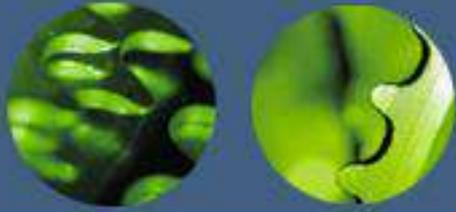


Financial Investigations Division

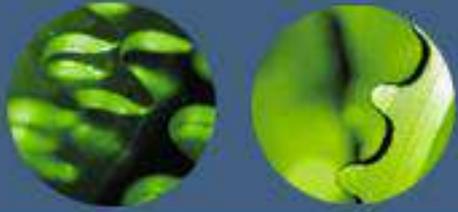
An Overview



Overview

- ❑ Established in July 2001 as the Financial Crimes Unit in the ODPP
- ❑ Address 3 issues
 - ❑ Lack of forensic accountants capable of investigating the collapse of the financial sector
 - ❑ Forensic accountants to support police officers in the investigation of ML and other financial crimes in keeping with the MLA and the DOFPA.
 - ❑ Lack of experts & system to manage STRs/TTRs filed by financial institutions
- ❑ Transferred to the MOFPS & renamed the Financial Investigations Division in 2002
- ❑ GOJ enacted POCA in May 2007
- ❑ FID designated as the implementing Agency (Assets Recovery Agency)





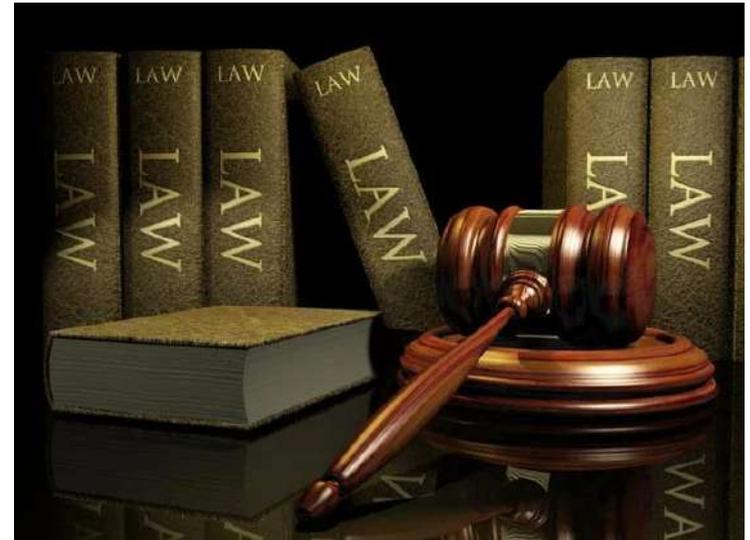
Functions

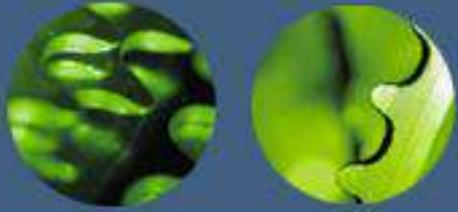
❑ Legislation for the FID:

- ✓ FID Act (FIDA)
- ✓ Terrorism Prevention Act (TPA)
- ✓ United Nation Security Council Resolution Implementation Act (UNSCRIA)

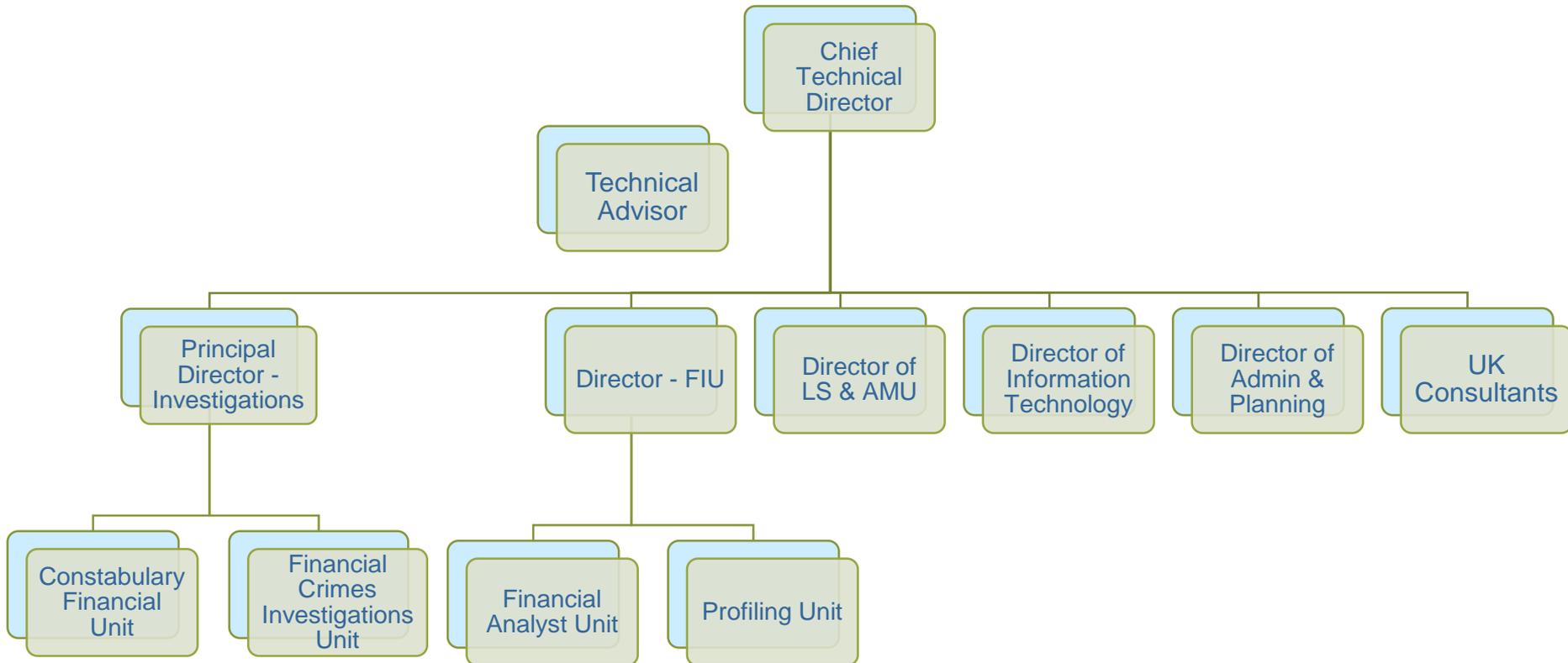
❑ Functions

- Provide policy advise to the Minister re FC
- Receive, analyse & disseminate reports per POCA & any other legislation
 - STRs, TTR, RFC, Protected Disclosures & Cross border declaration of cash, TPA & UNSCRIA Reports
- Initiate investigations into ML, TF, PF & other financial crimes (FC) (corruption, fraud etc)
- Recover and manage criminal properties
- Maintain statistics on FC
- Give guidance to financial institutions re obligations under POCA , FIDA, TPA etc
- Promote public awareness & understanding of FC

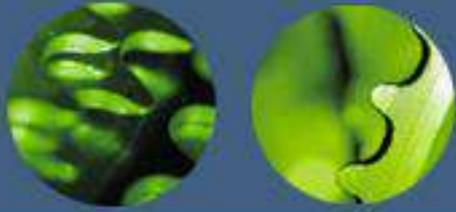




Structure of the FID



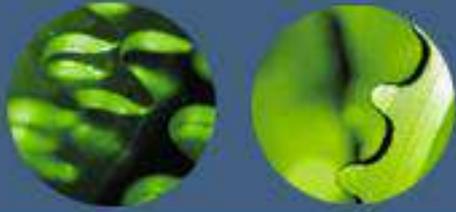
Transitioning to a Department – from 89 to 197 FTEs



Conduct of the FID/ARA

- Permits civilian financial investigators only to undertake civil recovery investigations
- Access to all MDA information (NHT, NIS, TAJ, Municipality, AuGD, Customs, RGD)
- Use of Pseudonyms
- Borrowing powers
- Officers protected from prosecution re acts done bona fide
- Keep accounts and records in relation to its business
- Prepare annual statement of accounts - conforms to established accounting principles
- Annual audits

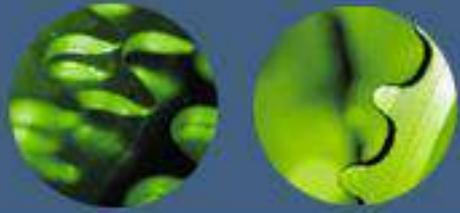




Monitoring of Effectiveness

- ❑ FATF & CFATF
 1. 40 International Standards
 2. Mutual Evaluation Mechanism
 1. Technical compliance (laws, systems & institutions)
 2. Effectiveness (results)
 3. Greylisted – Feb 2020
- ❑ Monitored Strategic Issues
 - ✓ NRA
 - ✓ PF/UNSCRIA/Without Delay
 - ✓ Microfinance Act
 - ✓ TCSP
 - ✓ TF Risk associated with NPO
 - ❑ Increase ML investigations & Prosecutions
 - ❑ Beneficial Ownership
 - ❖ Attorneys as DNFBPs

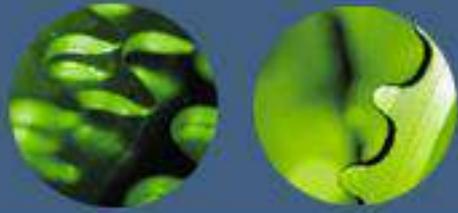




ML/TF National Risk Assessment

- ❖ BOJ, FID & FSC
- ❖ World Bank NRA Tool
- ❖ 2016 – 2019
- ❖ Wide consultation
 - Military & law enforcement agencies
 - Private sector entities
 - Business associations
 - Regulators
 - Ministries & Departments of Government
 - Academia
 - Multi-laterals
 - Tax/Customs Administration
- ❖ Jamaica has a overall rating of Low for TF and Medium-High for ML.

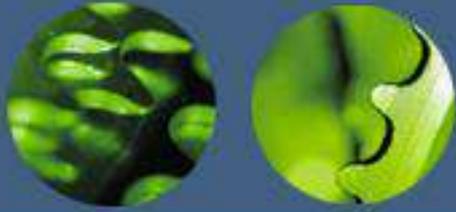




Major Findings

Sector	Sector's Vulnerability to ML	Sector's ML Threats	Overall Sector Risk Score
Deposit Taking Institutions (DTIs) (including banks)	Medium	Medium	MEDIUM
Securities	Medium	Medium	MEDIUM
Insurance Companies	Medium	Low	MEDIUM-LOW
Remittance Companies	Medium-High	High	HIGH
Cambios	Medium	Medium	MEDIUM
Credit Unions	Medium-Low	Low	MEDIUM-LOW
Real Estate Dealers	Medium	Medium-Low	MEDIUM
Gaming	Medium	Medium-Low	MEDIUM
Public Accountants	Medium-Low	Low	MEDIUM-LOW
Attorneys-at-Law	Medium	Medium	MEDIUM

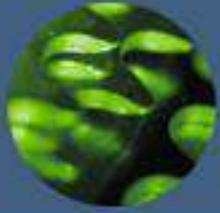
Remittance sector – high risk due to incidence of ML investigations linked to lottery scamming



Major Findings

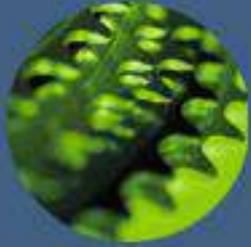
- ❑ High proceeds generating crimes
 - Lottery scamming, drugs & arms trafficking, corruption, extortion, fraud, cybercrimes & counterfeit goods
- ❑ Sectorial threat
 - Used car dealers
 - Real estate developers
- ❑ Vulnerabilities
 - Informal sector/Cash intensive economy
 - High crime rate
 - Geographic location/border control
- ❑ Effectiveness
 - High level commitment
 - Effective team of financial investigators/prosecutors
 - Effective FIU
 - Availability of independent audit
 - Financial integrity



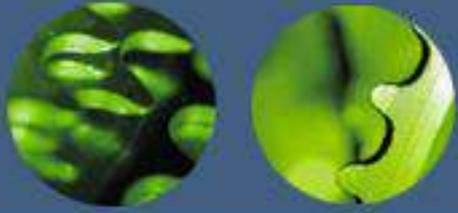


The End





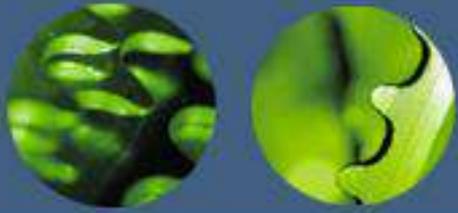
Investigations & International Cooperation



Types of Investigations

- ML
- Cash seizure
- Criminal forfeiture
- Civil recovery of property
- Prohibited cash transaction
- Failure to declare cross border movement of funds

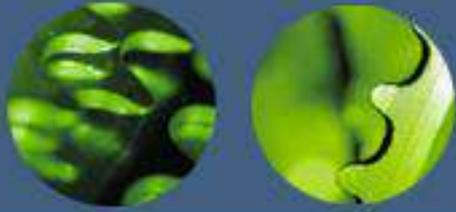




International Cooperation

- ❑ ML linked to Transnational organized crime (narcotics, counterfeit goods, scamming, arms trafficking, illicit financial flows)
- ❑ Large diaspora in North America & Europe & a culture of crime
- ❑ Warrant mechanisms for overseas cooperation:
 - ❖ Formal
 - ✓ MLAT (MACMA)
 - ❖ Semi formal
 - ✓ Egmont – semi formal
 - ✓ Interpol
 - ❖ Informal
 - ✓ ARIN-Carib
 - ✓ LEA Liaison Officers

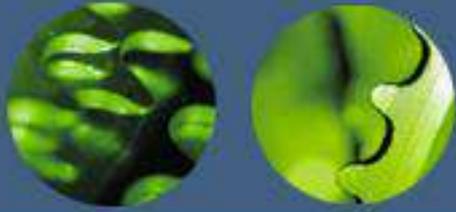




Successful Case

- ❑ Prominent Jamaican in the USA
- ❑ Success story of a Jamaican migrant
- ❑ Certified Public Accountant in the USA
- ❑ Entertained political leaders at her home
- ❑ Manipulated Clients' Tax Returns
 - ❖ Fraudulently filed 395 Tax Returns
 - ❖ Client received amount shown on Tax Return shown to them
 - ❖ Inflated amount went to her BOA account
 - ❖ US\$3,405,479.20 fraudulent refund relating to 183 clients
 - ❖ US\$379,442 for clients IRS payments were posted to her personal IRS account for which she obtained refunds



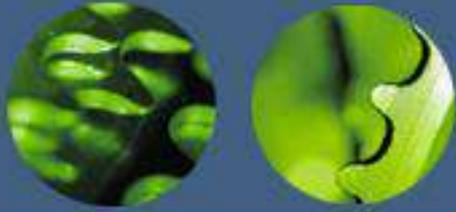


Successful Case

- ❑ 18 criminal charges, including 2 ML offences.
- ❑ Local financial institutions filed STRs/RFC to the FID
- ❑ Restraint Order obtained re US\$1.168m @ 3 financial institutions
- ❑ Known legitimate income was \$221,305.00
- ❑ Hypothecated a/c - re loan to popular entertainment spot on Lady Musgrave Road
- ❑ Entered a guilty and sentenced to 77 months imprisonment
- ❑ Eventual surrendered the amount restrained
- ❑ IRS Special Agent collected funds in Jamaica from the FID

IRS leaves Jamaica collecting J\$84 Million from Accountant Pamela Watson





Forfeited Funds

THIS DOCUMENT CONTAINS A RED TO BLUE BACKGROUND ON THE FACE - SEE REVERSE SIDE FOR OTHER SECURITY FEATURES



A/C PAYEE ONLY

Citibank N.A.
111 Wall Street
New York, NY 10043
U.S.A.

1-8/210

Cheque Number **1501280**

Cheque Date **19-Feb-2016**

DD-MMM-YYYY

203013 02102016 153521

PAY:

TWO HUNDRED TEN THOUSAND EIGHT HUNDRED FORTY
SIX AND 09/100 US DOLLARS***

USD

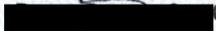
*****\$210,846.09

Void Over \$210,846.09

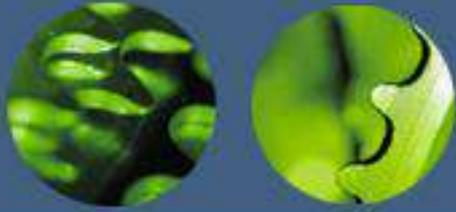
TO THE ORDER OF:

United States Treasury









Forfeited Funds

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A/C PAYEE ONLY

1-8
210

Cheque Number **0040435**

Cheque Date **21-Mar-16**

*** **\$173,091.72**
ONE SEVENTHREE ZERO NINE ONE CTS CTS

PAY: ONE HUNDRED SEVENTY-THREE THOUSAND NINETY-ONE AND
72/100 USD DOLLARS

00025390 032116 134637

US\$

****173,091.72***

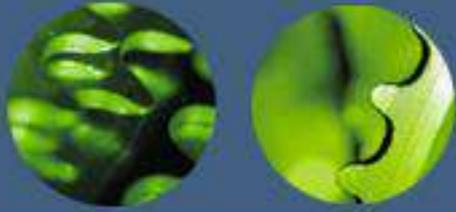
TO THE UNITED STATES TREASURY
ORDER OF:



CITIBANK, N.A. BR. #99940
111 Wall Street
New York, NY 10043

[Signature]
D. Farway-Nelson
VOID IF OVER >>>> US\$173,091.72

SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING



Forfeited Funds

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A/C PAYEE ONLY

Citibank N.A.
111 Wall Street
New York, NY 10043
U.S.A.

1-8/210

Cheque Number **1501281**

Cheque Date **19-Feb-2016**

DD-MMM-YYYY

203012 02192016 153515

PAY:

THREE HUNDRED NINETEEN THOUSAND ONE HUNDRED
TWO AND 06/100 US DOLLARS***

USD

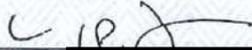
*****\$319,102.06

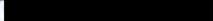
Void Over \$319,102.06

TO THE ORDER OF:

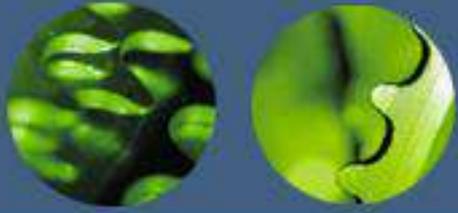
United States Treasury





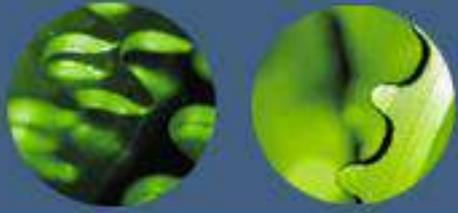
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Operation Absurd

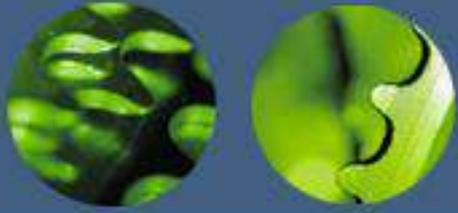
- ❑ Jamaican residing in Columbus, Ohio
- ❑ Held with 1 ton of marijuana & US\$1.2m
- ❑ Guilty plea for narco trafficking & ML
- ❑ Proactively initiate investigation in Jamaica
- ❑ Collaborated with the DEA in Ohio
- ❑ Identified 4 real estate valued over \$3m
- ❑ Successfully forfeited
- ❑ Properties being managed by the Asset Management Unit of the FID
- ❑ Generating significant rental income





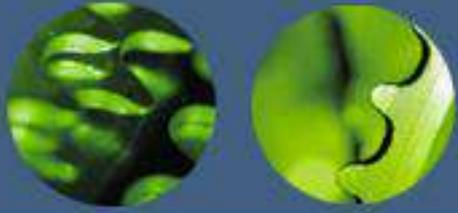
Forfeited Property - \$80m





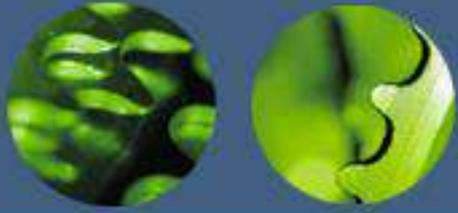
Forfeited Property – J\$140m





Forfeited Property – J\$220m



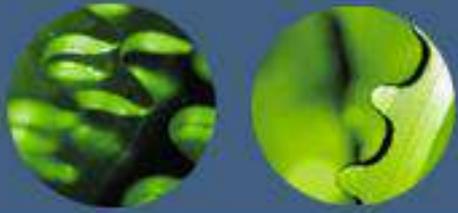


Civil Recovery of Property

Purpose:

- Recover in civil proceedings, property which is or represents, property obtained through unlawful conduct

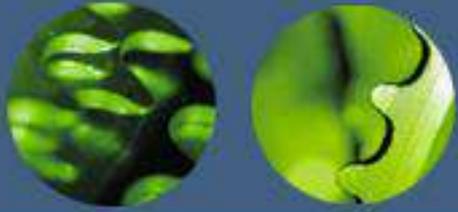




Civil Recovery of Property

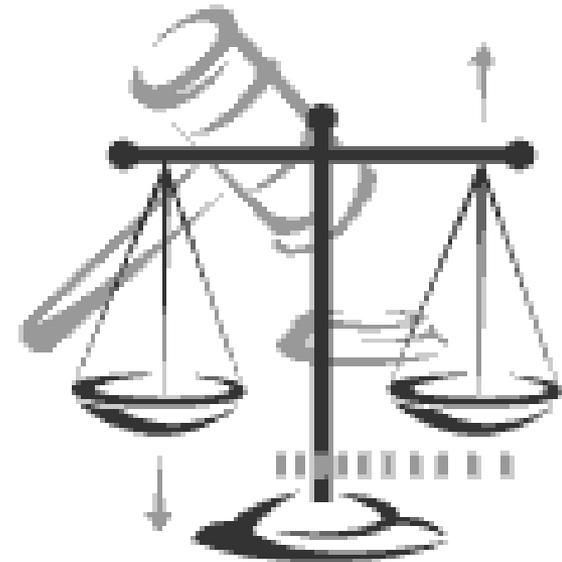
- Effective @ any time before the appointed day.
- Applicable to property acquired within a timeline of 20 years prior to the Agency's cause of action. (Oct 2001)
- Includes profit earned on or appreciate in the asset
- Recover any other property which represents the original property
- Proceeds belong to the FID

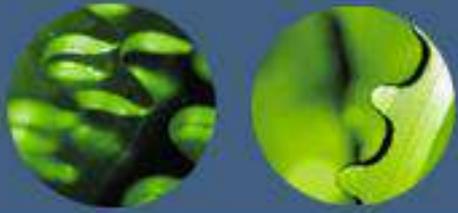




Civil Recovery of Property

- ❖ Based on a balance of probability
- ❖ Doesn't require a conviction
- ❖ Criminal prosecution has failed or cannot be forwarded.
- ❖ Defendant dies/absconds/fled the jurisdiction/mentally challenged
- ❖ Cannot identify the true perpetrator
- ❖ Defendant incarcerated in another jurisdiction
- ❖ Assets with accumulated value of \$250,000 or more
- ❖ No or insignificant legitimate income
- ❖ 42 days to file a defense (otherwise - default judgment)

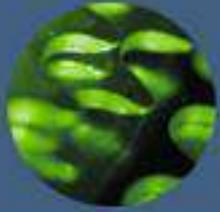




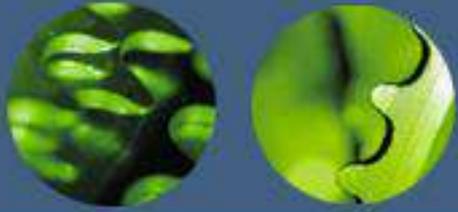
Civil Recovery

- ❑ Accountant by profession
- ❑ Leader of a drug syndicate (Jam/USA)
- ❑ Laundered illicit gains in music and real estate industries
- ❑ Convicted in the USA in 2005
- ❑ Informal records – drug ledger
- ❑ Identified several properties in Jamaica registered in his name, companies, families & friends
- ❑ Successfully, restrained & forfeited property valued J\$241m
 - ❑ 13 real estate holdings
 - ❑ 4 firearms
- ❑ Another 3 properties & 1 Porsche pending recovery - \$99m

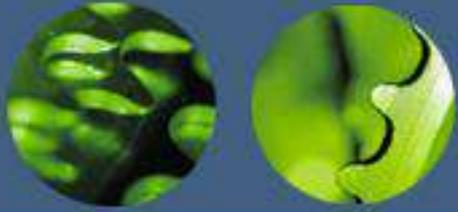




Informal Accounting Records



Informal Accounting Records



Informal Accounting Records





Forfeited Property





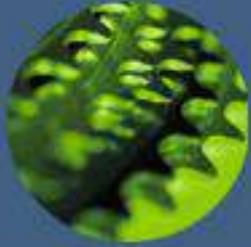
Forfeited Property





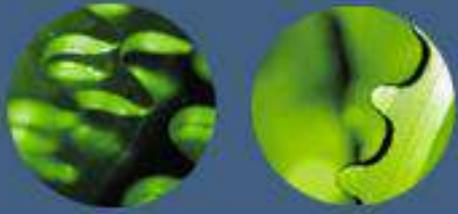
Forfeited Property





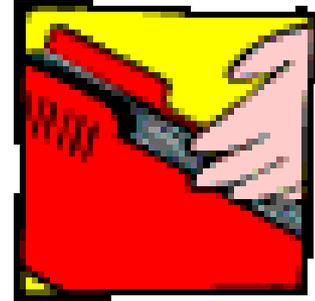
Forfeiture Orders & PPO

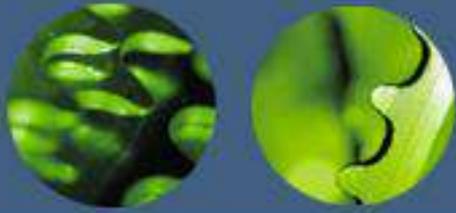
Post-Conviction Forfeiture



Forfeiture Order & PPO

- ❑ The Defendant **must** be convicted
 - ✓ Convicted of **any offence** in the Court
 - ✓ Committed to the Court (making a FO/PPO)
- ❑ Application to the Court
 - ✓ Agency (FID), or
 - ✓ DPP; and
- ❑ Notion of criminal lifestyle & rebuttable assumption

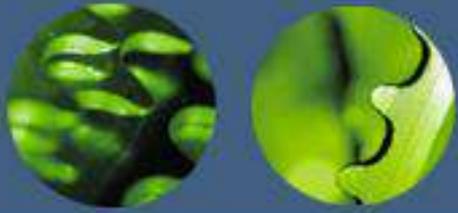




Forfeiture Orders or PPO

- Criminal Lifestyle, if the offence concerned
 - is specified in the 2nd schedule
 - forms part of a course of criminal activity, from which the defendant obtains a benefit
 - convicted of a least one offence from which he has benefited
 - prior ten years, he was convicted on a least two (2) separate occasions of an offence from which he has benefited
 - is committed over a period of at least one month and the defendant has benefited from the offence

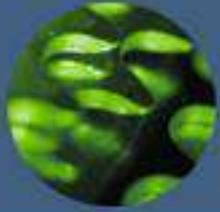




2nd Schedule Offences

- Dangerous Drugs Act
- Money Laundering
- Offences Against the Person Act
 - Abduction of female
 - Procurement of female
 - Prostitution & Operation of brothel
 - Child stealing, kidnapping
- Arms trafficking
- Forgery
- Copyright Act
- Patents Act
- Larceny Act
 - Larceny/embezzlement by clerks
 - Extortion
- Terrorism (Prevention) Act
- Law Reform (Fraudulent Transactions) Special Provisions) Act
- Inchoate Offences





Assumptions – Criminal Lifestyle

Determining & Quantifying
Benefit
Four (4) Assumptions

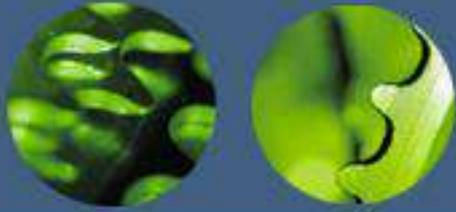
Any property transfer to
the defendant at any
time after relevant date

Any property held by the
defendant at any time
after the date of
conviction

Any expenditure
Incurred by the
defendant at any
time after the
relevant date

Valuation purposes:
Property was obtained
free of any interest in it

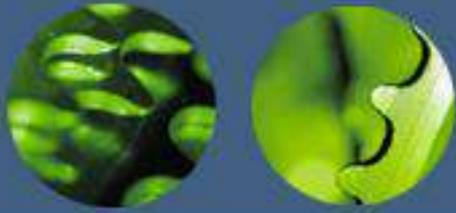
Relevant date – 10 yrs prior to the day of proceedings
No assumption is to be made if it is shown to be incorrect or
would be a serious risk of injustice



Rules

- Rebuttable assumptions
- Allow legitimate income
- Recognized legal 3rd party interest
- Use wholesale price of drug/contraband in jurisdiction of seizure for valuation purposes
- Property held – appreciation in value
- Expenditure – decrease in value
- Avoid double counting
- Commingling of funds (legal\illegal)
- PPO attracts interest at TB rate
- Outstanding balance enforceable against defendant's free property
- Liable for additional term of imprisonment on default of payment
- Debt remains collectable after imprisonment

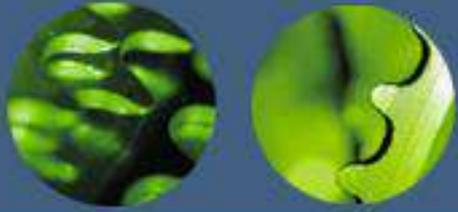




Successful Case

- ❑ Accountant @ AGD
- ❑ Falsified life certificate & change payee bank accounts information
- ❑ Swindled over \$26.528m
- ❑ Transferred to 5 criminal associates
- ❑ Majority subsequently transferred to the main accused bank account
- ❑ Gambling addiction
- ❑ Successfully investigated & prosecuted by the RPD
- ❑ FID undertake criminal forfeiture investigations post conviction
- ❑ Confiscation order \$31.937m – main accused
- ❑ Amount recovered thus far – J\$6.675m & US\$283.33





Assets Recovery Investigations Concluded

Jan – Dec 2020

☐ 3 Civil Recovery Cases

- ☐ J\$66,682,000.00
- ☐ US\$333,999.80

☐ 11 Criminal Forfeitures

- ☐ J\$279,564,317.40
- ☐ US\$1,202,836.00

Jan – Oct 2021

☐ 5 Civil Recovery Cases

- ☐ J\$281,255,693.33
- ☐ US\$78,006.00

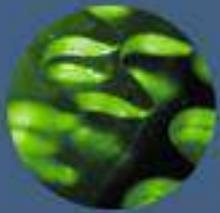
☐ 12 Criminal Forfeitures

- ☐ J\$903,785,204.58
- ☐ US\$104,460.82

9 adjudicated cases with confiscation orders:

J\$56,081,152.044

US\$11,230.00



CRIME
DOES NOT PAY



Thanks for your attention.

