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FINAL EVALUATION REPORT
PROJECT ON "COMBATING MONEY LAUNDERING FROM THE JUDICIAL SYSTEM"
(ATN/SF-7485-RG)

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Conclusions

I. In respect of execution of the training project:

1. Courses were given in the seven beneficiary countries on the established dates, without scheduling changes. In general, they fulfilled the established conditions, followed the approved curriculum design, and were taught by national and international instructors chosen in keeping with approved criteria, that is, qualified professional instructors with the specializations and experience required in the terms of reference for their contracts.
2. All courses were taught at appropriate sites. No significant logistical difficulties were detected except, initially, in Peru. However, such difficulties were resolved.
3. Courses were regularly attended and students participated actively, except in the case of Peru, where substitutes were not provided for the judges selected, so that judges had to perform their usual functions while participating on the training course.
4. The project benefited 209 individuals. Of these, 105 were criminal trial judges, 98 were prosecutors, and the remainder (six) were officials of national institutions, judicial secretaries, public defenders, and judicial academy instructors.
5. Except in Peru, where fewer than 25 persons were selected, none of whom worked outside Lima, the countries selected at least five persons not assigned to the national capital jurisdiction.
6. Although it is not possible to establish unequivocally, at least with the data obtained, whether participants were selected in optimal fashion, that is, whether all 209 selected best matched CICAD's requirements owing to their official involvement in money laundering investigations, in most cases, this objective was met, as those selected were criminal judges with competence in the investigation or prosecution of drug trafficking-related offenses. The prosecutors selected normally had duties involving the investigation of drug trafficking or corruption-related offenses.
7. However, it was noted that in some cases many of the prosecutors selected were inexperienced (Peru), or judges selected had competence exclusively at the intermediate prosecutorial stage (Ecuador). In general, few trial judges (*jueces de sentencia, magistrados de corte, ministros de corte, or vocales de tribunales penales*, depending on the country) were selected.

II. In respect of enhancing the training of beneficiary judges and prosecutors with a view to their handling money laundering-related cases:

1. Although it is not possible to study how such knowledge is applied in the daily work of project beneficiaries, we consider that the training courses generally and markedly enhanced knowledge of the offense of money laundering, the international provisions in this area, the techniques for investigating and

prosecuting that offense, and the international judicial cooperation mechanisms.

2. The international instructors, national instructors, and participants noted this marked improvement. Some 92% of participants interviewed indicated that they gained much additional knowledge of this topic in all the above-mentioned areas, which were those taken into account in course curriculum design.

III. As to whether the beneficiaries remained in justice administration one year after the activity was concluded, apart from two cases detected, the remainder of the individuals participating in this activity did so remain one year later, often, with few exceptions, in the same position, so that, in general, the impact of the training was not lost.

IV. Participant perceptions: participant evaluation of the course was highly positive. In fact, it would be hard to evaluate more highly the organization, quality of materials and lectures, and knowledge acquired. Specifically:

1. Course logistics, physical environment, and support were evaluated as very good. Apart from participants from Peru, participants on all other courses ranked these as very good. Even in the case of Peru, participants indicated that once initial problems had been resolved, the course proceeded well.
2. All participants acknowledged receipt of the planned teaching materials (written lectures, practical cases, and extracts of national and international legislation and jurisprudence), except the CD-ROM planned initially, which was distributed very unevenly. However, except in some cases (Chile and Uruguay), the material was not distributed sufficiently in advance for participants to read it before the course began and, in Peru, it was distributed during the course, as copies were made.
3. The audiovisual aids planned were also used (power point presentation and projection of a video).
4. The courses allowed for enough intervals and breaks. In general, coffee was served and, in some cases, (Chile and Bolivia) lunch was provided at the expense of the Organization.
5. Course curriculum design was in general well received, but it was also widely felt that more emphasis should have been placed on practical aspects and on the jurisprudence of each country. In some cases, such as Argentina, participants were skeptical as to whether the knowledge gained could be applied in their own countries.
6. Presentation format received very positive evaluations.
7. Teaching materials were unanimously considered very good or even excellent. Students generally felt that the written modules distributed to them were the best guide to be used in following money laundering-related matters and, now that the course is concluded, are in fact used to that end in the student's on the job tasks.

8. It was generally felt that the quality of the practical cases discussed was good. However, there was marked divergence of opinion regarding the applicability of the lessons learned from such cases to the reality of some countries.
9. In general, the presentations given by the international instructors were very well received. Such presentations often received excellent evaluations. The instructors were perceived as true experts in the area.
10. In general, the national instructors received good evaluations. There was a wider range of opinion in this area but, in general, the presentations given by instructors in the juridical area were evaluated as good or very good.

V. Instructor evaluation:

1. The support received, physical environment, logistics, and organization received very positive evaluations, except for the course in Peru, and, in Venezuela, the initial selection problems were mentioned. In the cases of Chile and Uruguay, the above-mentioned aspects were evaluated as excellent.
2. Coordination between the project's general coordinator and the national and international instructors was evaluated as very good, except, again, in the case of Peru.
3. Participant selection was considered good, except, for the reasons adduced above, in the case of Peru, evaluations varying slightly in the other countries, as it was felt that prosecutors with greater experience and competence in the trial area should have been selected.
4. Student participation was viewed as uneven but, in general, good. However, the international instructors felt that discussion in Argentina was notably negative.

VI. Impact of training activity:

1. Even without practical data from which extrapolations may be made, it may be said that participants, in general, became familiar with the fundamental international instruments in this area. There were exceptions, such as, perhaps, Argentina where nonetheless a positive trend was clearly evident. Other exceptions did not pertain to failure to become familiar with such instruments but of skepticism regarding the applicability of a means of proof, such as circumstantial evidence.
2. It is still too early to measure the impact of the knowledge acquired on the participants' daily work, but participants from Ecuador, Chile, Bolivia, Peru, and Uruguay acknowledge having applied in investigations, indictments, or prosecutions the knowledge they had acquired.
3. However, it may be considered that, thus far, few matters have been brought before the judiciary in this area, and that it is thus too early to assert that trainees are capable of handling money-laundering cases without difficulty.

VI. Course replication:

1. At present, the course has been replicated in Uruguay, Ecuador, and Peru, thereby benefiting 172 persons (143 judges and 29 prosecutors). A replicated course is to be held in Chile before the end of 2003. No information is available on whether the three other countries will replicate the course in 2003.
2. However, no country has undertaken to replicate the course twice a year.
3. Twenty-one judges and prosecutors who participated as students on the courses evaluated and four course instructors participated as instructors on replicated courses.
4. There is no evidence that courses have been replicated in sectors other than justice administration.
5. With the exception of Uruguay through its Money Laundering Prevention Training Center; Ecuador, through the Office of the Public Prosecutor's Training Unit; and Chile, through certain CONACE initiatives, this evaluation has not been able to establish that any other money laundering prevention training activities were conducted in this period.

VII. A final consideration: evidently, prosecution of money laundering-related offenses requires not only prosecutors trained in investigation and judges trained to prosecute. The system as a whole must function well. And essential elements of the system are mechanisms to recognize and investigate suspicious transactions. Lack of a clear legal design (in some countries, where the law is very literally applied) or where Financial (Information) Analysis Units do not operate adequately, either because they have not yet been established or, if established, have not yet begun to operate, or do not operate adequately, or because they do not in fact provide selective information, but rather forward all information they may be required to report "under the regulations," limits or may significantly limit the universe of money laundering cases. Many money-laundering cases are indeed related to drug trafficking. The training given thus fulfills the essential role of "identifying" the problem as part of the offense. But, in evaluation interviews, the general feeling was that without the entities responsible having solid financial information, the knowledge acquired was virtually unusable.

Clearly, a single isolated activity will not produce change in the operation of the system as a whole, but rather the combined impact of all factors. Training is not a short-term effort nor does it produce, as one of the instructors put it, "miracles." The knowledge acquired filters slowly throughout the organization, provided that it is applied. Thus, experience "demonstrates" not only that what is done is more in keeping with the law, but also that such is possible. To that end, it is essential to study and analyze judicial decisions of the institution itself (the country's jurisprudence). Not surprisingly, most participants have asked that in future we focus more on jurisprudence and practical application.

It may be said that the effort made has in general enabled those participating as students, those benefiting from replicated courses, and those who in the future will have

access to training to understand the underlying difficulty of the offense of money laundering and has given them tools to identify it in cases, and to combat it as they would any other crime.

It is not our purpose to evaluate why more cases have not been brought. The instructors selected agree that selective suspicious transaction information mechanisms and attitudes in investigating drug trafficking-related offenses and other serious crimes usually related to money laundering are the two cornerstones on which to base the system for the investigation and prosecution of this scourge.

Recommendations

In light of the foregoing conclusions, the following recommendations are made with a view to attaining the project's objective (training judges and prosecutors):

1. Training efforts must continue

Ongoing efforts are justified to the extent that combating money laundering remains an element of Inter-American Development Bank policy, in view of the harm caused to the sector. This is a project compatible with the policy framework of the IDB, the OAS, and the countries involved (combating money laundering) and the conditions that led to approval of the project remain unchanged. There is and will be a need for training that was much noted by those involved: instructors (national and international), institutions, and students themselves alike consider that training must continue.

Certainly, training efforts never produce immediate results, nor may their impact readily be anticipated. But few alternatives are available to raise awareness among participants and non-participants - still fewer in view of the scant number of money laundering cases being prosecuted in the area. The project's assumptions as inferred from its logframe remain valid.

2. These activities must be coordinated with established training structures

It is essential for there to be coordination of training with schools, academies, or training units for judges or prosecutors, or schools devoted specifically to training in this area (e.g., the Uruguayan school), if the goal is to ensure both effective replication and incorporation of the study of money laundering in training provided to judges and prosecutors.

In our view, experience has shown that ongoing training activity is most efficient when carried out by schools, academies, or stable units in each country. Different explanations of this have been adduced:

- The judiciary is involved, which assists in ensuring that selection criteria are appropriate and there is regular attendance, as the judges selected are permitted

to participate and substitutes are made available to perform their jobs while they are in training.

- It is important for money laundering to be incorporated in regular training activities - not only at the refresher but also the entry level.

In executing this project, one lesson learned was that the training thus far replicated has involved the top officials of stable training units. In Ecuador, this was the Training Unit of the Office of the Public Prosecutor, in coordination with the corresponding unit of the National Judicial Council. In Peru, the difficulties of every type encountered on the first course were avoided when the course was replicated with the involvement of the Magistrates' Academy. In Uruguay, the school devoted to this topic of the National Anti-Drug Council ensured course replication. And in Chile, CONACE coordinated replication with the Office of the Public Prosecutor's unit.

3. The course and its methodology must be replicated

As, except for Peru, replicated courses benefited an average of 30 participants per course, and as courses have been replicated once in each of only three countries, national authorities must be urged to fulfill their commitment to replicate the workshop. Possibly, the requirement that courses be replicated at least twice a year cannot be met. It may be sufficient if one training activity in this area were given each year in every country.

4. It is advisable for the impact of training to be multiplied through additional mechanisms to supplement those mentioned above:

4.1. Through the expansion of theoretical modules

This project is the only course, or at most, one of two such courses, on this topic given in the region in the last two years. Most of those interviewed indicated that they had not participated in another such project nor heard of the existence of any. The theoretical materials used were considered excellent, but they reached only a few students, which meant that they became a scarce, hence sought-after, commodity. In view of this, it would be advisable to expand the teaching material prepared with a view to greater effectiveness of the effort made in designing, preparing, and publishing it. It would also be highly effective if the materials were reproduced in the form of a CD-ROM.

4.2. Through distance education systems

The implementation of distance education methods (videoconferences, virtual universities, and Web pages) outlined in the project itself would make it possible to multiply significantly the effect of training already carried out. On the one hand, such methods would make available to interested parties on an ongoing basis an instrument to be used to update knowledge continually and, on the other, make available an important mechanism to raise public awareness.

5. *Training through new legislation*

The legislative process in the region is not yet complete. Chile is the country most recently to incorporate new legislation. It is incumbent on judicial academies to undertake specific training intended for all judiciary officials. If in any of the beneficiary countries a new money laundering bill is submitted to the legislative process, it would be essential to work in coordination with the schools by providing, minimally, technical support.

6. *Creating small groups of trainers:*

In executing this project, another lesson was that it is possible to locate trainers through good training programs. Such trainers are professionals in this area and already recognized as capable of passing on instruction on money laundering-related matters, along with those who have already served as national instructors. However, emphasis must continue to be placed on enhanced training of trainers. Some trainers will, in the not too distant future, become the leading specialists in this area. Efforts must be made to add value to their training through ongoing refresher courses and by providing precise data so that they can remain current.

7. *Our reflections on money-laundering cases*

It cannot be forgotten that, in a sphere as complex as the process of combating money laundering from the judicial system, training activity, including that as successful as that conducted under this project, cannot in and of itself rectify existing defects nor, therefore, can it attain the objective of such training of enhancing the capability of the judiciary to prosecute and punish money laundering-related offenses.

If “enhancing the capability” means raising the level of theoretical knowledge, the objective has been attained. If, however, “enhancing the capability” means increasing the number of cases and, essentially, the number of convictions, training activity is addressing only one aspect of the problem.

The evaluation effort made evident that there are other highly pertinent aspects, in many cases with an impact judicial activity itself. We referred to these in the final comments made in the conclusions section above. Our recommendation must therefore be that efforts be made to address all factors simultaneously and to ensure the coordination of efforts made by members of other bodies and institutions.

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