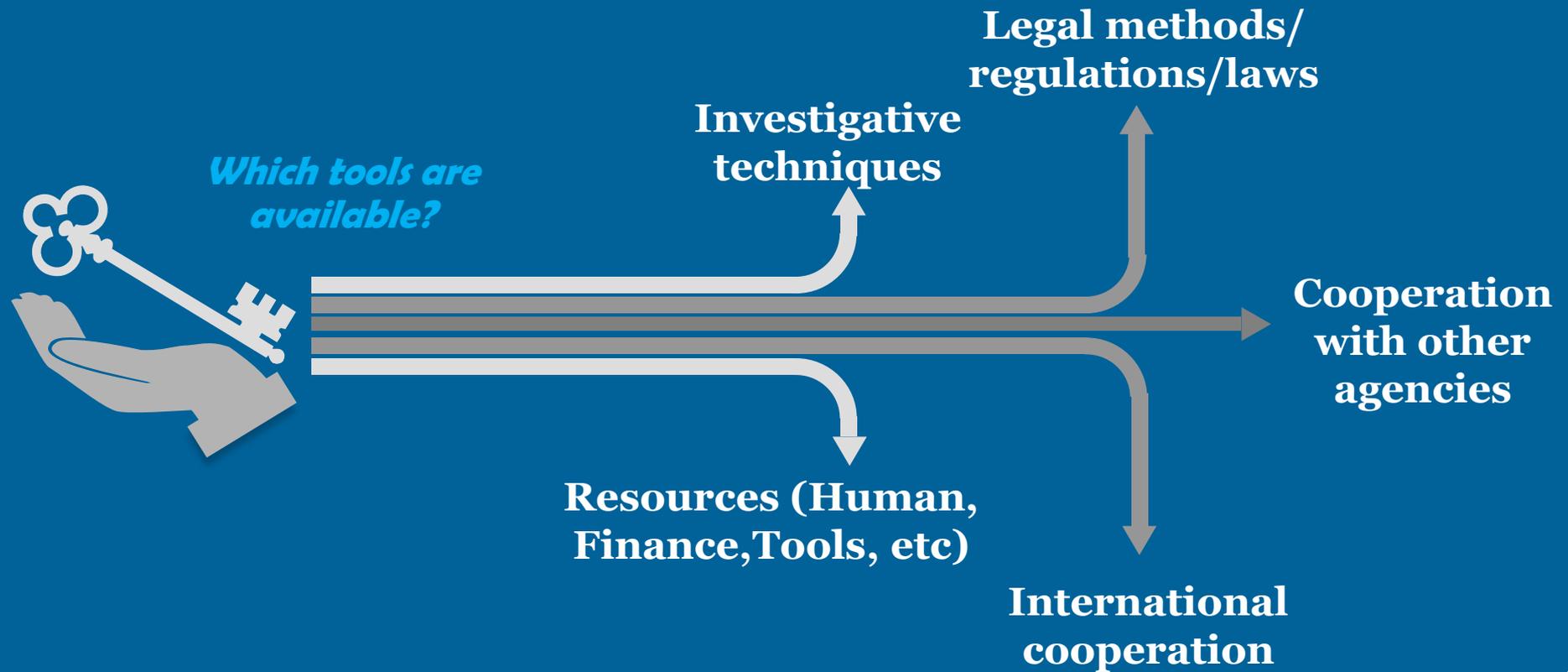
• **Future prevention of crime**

• **Taking the money of the criminals upsets them/disrupts actual criminal activities and**

**Blocks further crime!**

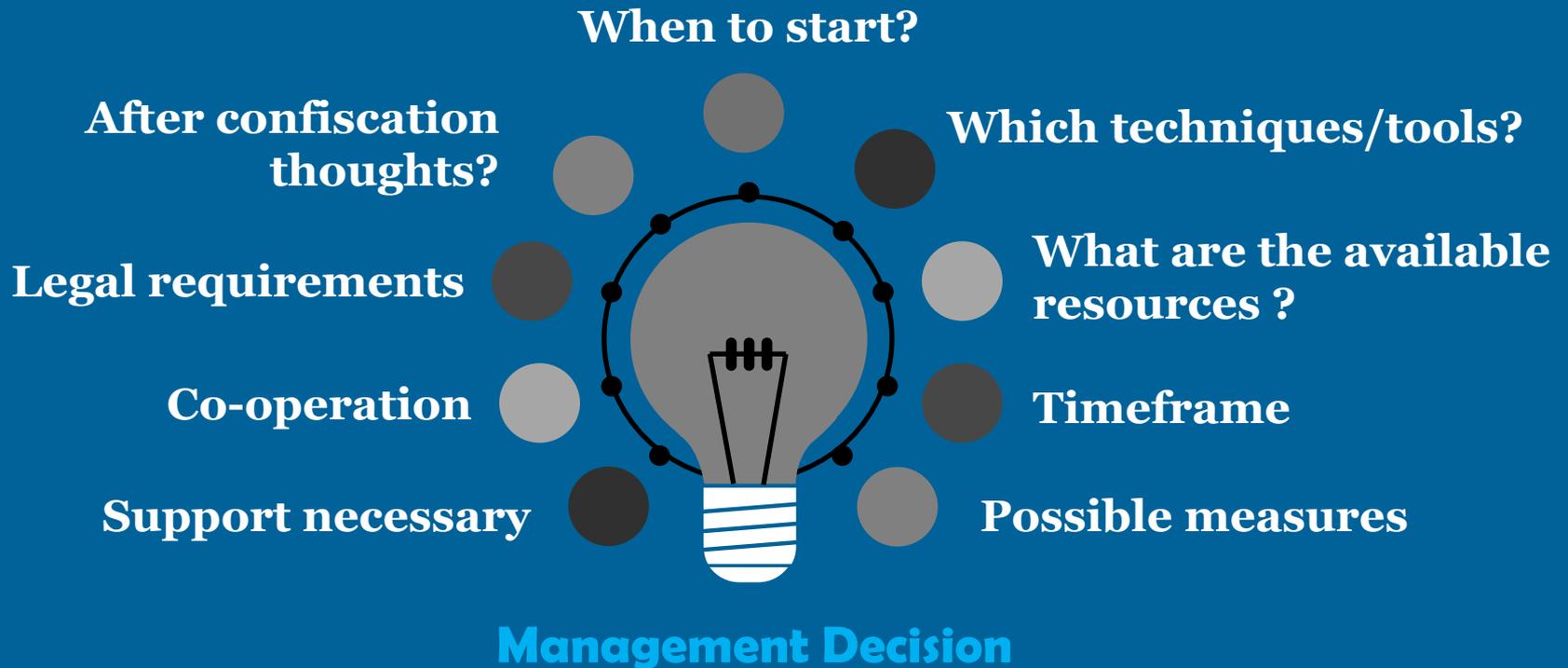


# Case Management





# Asset Recovery – Case Management



# Case Management

*When you lead...*

Be  
accountable  
for results



Inspire  
Actions



Allocate  
Resources



Set  
directions



*TIMING IS EVERYTHING!*



# Asset Categories and Types



01



**LIQUID ASSETS**

**Cash and cash equivalents**

**Investments (stocks, bonds, mutual funds, index funds, equity funds, etc.)**

**Real Estate  
Vehicles/ Equipment  
Intangibles  
Collectibles etc.**

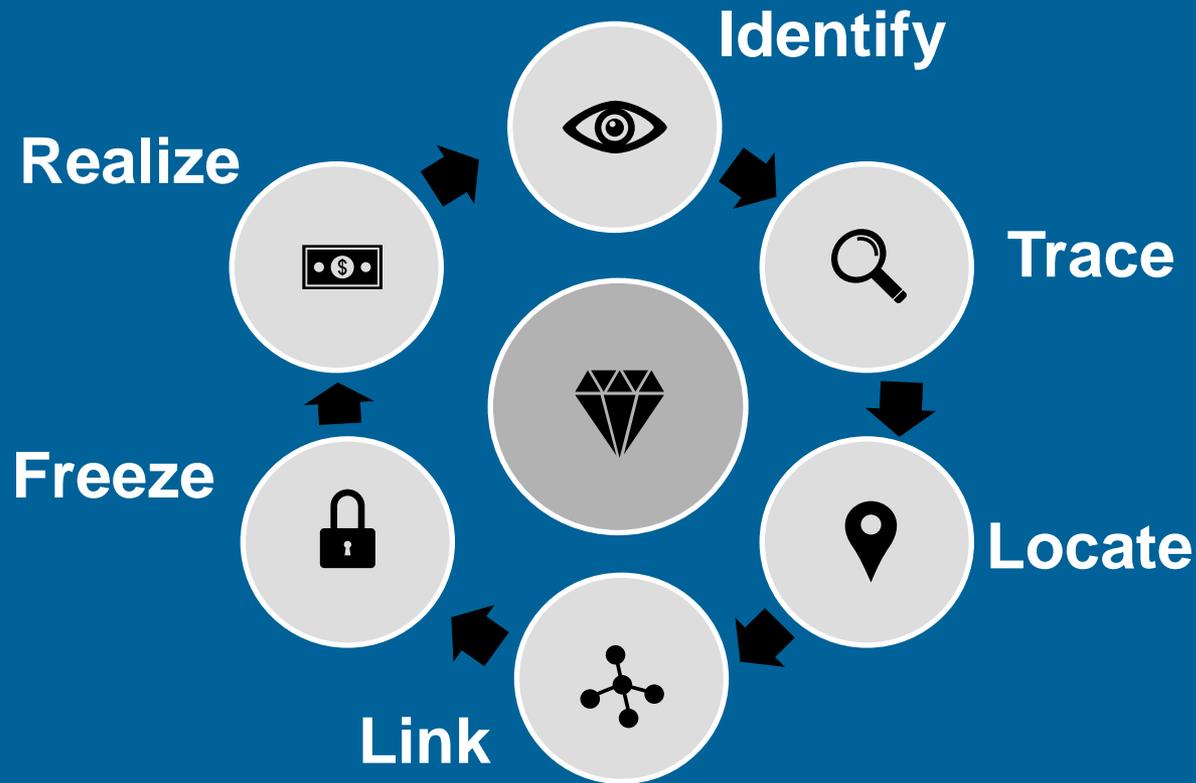
**NON-LIQUID ASSETS**



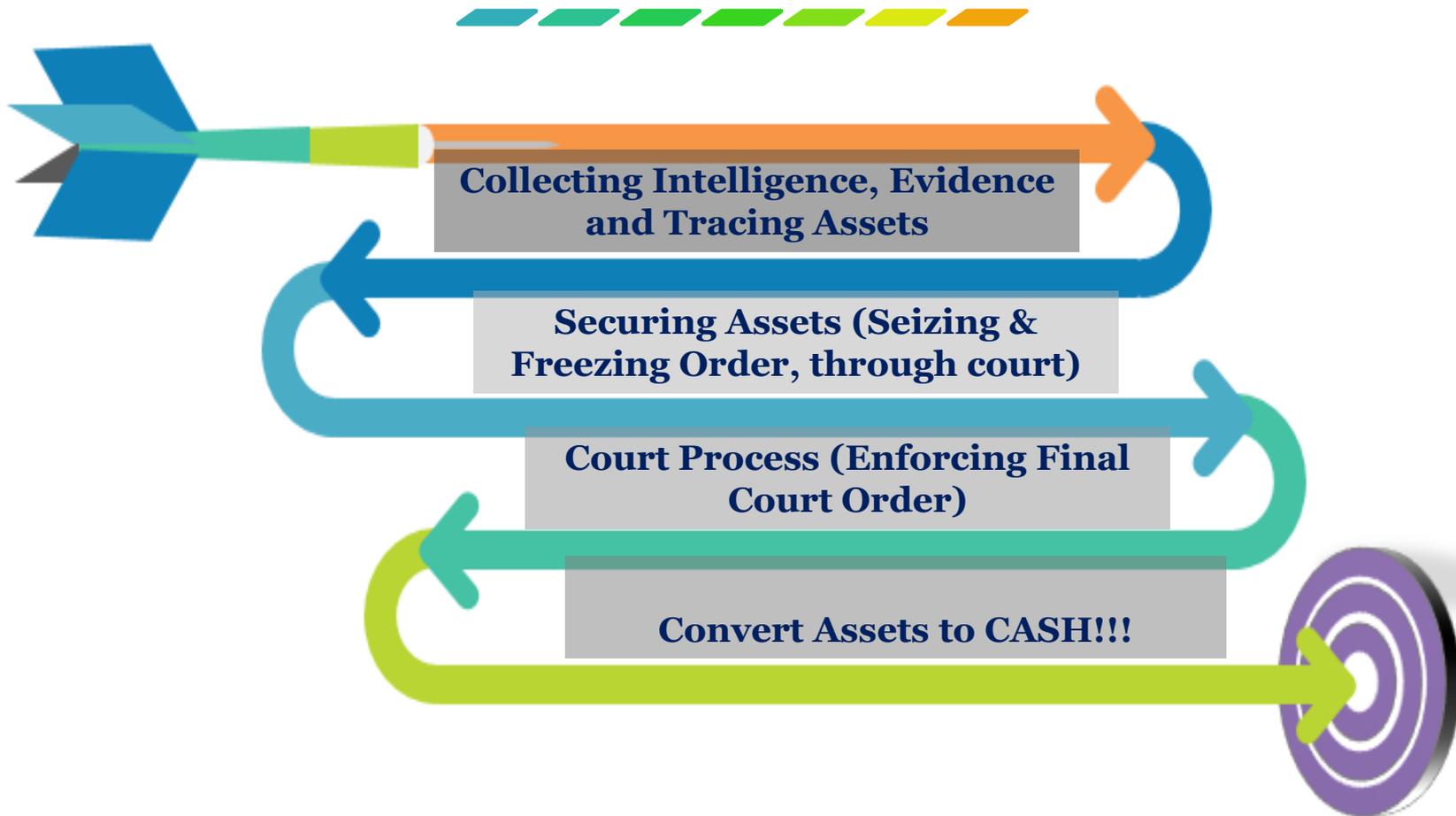
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# The Asset Recovery Plan



# The Asset Recovery Process



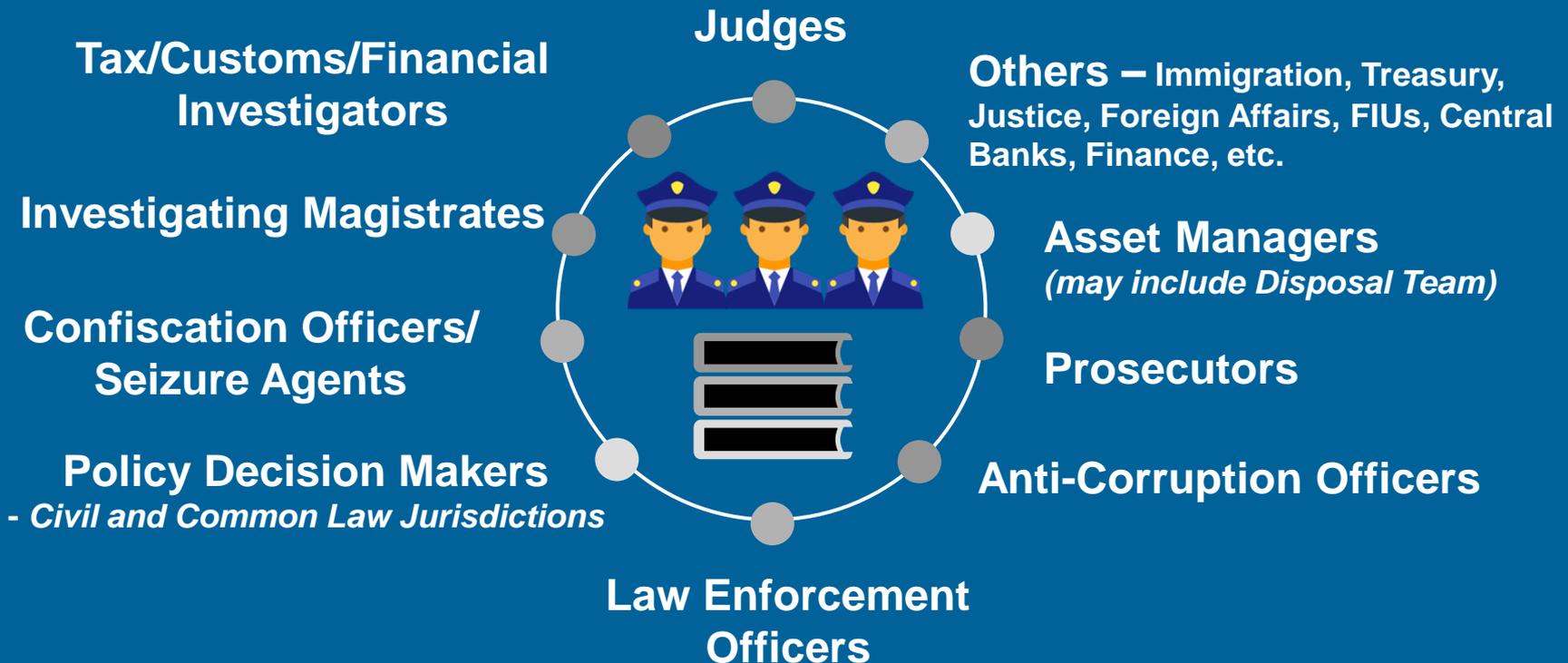


## Breakout Session

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- In your Group, create a Joint Task Force composed of members from various offices/agencies for successful asset recovery actions to remove all assets linked to criminal acts.
- Identify the roles of each member of the Team and name your Task Force.
- Choose a spokesperson to present.

# Stakeholders





# Joint Task Forces

Facilitate exchange of information and skills

Bring skills and expertise within their jurisdiction to the successful outcome of the case

Assist in discussions and reviews of latest development in the case

## IMPORTANT:

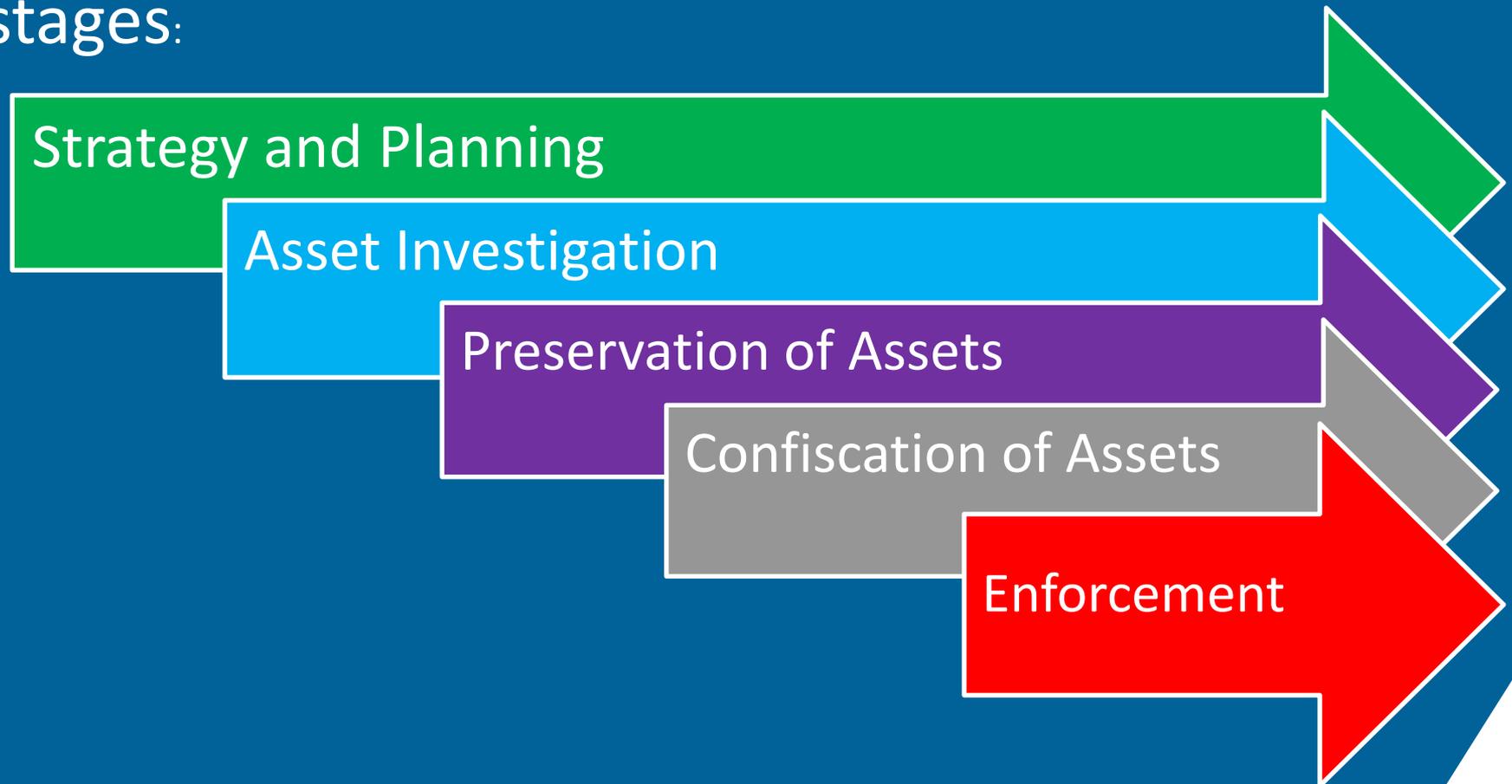
Clarify the respective roles of team members and other law enforcement authorities to avoid confusion and rivalries among the agencies





# Asset Recovery Investigation

Asset recovery can be broadly divided into five stages:





# Guiding Principles

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- Validate/Check at all times  
(*Never ever assume*)
- Use all information
- Every contact leaves a trace
- Follow the money

**TIMING IS EVERYTHING!**



# Use all Information

- **Name of Target/POI** : common name difficult to precisely check without other information
- **Business Activities:** Trade Bodies/ Local Authorities / Business Directories
- **Tax Registration:** Tax registration will hold other information, possibly home address/ phone/email/associated businesses/nature or type of business. Where returns are submitted online –IP address may be recorded



# Use all information

- **Company Names** : Company Registry /credit reference agencies/ checks on related companies/ co directors/International checks through Open Corporates
- **Bank Accounts**: Sort code checker: which branch of which bank /pre-order enquiry/ check SWIFT codes
- **Managed Office**: Company register/ who else uses the address?
- **Phone** : Open Source/ Google/ Facebook/Twitter /MSN Messenger/ Newspaper reports etc.



# Financial Profiling

- Create a financial profile-
- Profile is a live document – needs to be updated
- Helps you keep track of the various results you have obtained
- Can be used to communicate intelligence to your Team/other Teams
- Should be a one stop reference document for what you know about the subject
- Collates data that may be useful
- Identifies gaps in knowledge
- Helps to track and value assets



# Initial Checks

- **Always Check**

- a) Intelligence Database : identifies material already held
- b) Police/ Court Data : identifies known offenses/ manages risk/ mitigates cross-agency risks
- c) Tax Databases : cross-tax situation
- d) Credit Checks : Good source for bank accounts, loans, associates and checks by financial institutions
- e) FIU Intelligence : check for SARS/STR's
- f) Bank Account Registry : if you have one
- g) Property Registry : if you have one



# Open Source Information

- Open source research can yield a large amount of data
- The Italian Police seized criminal property worth around €500 Million from the Sicilian Mafia which had mostly been identified from their Facebook profiles
- As people live increasingly in the virtual world, they expose themselves to more lines of enquiry
- Be careful if you are conducting open source checks yourself – remember “Every contact leaves a trace”
- Use a stand alone computer not linked to you or your agency



# Investigative Techniques



## Financial Investigation

Informant Development

Undercover Operations

Crime Scene Investigation

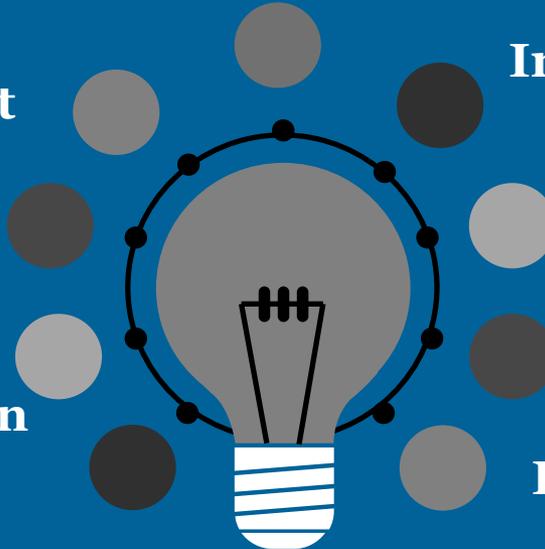
Interview/Interrogation

Surveillance

Digital Forensics

Forensic Analysis

Management Decision





# Investigative Techniques

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- **Financial Investigation**
  - tracing the movement of funds to identify criminal activity related to Money Laundering or other financial crimes
- **Interview/Interrogation**
  - questioning witnesses and suspects to obtain information using techniques that build rapport and encourage truthful responses



# Investigative Techniques

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- **Surveillance**
  - observing a suspect's activities through physical observation, electronic monitoring, or drones to gather information or potential evidence
- **Digital Forensics**
  - examining digital devices like computers and phones to extract evidence related to criminal activity



# Investigative Techniques

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- **Forensic Analysis**
  - examining physical evidence in a laboratory to identify potential suspects, such as DNA analysis, fingerprint analysis, ballistics testing and trace evidence analysis
- **Crime Scene Investigation**
  - systematic documentation, collection and analysis of physical evidence at the crime scene using photography, measurements, and specialized tools to reconstruct events



# Investigative Techniques

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- **Undercover Operations**
  - investigators assume false identities to infiltrate criminal organizations and gather firsthand evidence
- **Informant Development**
  - cultivating relationships with individuals who can provide information about criminal activities



# Preservation of Assets

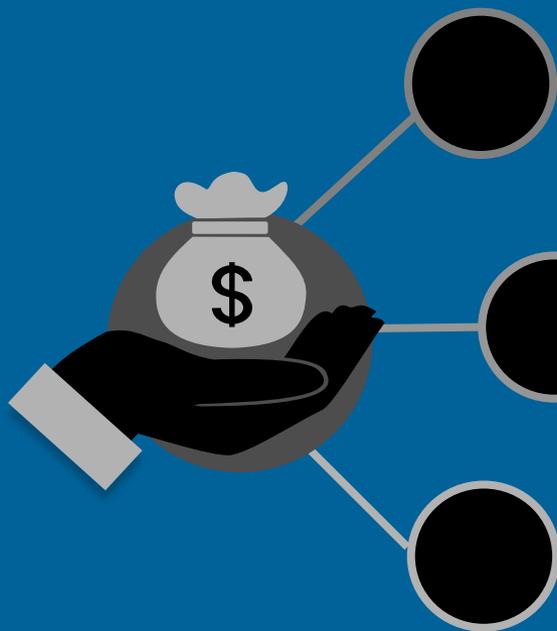
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Two main methods of preserving assets:

- Freezing Orders (also called Restraint Orders, Attachments or Injunctions)
- Seizure Powers



# Different Types of Procedures



## Administrative

- In rem – action is against the property
- No judicial involvement

## Civil Judicial

- In rem – action is against the property
- Complaint filed

## Criminal

- In personam – forfeiture is part of criminal prosecution
- Must have a criminal conviction on predicate offense and often a separate trial regarding the asset forfeiture
- In rem – forfeiture against property



# Ways to recover/proceeds from crime



**Asset Forfeiture (Criminal)**



**Asset Forfeiture (Civil)**



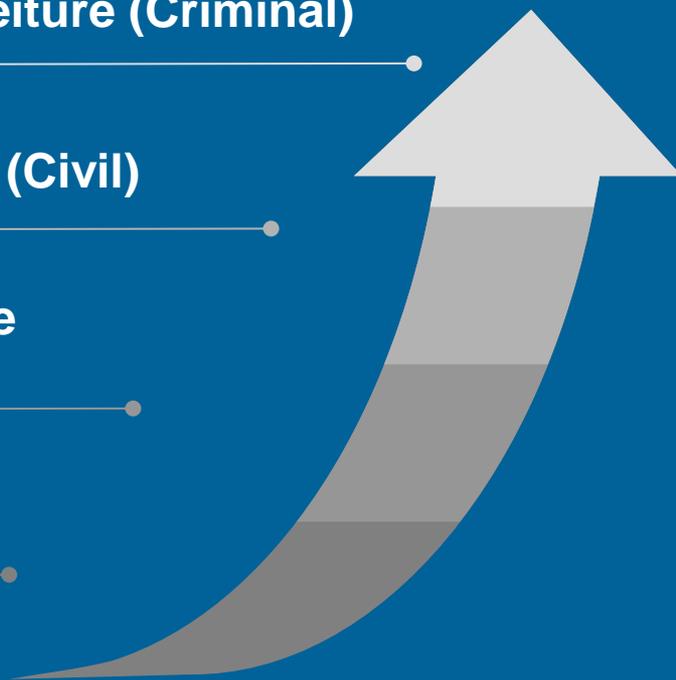
**Taxing Criminal Income  
(person or company)**



**Civil Claim for Damages**



**Bankruptcy Proceedings**





# Asset Forfeiture - Criminal



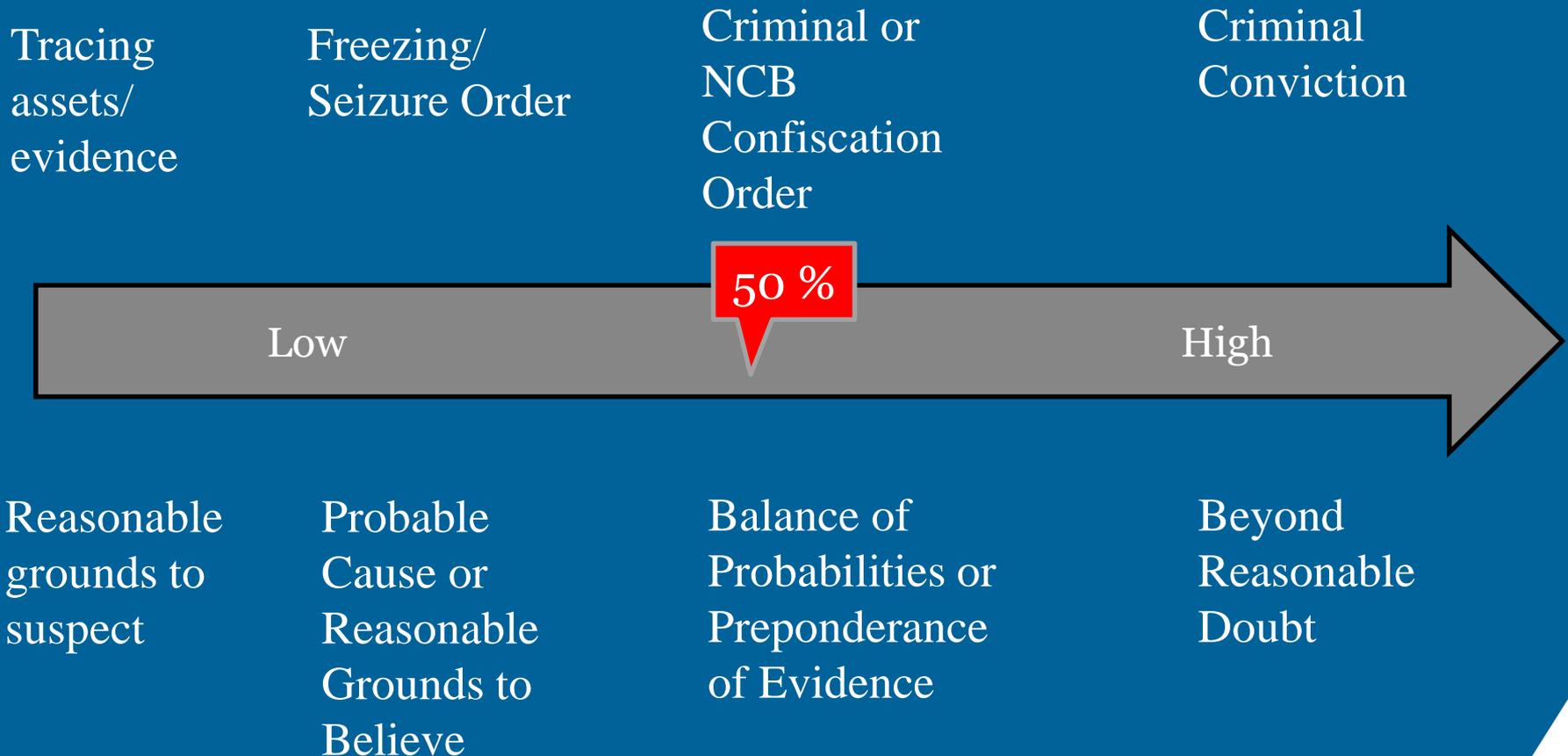
Imposed by court as part of the sentence for a crime

Must meet the standard of proof in your jurisdiction, that property was a proceed of or is significantly connected to illegal activity





# Standards/Quantum of Proof







# Taxing Criminal Income



With or without prior notification (depends on criminal investigation/co-operation/etc)

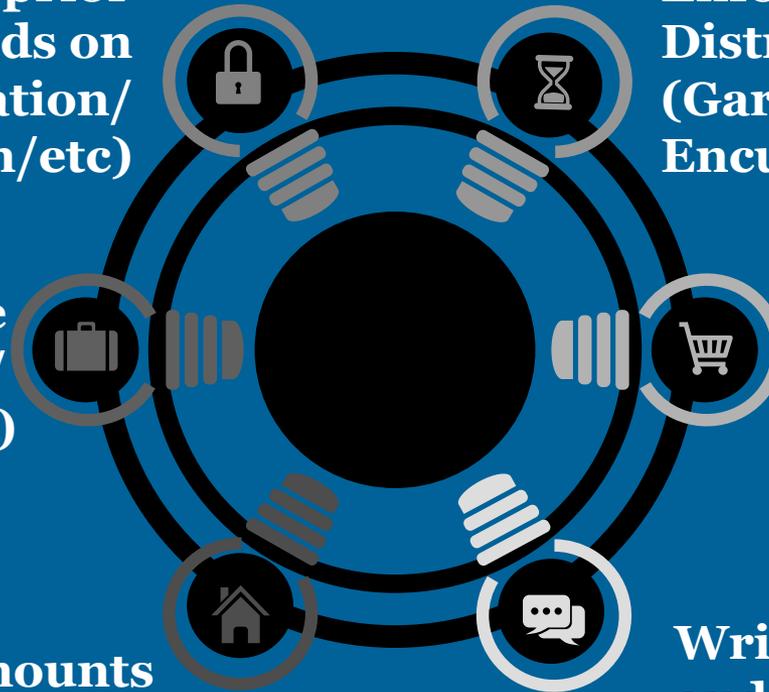
Enforcement by Distraint/Levy (Garnishment/Lien/Encumbrance)

Any taxes possible (income/VAT/GST/Excise/transfer tax etc)

Some tax administrations have their own collecting units

Assessment of tax amounts

Write tax audit/investigation reports





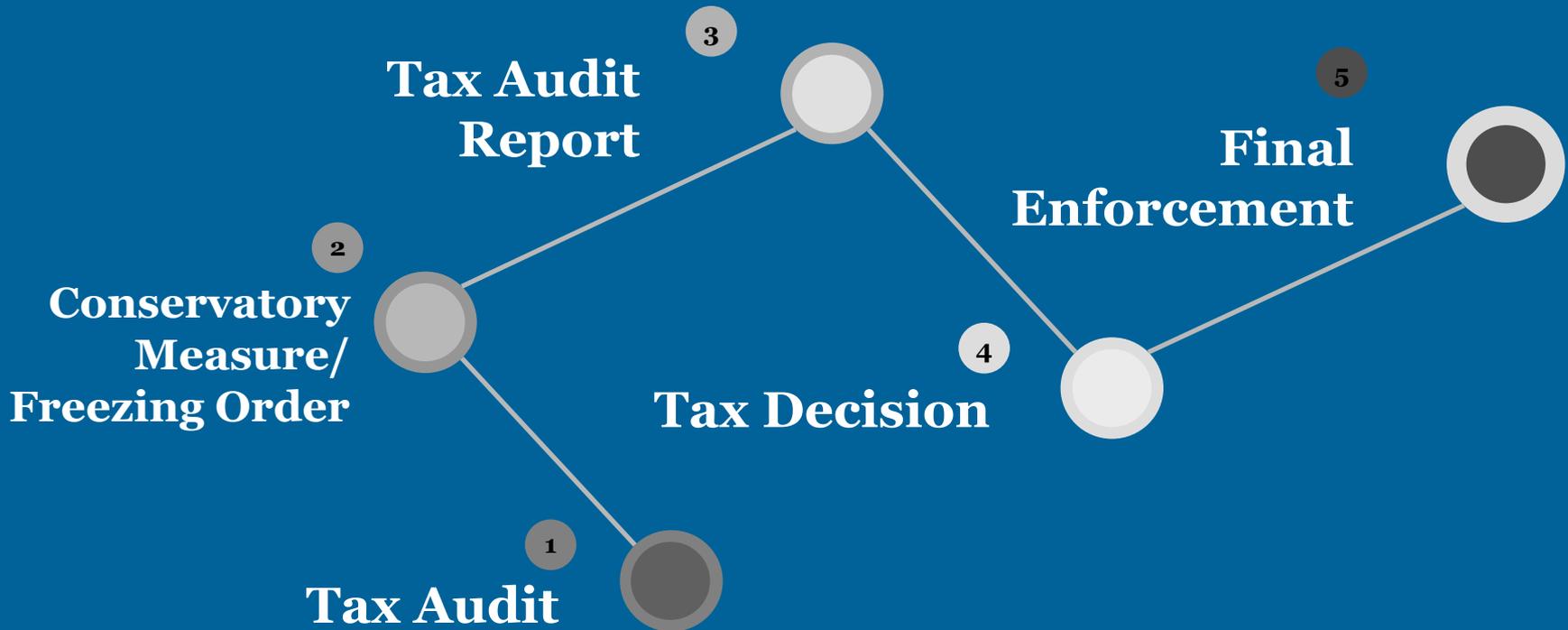
# Legal Grounds



**Company has submitted fraudulent tax reports? - Identify the Target/POI**

- Which individual(s) is responsible for this according to rules in your jurisdiction?**
- This/these person(s) may be liable**  
➤ **Problem: nominee/ straw man?**
- Also his advisors/accessories**
- More than one: Joint liability**

# Taxing Criminal Income





# Civil Claim for Damages and Bankruptcy



❖ **Your jurisdiction may have provisions to let the government sue individuals for damages**



❖ **Company is bankrupt**

- **No money to pay the taxes?**
- **Liability in negligence**

**Different types –  
culpable/willful**



# STRATEGIES

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- Criminal investigation on tax fraud in line with civil recovery actions to preserve the assets
- Review your strategy from time to time if there are new information/leads
- Remember: Timing is everything so secure the assets as early as possible
- Civil case to freeze the assets
- Civil freezing petition to court depending on your quantum of proof



# Enforcement and Conversion of Assets to Cash

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- Selling of seized/frozen assets
  - Often difficult – professional knowledge
  - Objective is to get the highest possible price
  - Admin of confiscated property (Real estate, cars, animals, arts, companies, etc.)
- Dividing the outcome between creditors
  - Agencies get a share?
  - Need to share with other jurisdictions?

# Asset Recovery vs Asset Management

## ASSET RECOVERY

- 1) Collecting Intelligence, Evidence and Asset Tracing
- 2) Securing Assets
- 3) Court Process
- 4) Enforcing Orders
- 5) Return of Assets

## ASSET MANAGEMENT

- 1) Pre-Seizure Planning
- 2) Taking Custody
- 3) Managing Seized Assets
- 4) Disposal of Confiscated/ Forfeited Assets



# Thank you for your attention!

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