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# How to coordinate virtual assets facilitated crimes

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**CRIMES ARE INCREASINGLY INTERNATIONAL AND CONNECTED**



# 194 MEMBER COUNTRIES



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## OUR EXPERTISE TO SUPPORT MEMBER COUNTRY INVESTIGATIONS





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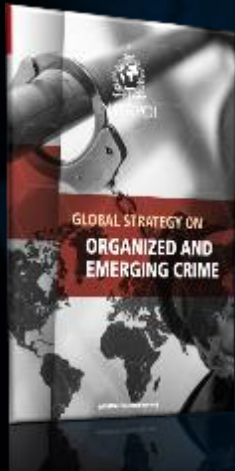
## THREE GLOBAL PROGRAMMES

COUNTER-  
TERRORISM

CYBERCRIME

ORGANIZED  
AND EMERGING  
CRIME

# INTERPOL's Global Strategy on Organized and Emerging Crime



## 4 ILLICIT FLOWS OF MONEY AND ASSETS

### MISSION:

INTERPOL will assist member countries to disrupt the profits of organized criminal networks by tracing and preventing the movement of criminal assets, as well as freezing and confiscating them.



### 4.1

INCREASE DATA SHARING ON THE TRACING AND RECOVERY OF ASSETS

### 4.2

PROVIDE ANALYSIS OF ILLEGAL TRANSACTIONS, MONEY LAUNDERING AND FINANCIAL FRAUD

### 4.3

ENHANCE THE ABILITY OF LAW ENFORCEMENT TO CONDUCT MONEY-FLOW INVESTIGATIONS AND SEIZE ASSETS

### 4.4

CONDUCT CROSS-BORDER OPERATIONS TO INTERDICT BULK CASH SMUGGLING

### 4.5

SUPPORT THE IDENTIFICATION OF COUNTERFEIT CURRENCY IN THE DIGITAL ERA

### 4.6

MOBILIZE EXISTING NETWORKS AND EXPERTISE TO SUPPORT FINANCIAL INVESTIGATIONS

### 4.7

RAISE AWARENESS OF EMERGING FINANCIAL FRAUD SCHEMES

### 4.8

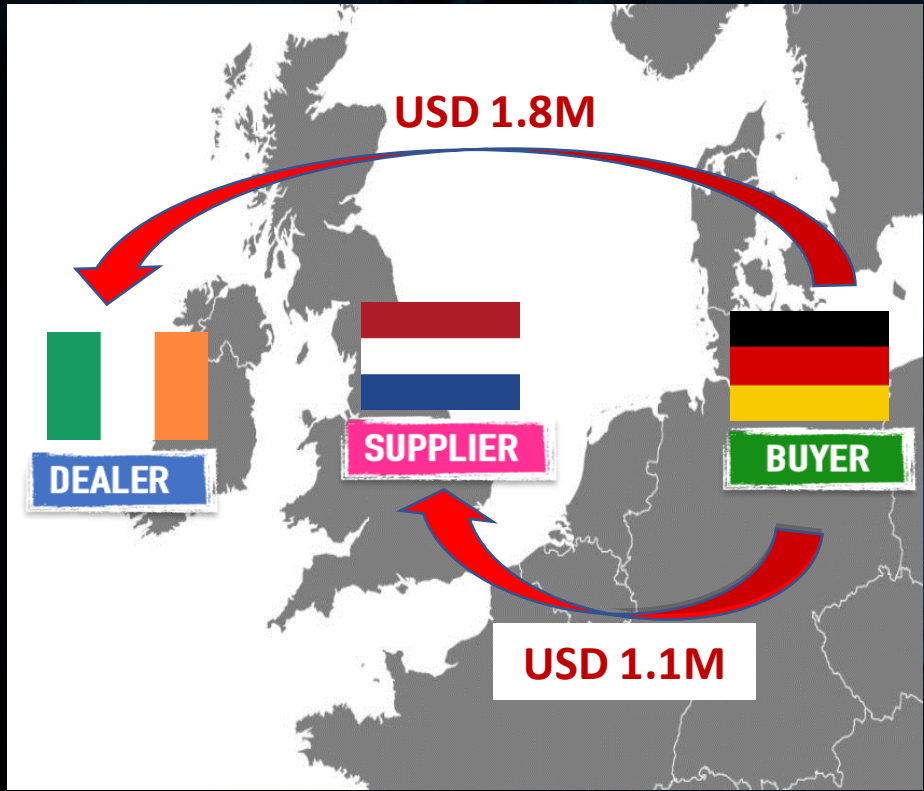
BRIDGE THE GAP BETWEEN THE FINANCIAL INTELLIGENCE AND LAW ENFORCEMENT SECTORS

## INTERPOL Financial Crimes Unit's daily business

- **Case coordination and investigative support**
- Capacity building / workshops
- Cooperation with other organizations



## Case example





# Toolkit of Stop-payment Mechanism

1

- Recall Request via SWIFT system
- Direct alert to beneficiary bank

Bank-to-Bank  
Police-to-Bank

2

- INTERPOL's I-24/7 channel
- Regional Police Bodies channels (e.g. Europol)
- FIU channel and network (e.g. Egmont Group)

Police-to-Police  
Police-to-Police  
FIU-to-FIU

3

## Dedicated AML and Asset Tracing/ Recovery Networks

- Global: CARIN Network with ARINS
- Regional: AMON (Europe); RRAG (Latin America); etc.

4

## Dedicated Asset Recovery Offices and Anti-Scam Centers

- E.g.: AROs across Europe, ARMA Ukraine, ADCC Hong Kong, ASC Singapore

5

## Judicial Powers and Networks

- Eurojust; Judicial POCs within CARIN; etc.
- Freezing order issued by the PPO responsible for bank's location



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- Provide mentorship support/guidance for urgent cases
- Advise the best channel to undertake for your stop-payment request

# What if transactions happen via VAs?



\*VA : Virtual Assets (e.g. cryptocurrencies)

# Tri-party expert group on VA Money Laundering



- ✓ 2017 in Doha, Qatar
- ✓ 2018 in Basel, Switzerland
- ✓ 2019 in The Hague, Netherlands
- ✓ 2020 in the World (online)
- ✓ **2021 in the World 7-8 December**



**5<sup>th</sup> Global Conference  
on Criminal Finances and  
Cryptocurrencies**



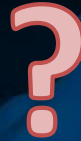
**Money transfer with Bank account**

**VS**

**w/o Bank account number**



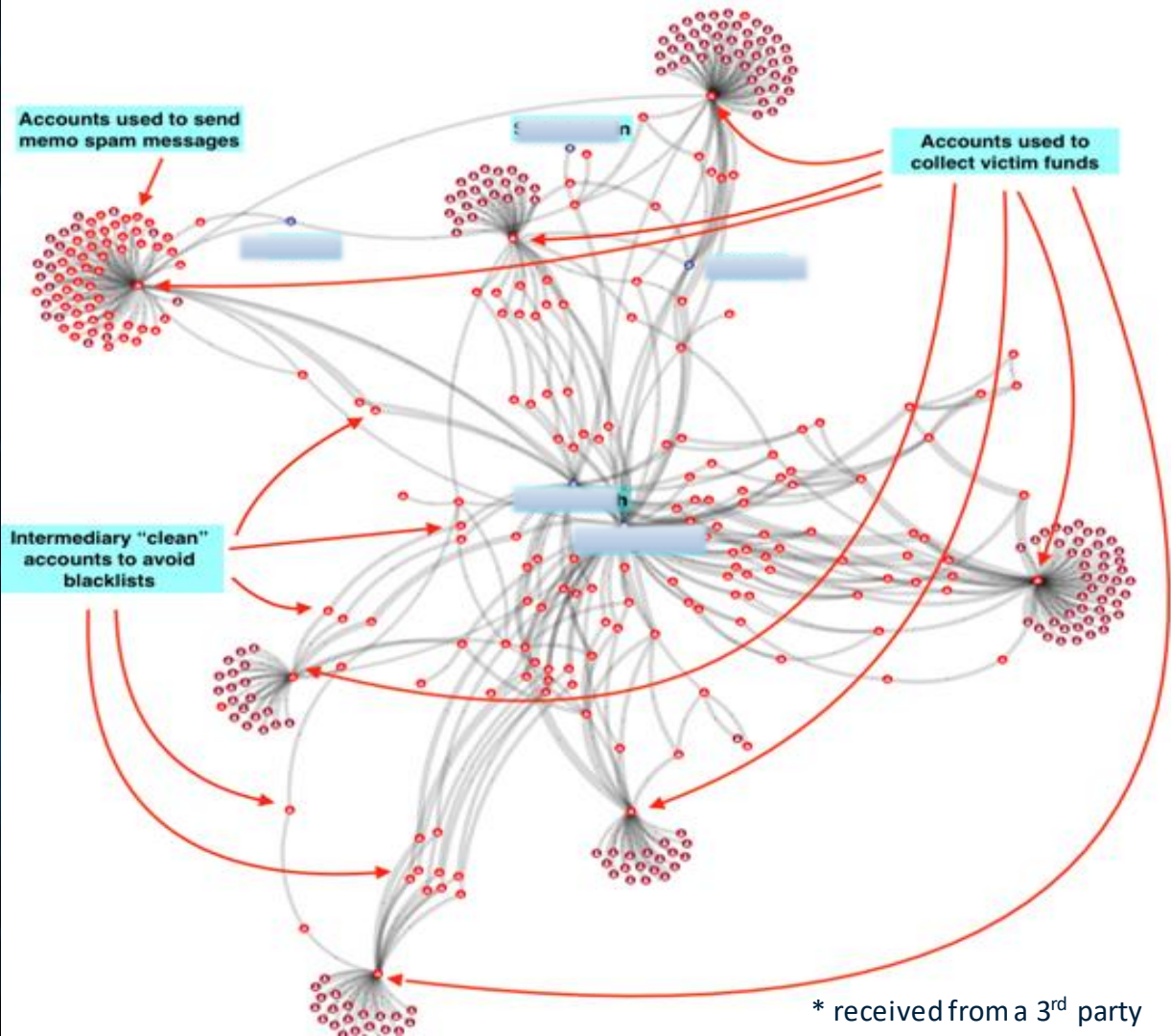
**Banks**



**Virtual Assets Service Providers  
(VASPs)**

A case visualization of scam/phishing campaign with XRP\* worth more than 300,000 USD stolen and laundered through accounts with various VASP\*s

\* XRP (Ripple) cryptocurrency  
\* Virtual Assets Service Provider



\* received from a 3<sup>rd</sup> party

# Various predicate offences: Using VA for criminal proceeds



## Case example

*Donation fraud involving VA - April 2020*



Now you can help us by donating any amount you want with the help of **BITCOIN NETWORK**

**DONATE NOW** with Bitcoin payment  
WHO bitcoin address (BTC Wallet) for donation:  
**1MawCVbm1\*\*\*\*\*Bz9jdDeBi3bCm**  
Your contribution will matter!

- 2020 World Health Organization




**VS**






\* <https://www.who.int/>



## What we do in traditional financial crimes investigation:

- Secure transaction details 
- Analysis on banking transaction / Trace illicit money flow 
- Arresting activities on account holder / money mules 

## How we may implement in VA investigation:

- Can it be seized 
- Can it be traceable 
- Can it be identified 

How Can it be ...

## 3-dimensional approach to investigate VA crimes

**PPP:**  
company or academia  
“How to trace VAs?”



**Regulators:**  
“No Law, No Prosecution”

**LEAs:** “Activities to investigate,  
seize & arrest”

## FATF recommendation 15: New Technologies

- Countries and financial institutions should identify and assess the money laundering or terrorist financing risks that may arise in relation to (a) the development of new products and new business practices, including new delivery mechanisms, and (b) the use of new or developing technologies for both new and pre-existing products. In the case of financial institutions, such a risk assessment should take place prior to the launch of the new products, business practices or the use of new or developing technologies.
- They should take appropriate measures to manage and mitigate those risks. **To manage and mitigate the risks emerging from virtual assets, countries should ensure that virtual asset service providers are regulated for AML/CFT purposes**, and licensed or registered and subject to effective systems for monitoring and ensuring compliance with the relevant measures called for in the FATF Recommendations



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## Key Takeaways

### We can increase the possibilities,

- on **detecting VA based ML**
- to achieve the purpose of VA seizure (**obtain relevant info/proof**)

### Way to go...

- **Decentralized VASPs** spread at the international level
- Cannot guarantee in the field of **OTC transactions** (without exchanges)
- Stable coin related, or DeFi under grey area



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THANK YOU / MERCI BEAUCOUP / MUCHAS GRACIAS / شكرا جزيلا

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