

# Workshop 'Good Practices for Prevention of Corruption in Public Administration and Tools for Strengthening the Law Enforcement Agencies'

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Hotel 'Altai'

Moscow, Russian Federation

**Simon Goddard  
Caractacus Consultancy UK**

**Relevant International Standards  
and Good Practices for Financial  
Investigations and Confiscation of  
the Proceeds from Crime**

# Or more correctly;

*The growth and impact of organized crime on the  
development of relevant standards and good practices  
for Financial Investigations and Confiscation of the  
Proceeds of Crime*

# 1970s

- Bhola cyclone kills 50k in Bangladesh 1970
- Apollo 14 on moon 1971
- Leeds United win FA Cup 1972
- Nixon resigns after Watergate 1974
- Fall of Saigon 1975
- Peace between Israel and Egypt 1978
- Iranian Revolution 1979







Sergeant Julie Taylor from the Wiltshire Constabulary. Operation Julie was named after her.  
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# Operation Julie

- 1977
- 90% UK, 40-60% World LSD market
- 34 defendants - 87 addresses
- 30m tabs value £100,000,000
- £11,000 cash seized
- £800,000 in Swiss and French banks
- No seizure powers



# 1980s

- Iraq-Iran war = 1 million dead & 1 trillion \$ spent
- 1st Space shuttle Colombia 1981
- Famine in Ethiopia 1984
- Gorbachev and Reagan 1985
- Shuttle Challenger explodes 1985
- Removal of Berlin Wall 1989
- Chernobyl disaster 1986



# 1988 UN 'Vienna' Convention

*Each Party shall adopt measures to enable confiscation of proceeds derived from offences established in accordance with article 3, paragraph 1, or property the value of which corresponds to that of such proceeds;*

*Each Party shall also adopt measures to enable its competent authorities to identify, trace, and freeze or seize proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article, for the purpose of eventual confiscation.*

# 1988 UN 'Vienna' Convention

*Each Party shall empower its courts or other competent authorities to order that bank, financial or commercial records be made available or be seized.*

*A Party shall not decline to act under the provisions of this paragraph on the ground of bank secrecy.*

# 1988 UN 'Vienna' Convention

*Each Party may consider ensuring that the onus of proof be reversed regarding the lawful origin of alleged proceeds or other property liable to confiscation, to the extent that such action is consistent with the principles of its domestic law and with the nature of the judicial and other proceedings.*

# Financial Action Task Force

## G7 Summit Paris 1989

- Examine money laundering techniques and trends = Typologies Exercises
- Review action already taken at national or international level = Mutual Evaluations
- Set out measures needed to combat money laundering = 40 + 9 Recommendations

# Council of Europe

- 1990 Strasbourg Convention on Laundering, Search, Seizure, and Confiscation of the Proceeds from Crime
- 2005 Warsaw Convention on laundering, search, seizure and confiscation of the proceeds from crime and on the financing of terrorism





# UK Response

## Drug Trafficking Offences Act 1986

- Mandatory financial investigation
- Confiscation on conviction
- Separate proceedings
- Criminal Justice Act 1988
- Extended to all crimes value +£10,000
- Discretionary confiscation

# 1990s

- Mobile Phones and Internet
- Break-up of Soviet Union 1991
- Wars in Slovenia, Croatia, Bosnia 1991-1995
- Rwanda Genocide 1994
- Channel Tunnel opens 1994
- Taliban seize Afghanistan 1996
- Princess Diana dies in Paris 1997
- War in Kosovo 1998-1999



# Transnational Organised Crime

- Murder
- Drug Trafficking
- People Trafficking
- Arms Trafficking
- Blackmail and Extortion
- Fraud / Economic Crime
- Corruption
- Counterfeiting
- Environmental Crime
- Money Laundering

# Transnational Organised Crime

- Jamaican Possies and Yardies
- Chinese Triads
- Japanese Yakuza
- Russian Mafia
- Colombian Cartels
- Nigerian Syndicates
- Italian Mafia [Cosa Nostra, Camorra, Ndrangheta  
Sacra Corona Unita, Mala del Brenta]

# Transnational Organised Crime

- \$322 billion in assets worldwide [UN 2005]
- Cooperating not competing
- Use of financial intermediaries / gatekeepers
- Complex business structures
- Sophisticated communications
- Political involvement / protection



**Giovanni Falcone 18/5/39 - 23/5/92**  
**Paolo Borsellino 19/1/40 - 19/7/92**



"You did not kill them:  
their ideas walk on  
our legs".





# 2000 UN 'Palermo' Convention

*To promote cooperation to prevent and combat transnational organized crime more effectively.*

# 2000 UN 'Palermo' Convention

- Article 6. Criminalization of the laundering of proceeds of crime
- Article 7. Measures to combat money-laundering

# The Common Factor

## *Money*

*Finding it, seizing it, and confiscating it*  
*Remove the proceeds of crime*

