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INTER-AMERICAN DRUG ABUSE
CONTROL COMMISSION

CICAD

Secretariat for Multidimensional Security

XL MEETING OF EXPERTS FOR THE CONTROL OF MONEY LAUNDERING
MEETING OF SUB-WORKING GROUP
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FINAL REPORT
(PROVISIONAL)

1) BACKGROUND

The Expert Group for Control on Money Laundering (GELAVEX) was created in 1990 in accordance with article 22 of the [Statute](#) of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS) and is, therefore, one of the advisory bodies of CICAD.

Currently, GELAVEX is formed by two Sub-Working Groups: the Sub-Working Group on International Cooperation and Forfeiture and the Sub-Working Group in Financial Intelligence Units (FIU) and Law Enforcement Agencies (LEA), whose activities are determined by strategic plans that define lines of action and work plans that define concrete actions to be developed in accordance with the lines of action previously defined.

The Strategic Plan Proposal for the 2015-2017 period ([CICAD/LAVEX/doc.19/14](#)), was approved at the Fifty Sixth ordinary regular session of CICAD ([CICAD/doc.2162/14](#)) and, therefore, served as a standard for the activities developed by the group in 2015-2017.

In accordance to the work plan 2014-2015 approved by the CICAD, the International Cooperation and Forfeiture Sub-Working Group will focus on the following subjects: a) create a reference that helps the administration offices for seized assets in the process of alienation of such; and b) support the ES/CICAD with the development of a study about victim's rights and bona fide third parties under the program Coordinator of International Treaties and Forums of the Department of Asset Recovery.

Furthermore, regarding the same work program approved by the Commission, the Coordinator of International Treaties and Forums of the Department of Asset Recovery will work on: a) formulating recommendations for the security and integrity of the officials in charge of the struggle against anti money laundering and their related crimes; and b) develop a patrimonial investigation guide.

2) PROCEEDINGS

i. Inaugural Session

- The opening words were leaded by the President in charge of the Expertise Group for the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS), Mr. Carlos Diaz Fraga, Secretary General of the Secretariat of Anti-Money Laundering of the Presidency of the Eastern Republic of Uruguay.
- CICAD's Executive Secretary pronounced a speech in which he highlighted the role played by Uruguay, as well as Venezuela, Argentina and Brazil as Presidents for GELAVEX in the last triennium. He encouraged the Group to keep working in areas with transcendental

importance and aligned with the Hemispheric Strategy on Drugs and Action Plan that will be presented in the 2016-2020 period.

- The GELAVEX President announced the ending of the functions period of the Ambassador Paul Simons as CICAD's Executive Secretary, recognizing its relevant contributions and the group's greater support in combating money laundering in the region.

ii. **Second session**

- Approval of the agenda and review of themes: the group approved the draft schedule of activities without modifications ([CICAD/LAVEX/doc.1/15](#)).

- Presentation: "Initiatives to Improve Programs for Victims and Witnesses in the Americas". **Cristian Taboada**, Security and Justice's Chief, Department of Public Security, Organization of American States (CICAD/LAVEX/doc.13/15):

Explained that it is noted a generalized raise of the criminal activities and on the region's violence, state responses are primarily focused on condemning criminal activities, causing a negative impact in justice systems and high rates of impunity.

Making reference to the lack of protection mechanism in the region that ensure physical and mental integrity, medical attention, psychological, social, legal and temporary shelter for victims and witnesses. As well as judicial officials, prosecutors, investigators, and other justice operators that are exposed to risks and threats.

Mentioned national answers (Bolivia, Colombia, Ecuador, and Guatemala) and international ones, as the activities carried out by the Public Security Department, mainly in the project., "Strengthening the protection program for victims, witnesses and other persons involved in the criminal investigation in Central America" and achievements so far.

- **GELAVEX President:** Made reference to the differences in matters of resources and experiences of the Member States of the OAS, as well as highlighting the importance of the confiscation of assets of illicit origin; that reduces power of the criminal organizations and allows strengthening the punitive power of the State.
- **Brazil:** complimented the internal coordination of the OAS and congratulate the ES/CICAD for have had the initiate of inviting a representative of the Public Security Department with whom it could still be possible to combine efforts in the future. It referred to the need of working to gain the citizens trust into the justice system. Also remembered the Prosecutor Orlán Chavez, Honduran prosecutor victim of organized crime, as an unfortunate example of the lack of structure that States count to protect victims, witnesses, justice operators and other vulnerable subjects.

- **Bolivia:** mentioned that the situation in Bolivia regarding the protection of informants and witnesses through Law 260 (Law of Public Prosecutions), the Law Marcelo Quiroga Santa Cruz from December 2010 (art.17) and the law from December 2013 that is specific for the protection of informants, witnesses and any other type of public server or former public server that need special protection. Detailed that there's not yet any data or statistics about the results achieved after the entry of force in the 2013 Law, and that the lack of resources is the main challenge that needs to be attacked so it can perform satisfactorily.
- **Chile:** complimented the contributions from the exhibitor of a theme that began working both on the frame of the subgroup work in international cooperation and forfeiture as in the subgroup of financial intelligence units and organization for criminal investigations, as the importance of working in a coordinated matter with other Departments of the OAS. Encouraged the Group to treat the "security" theme in a transversal matter by both Sub-Groups of GELAVEX and with the Public Security Department in a broad and comprehensive manner.
- **Honduras:** mentioned that normally in Honduras the spot light of the forfeiture system focuses in strengthening the criminal preventive system, justice or the assets administration office, staying as background the protection and compensation for the victims programs. However, mentioned the approval of a legislative law that allows in certain cases, where the victim is completely identified (kidnap, extortion, ...) and if it has a direct connection with a forfeiture case, the money collected will be destined in favor of the victim. Moreover it mentioned that following the assassination of the Prosecutor Orlán Chavez, the legislative reforms in the country include a punishment raise to whom commit crimes against operators from the security and judicial system. There have been made "risk profiles" to such officials, so it could be determined which risk level is facing each one and the actions that could be taken for their protection.
- **Panama:** Informed that Law 121 from 2013 allowed the creation of a fund where the money, obtained from the forfeiture of assets from unlawful origins is transferred, therefore the programs for victims and witnesses protection are strengthen. It showed its optimism regarding the scope of better results in the programs as the mixed procedural system becomes substituted for the accusatory system, and permits increasing seized assets, therefore the increasing the money fund.
- **Mr. Cristian Taboada:** reflected about the importance to search financial programs for integral and effective assistance to the victims and witnesses for diverse crimes and not just those that contribute with the criminal proceeding, as it occurs in many cases. He recommended the delegations to continue discussing the subject with care, and emphasizing the importance of providing assistance and not just protection. Also intend their efforts to raise the population trusts in the justice system.

- Panel: “ Facilitating Asset Recovery and International Cooperation”

1) “State of implementation of the Rec. 38 from the FATF in the Caribbean”. **Dawne Spicer** Deputy Executive Secretary, CFATF, ([CICAD/LAVEX/doc.5/15](#)):

Presented the way in which Member States are fulfilling the 38th recommendation from FATF under the third round of evaluation and pointed out that eleven States can respond to requests based on procedures of non-conviction forfeiture; five States have a seized by abandonment figure and twenty two poses a fund in which the money from seized assets is transferred.

It mentioned the changes that will be expected to obtain regarding the 38th recommendation during the fourth round: i. petitions will be generated performed based on requests for non-conviction forfeiture, unless cases in which such seizure is incompatible with the fundamental principles of domestic law of States involved, ii. It is emphasized the possibility that States share seized and forfeited assets; iii. will work on identifying effective mechanisms to manage seized and forfeited assets;

Cited the general changes in relation to anti-money laundering measures, such as: i. prioritization and implementation of applications; ii. The use of central authority or an official mechanism to transmit and execute requests for mutual legal assistance iii. Creation of a case management system to identify the progress made in relation to requests; iv. Maintaining confidentiality of applications and the information they contain.

2) "Forfeiture without Conviction Systems in the Caribbean" ([CICAD/LAVEX/doc.18/15](#)). **Nicola Suter**, Financial Crimes Advisor, Department of State, United States of America:

Shared the experience acquired in Eastern Caribbean States since 2010, when forfeiture without conviction was established in the legislation but not used, and offenders, unlike what happens in other countries, bragged their wealth illegally obtained, without being subject to forfeiture;

Reported that in 2012 a project was initiated to promote the forfeiture without conviction in the region, since the conviction for drug traffickers and other criminals was not enough, because in a way the economic benefits were even used by those who spend time in prison and during that period criminal activities persisted through the involvement of family members or partners in such criminal activities;

On the other hand, he explained that the region experienced a dramatic increase in money laundering through the incorporation of illegally obtained funds in legitimate businesses, which affected the economic improvement of many companies in a positive way and, even more disturbing, that the criminals were being respected not only by other criminals but also the general population;

Said that the cause of criminals getting richer was encouraging youth in the region to leave school and join criminal groups, which led to a reduction in the level of public safety and a sense of community. It also experienced more delays in the judicial system characterized by lack of resources;

He explained that to improve this situation, States were supported to draft its legislation respecting the peculiarities of each system; such initiatives were divulged and the key actors of the system were explained, ensuring that proposed new legislations were properly understood, training was also provided to key professionals, as a forensic accountant that supported various countries in the region;

Finally, he presented some program results, such as the fact that four countries have introduced forfeiture without conviction in their legal systems and it is expected that the fifth approves it in the next three months. Finally, he emphasized the importance of sharing the proceeds of crime between States to work for its recovery and the need to continue supporting The Caribbean to make it a safer and prosperous area.

- **Brazil:** he explained the current situation in Brazil in relation to the implementation of the Law Project on forfeiture without conviction, which joined a proposed constitutional amendment, therefore made reference to the recently release of the anti-corruption package.

- **Chile:** asked Ms Spicer the way in which the agreements are implemented in matters of seizure and forfeiture under the 38th FAFT recommendation (meaning, if such arrangements exist, if they are applied, if they are made in accordance with the law, etc.).

- **Ms. Dawne Spicer:** answered that in accordance to the evaluations, it can be seen that most of them are bilateral agreements between States who are jointly working on a case, and wish to share seized assets.

- **Colombia:** said the benefits achieved in Colombia through forfeiture law that is in force since 1996 and aims to help dismantle criminal organizations. Highlighted that, on one hand, assets are seized but on the other, it is looking to prosecute those responsible through a process of comprehensive justice which safeguards the rights of victims.

- Panel: Networks for Assets Recovery: the importance of the timely exchange of information for the seizure of illicit origin assets.

- "Network for Asset Recovery GAFILAT" ([CICAD/LAVEX/doc.4/15](#)). **Mr. Luis Lopez**, Co-coordinator of the Asset Recovery Network (RRAG) of the Financial Action Task Force for Latin America (GAFILAT):

He explained the main features of the Financial Action Task Force for Latin America (GAFILAT, former FATF), which serves as the Technical Network Secretariat in which the Plenum of Representatives approved in July 2010, decided to create a network that would enable and facilitate cooperation in the informal exchange of information to strengthen the mechanisms of recovery of assets of illicit origin;

Informed that Network Asset Recovery GAFILAT is an informal network consisting mostly of a police contact and other from the Public Ministry who, through a platform for transferring confidential information, they communicate safely;

Referred to the composition of the GAFILAT, whose member states are sixteen as the allied partners (CICO , GAFILAT, INTERPOL, the World Bank StAR Initiative and UNODC, OAS / CICAD and UNODC) and crimes related to the consultations and the results achieved through the interaction of RRAG with other networks (such as CARIN and ARIN).

Comments by delegations:

- **Argentina:** with reference to a case that took place in the FIU Argentina, the country asked how the FIU could use in the future the platform GAFILAT to cooperate with its partners (CARIN and ARIN).

- **Mr. Luis Lopez:** replied that in that case the FIU should send the information to the Secretary of GAFILAT and send it to the Secretary of CARIN (Europol) so it can be transmitted to the corresponding contact of CARIN. He reported that he is working on the possibility that the contact point of the GAFILAT can send information directly to the contact point of CARIN, but until that happens, the mechanism should be that the Secretaries are the intermediaries (GAFILAT and Europol).

- **Costa Rica:** provided information on the operation of the RR@G-GAFILAT platform designed by the Costa Rican Institute on Drugs, which is similar to the one used by the FIU, as the progress incorporated since its inception (as the fact that currently are obtained statistics that are placed through the network).

- "The Network Asset Recovery in Europe (CARIN)" ([CICAD/LAVEX/doc.11/15](#)). **Mr. Jack Kluiver**, Assistant Deputy Chief, Department of Justice, United States of America:

He presented the story of CARIN, created in 2012 by thirteen States of the European Union in order to exchange information quickly and secure between contact points previously designated to recover assets of illicit origin. He reported that Europol exercises permanent Secretariat and three annual meetings, where various topics are treated;

Said that due to the interest of various States to benefit themselves from the benefits of the network, the participation of 63 participants is given as "members" (operational), "observers" (operating without vote) and "associates" (putting a complementary strategic

role). Finally, he offered details about its operation and the place where the annual meetings took place.

Comments by delegations:

- **Venezuela:** asked how jurisdictions that are not part of such networks can participate in such networks.

- **President GELAVEX:** indicated that States wishing to participate in the GAFILAT must apply for incorporation by the Secretariat of the Presidency or Vice-Presidency of the GAFILAT. He stressed the importance of international cooperation and the need to share the information about illicit origin assets, in a safe way. He said the designated contact points in each case must be people who are better trained to receive the information and make the appropriate arrangements to allow such to follow its course (such as Anti-Money Laundering National Secretariat) in the case of Uruguay.

- **Mr. Jack Kluiver:** explained how the information is obtained mainly in the early stages of the investigation and how the informal contacts are helpful when using the proper channels depending on the case (how to appeal to Egmont Group if necessary). He recalled that normally the intelligence that is exchanged in CARIN cannot be used as evidence in the process and stressed the importance of publicizing the existence of the network.

- **ES/CICAD:** said that CICAD has been accompanying the GAFILAT with the United Nations by participating in all its meetings. It said that from the beginning, it was raised that other countries that are not part of GAFILAT can benefit from the network. Said the network is open and, therefore, countries that are not part of GAFILAT (such as those in the CFATF) can even be considered full members as approved the Plenum Representatives of GAFILAT. He concluded by inviting the States that wish to benefit from the network to make due contacts through the Ministry of GAFILAT directly and have the support of the ES/CICAD to assist in the improvement of systems for asset recovery in the region.

- Presentation: "Advances of the BIDAL project in Brazil and Paraguay," **Dennis Cheng**, BIDAL's Project Director ([CICAD/LAVEX/doc.12/15](#)):

He presented the main features of the BIDAL project, which provides technical assistance to member states of the OAS for the development and creation of specialized agencies in the independent assets regardless of the forfeiture systems in place in each country;

With regard to Brazil, he said that the project was presented to senior officials of the institutions of the ENCLA, who pledged to support the project goals, which were published in the media in the country. He added that a local consultant was hired to conduct a situational analysis on all phases in the forfeiture of illegal assets from the patrimonial investigation until the disposal of seized and forfeited assets;

He explained that to elaborate the diagnosis it will be conducted field interviews and from the information collected, an inter-institutional work group (GTI), with the support of the ES/CICAD, make proposals for improving the system, which they may include the creation of an asset management organization and a proposal for a Law Project. He concluded stating that a National Seminar in which issues of great importance were addressed for the improvement of the forfeiture system in the country and that in the next months it will be a Regional Seminar;

About Paraguay, mentioned that the draft was presented in March to various national authorities and the ES/CICAD participated in meetings with the Chamber of Deputies in relation to the challenges of confiscation in the country (with the possible implementation of a Forfeiture Law and the application of an autonomous forfeiture), and the need to create a specialized agency regarding assets administration. Finally, he reported that they are carrying out the formalities of hiring a local consultant to initiate the preparation of the situational diagnosis of Paraguay and in a similar way to which was recently presented in Brazil.

Discussion and suggestions:

- **Paraguay:** explained the progress that occurred in Paraguay since the ES/CICAD visits in relation to the Forfeiture Project, which will include measures to improve asset management.
- **Brazil:** emphasized the importance of bringing together all the institutions involved with the seizure of assets of illicit origin, as it is being done in Brazil, and showed his optimism regarding the progress that will be obtained in the country, as well as the discussions that will take place during the regional seminar that will probably be held in the framework of the next meeting of ENCLA.
- Subgroup of Forfeiture and International Cooperation. Coordination by the Delegation of Costa Rica. Presentation of the progress report of rights victims' and bona fide third parties analysis, in the process of confiscation of illicit assets. **Xiomara Cordero**, Delegation of Costa Rica; **Diogo Oliveira**, Brazilian Delegation and **Ana Álvarez**, Legal Specialist SE/CICAD (CICAD/LAVEX/doc.10/15):

They made an introduction to the topic that is part of the Work Plan 2014-2015 and will serve as input for the International Cooperation Program for Asset Recovery (REACT) that was committed to the ES/CICAD. They presented legislation about third of the victims and bona fide third parties of Argentina, Brazil, Colombia, Costa Rica, United States, Guatemala, Honduras, El Salvador, Spain, Mexico, Paraguay, Dominican Republic, Venezuela, Jamaica, Peru, Bolivia, Uruguay, Chile, Suriname, Haiti and Paraguay.

In addition, they cited how international and regional conventions address the matter without detailing aspects that could assist the rights of victims and bona fide third parties to

be respected, leading to delays in judicial proceedings, evidentiary difficulties, loss rights that correspond them legitimately and the lack of means to hold accountable those who have not acted innocently in particular cases and to compensate those who have suffered damage and loss.

Finally, they encouraged delegations to send supplies to the ES/CICAD to enable to complete the study by including regional and bilateral agreements; legislation of the member and permanent observer of the OAS that was not collected; doctrine and case law to respect, in order that the document is completed and the final version is submitted to the next plenary of GELAVEX.

Discussion and suggestions:

- **Argentina:** mentioned the situation regarding six hundred asset cases that are in the hands of relatives or companies for former military dictators, without such assets were returned to the victims of crimes against humanity.

- **Costa Rica:** explained the performance of the service office and protection to victims and witnesses, as the importance of the presented document, that will serve as a basis for the improvements that could be incorporated in relation to asset compensation to the victims.

- Report of the Executive Secretary of the “Program for Technical Assistance about International Cooperation in matters of Asset Recovery”. **Mrs. Ana Álvarez**, Legal Specialist ES/CICAD.

- Informed that the Project for Assets Recovery of the ES/CICAD (Project REACT) was approved on the Fifty Sixth period of ordinary sessions of the CICAD, carried out from the 19th to the 21st November of 2014 in the City of Guatemala and, furthermore during this meeting of the GELAVEX, it is considered officially inaugurated;

Remembered the project backgrounds, its objectives and components, explaining the way on which is working on the first product, consistently in a situational diagnosis about forfeiture systems in the Americas that allows understanding the advances that were realized in the matter until now and address the next steps to follow.

Discussion and suggestions:

- **Costa Rica:** mentioned the importance of strengthening strategic cooperation between judicial authorities, recovery units and asset management.

- **Uruguay:** on the concept reflected in international conventions on "shifting the burden" and the challenges it can generate in relation to the constitutional principles of the Rule of Law, such as innocence. He mentioned the importance of avoiding to use such concept and work on the construction of the case, based on circumstantial evidence.

- **Mrs. Ana Álvarez:** said that the coordination between judicial authorities and recovery units and asset management was included as one of the points to be addressed in the assessment (as suggested, for example, in the Handbook of Best Practices BIDAL project and the Best Practices Paper on Confiscation of Property FATF). She also assured that the implications and challenges of the concept related to the "investment of the burden of proof" as mentioned in the international conventions, will be incorporated to the diagnosis as expressed by the Delegation of Uruguay.

- Subgroup of Forfeiture and International Cooperation. Coordination by the Delegation of Costa Rica. Presentation of the progress report of the analysis on disposition of assets seized and forfeited. **Xiomara Cordero**, Delegation of Costa Rica and **Dennis Cheng**, Director of Project BIDAL (SE/CICAD) ([CICAD/LAVEX/doc.3/15](https://www.cicad.org/publications/2015/03/15/CICAD/LAVEX/doc.3/15)):

They mentioned the project's background and its objective, which is to create a reference aid for the offices of administration of, seized and forfeited assets in the process of alienation of property, as well as international references on the matter, and the initiatives that were carried out under the BIDAL Project.

They referred to the problems in relation to the anticipated sale, the figure of abandonment and the sale of confiscated property as the Sub working Group interest in obtaining comments from States on their experiences in the field. To do this, they explained the methodology that will be implemented to develop the final document and asked the delegations to answer a questionnaire that will be circulated by the ES/CICAD.

Discussion and suggestions:

- **Peru:** said the property management office was created with the support of the ES/CICAD and stressed the importance of unifying criteria in national legislation to make the best disposition of seized and forfeited assets. He emphasized that the unification of legislation is of greater importance so States can cooperate to recover assets of illicit origin and to share when seized. He said the property management office is self-sustaining and is financed by the proceeds from the sale by auction of confiscated property. He referred to the legal obligation of the entity in sharing funds with other public entities and some challenges facing the country in this area, as it represents the figure of abandonment.

- **Costa Rica:** praised the study, to be used to improve the performance of property management offices, even in cases in which the State must compensate the defendant is acquitted after trial. In such cases, it is to be returned, in good conditions the assets that were seized or the equivalent value of them, if they were sold by the difficulty of giving due custody (as in the case of costly maintenance property).

- **Honduras:** he explained that in Honduras the term alienation is often used to refer to both the advance sale for consideration as a conditional donations, which is for example in the

case of assets that are of a difficult maintenance that are previously assessed and before a possible return ordered by competent courts it is determined who should fulfill such payment obligation. Said it is exploring the possibility of using the anticipated sale of real estate that are of a difficult maintenance.

- **Mr. Dennis Cheng:** mentioned the relevance that States have specific rules about alienation sale, which involves challenges regarding the registration and transfer of ownership of property and assets justly (deed).

- **Honduras:** in relation to the figure of abandonment, cited that in July 2014, took place in Honduras, measures that allowed solving many problems the administration bodies were facing, and revealed a success story on the subject.

- **Mrs. Xiomara Cordero:** Appreciated the comments of delegations and the support of Mr. Dennis for the submitted work.

iii. Third session

Subgroup of Financial Intelligence Units and Criminal Investigation Agencies. Coordination by the Delegation of Chile.

Presentation on the progress report about equity research guide. **Marcelo Contreras**, Delegation of Chile ([CICAD/LAVEX doc.9/15](#)):

Began with the presentation of the document's context, explaining the changes made to the initial version whose objectives were to find common denominators in the stages of development of equity research, as well as pointing out the importance of equity research related to circumstantial evidence.

He proposed that delegations submit their comments on the document until July 30th so that such comments can be incorporated during the month of August and the final document can be presented at the next plenary meeting. The delegations agreed with the deadline to carry out the review of the presented version and committed to send comments, observations and proposals through ES/CICAD

- **SE/CICAD:** enunciated that the document will be emailed to allow delegations to submit their comments before the date set as soon as possible, taking into account that they must be translated.

- Case Study on Equity Research. **José Sbatella**, President of the Financial Intelligence Unit of Argentina ([CICAD/LAVEX/doc.17/15](#)):

He presented a case that began with the analysis of two Suspicious Activity Reports in 2006, sent by scribes in which economic research that led to extend the initial cause of drug dealer and produce a seizure for approximately \$ 160 million dollars;

Said the scheme used the typologies of the use of front companies and fictitious exports to launder the proceeds of an operation of narcotics to Europe and added that the funds were structured and integrated through transfers from offshore accounts in tax havens and the purchase and sale of real estate and vehicles, as well as the use of financial products to disguise the origin of funds;

Mentioned that taking into account the characteristics of the transactions reported by the obligors worth rethinking matrix associated risk and concluded by emphasizing the challenges that are experienced to confiscate illegal assets found in the United States and Uruguay.

Discussion and Proposals:

- **President GELAVEX:** stressed the importance of defining criteria for the localization and distribution of goods.
- **Paraguay:** it enunciated that the typology presented (use of front companies) is common in the region and especially in Paraguay in related remittance of foreign cases.
- **Panama:** reported the adoption of laws 22 and 23, of 2015: the first is a reform bill that allows the FIU to establish channels of information with other countries fluids; and the second relates to new mechanisms for exchanging mutual legal assistance. He enunciated the UAF of Panama currently has capacity to carry out operational and strategic analyzes related to money laundering.
- **Ecuador:** asked about the advance processing of front companies identified in the case.
- **Mr. José Sbatella:** responded that only one of the 25 companies that seemed to have a business got the court's approval to continue operating and to pay wages. He reported that to the other front companies, precautionary measures were implemented and, therefore, they cannot be transferred, and cited that still needed to monitor the companies located in the United States and Uruguay. Finally, he reported that seizure orders were executed by a communication from the FIU to the obligors.
- **Nicaragua:** he mentioned a case involving corruption in which the UAF of Panama alerted Nicaragua and sent information regarding the persons mentioned in the case. Such information allowed the identification of the flow of money and open processes both in Nicaragua and in other countries, until seized assets abroad.
- **Costa Rica:** asked about the strategy management of other assets related to the operation.

- **Mr. José Sbatella:** replied that experience will help to review the case management model of confiscated property. He said that the Judiciary Power carries out currently such administration and the respective managers are named, which currently leads to the amount and nature of the seized assets to be unknown. He mentioned that it was attempted to initiate a judicial reform, which was declared unconstitutional and that a registry of confiscated property was created. However, he said that the Supreme Court issued a directive that prohibits providing information on confiscated property and cash going in forfeiture to the State, and in accordance with the law, part of it goes to the FIU Institutional Strengthening and SEDRONAR part, to support victims of drugs.
- **Guatemala:** referred to a case in which a front company used third parties to transfer money from abroad by the alleged import of avocados for approximately \$ 200 million dollars. He said that people were sent to prison for money laundering, but they were unable to locate their property, which Mr. Sbatella asked what were the methods used to reach the property.
- **Mr. José Sbatella:** he enunciated that members of the organization used their own identification documents for purchase and transfer the assets, which facilitated tracking of assets. He added that currently the idea of not allowing to legitimize the money even if the predicate offense prescribed is driven.
- **Chile:** Congratulated the delegation of Argentina for the presentation, highlighting the importance of case studies to be discussed at meetings of the GELAVEX. Made a question concerning how such basis crimes were accredited and another based on research conducted by Uruguay on the same case.
- **Mr. José Sbatella:** responded that currently judges are working on two causes: one for drug trafficking and other laundering based on the arguments given by the FIU and prosecutors. He mentioned that for the first time are two situations where causes based on the first law (until 2011) and the current law (from 2011) open.
- **Uruguay:** reported that the Anti-Money Laundering Department and the FIU detected the situation, notified the judge in relation to the assets that were in Uruguay and began the investigation. He said judges now from Argentina and Uruguay are working in a coordinated matter.
- **Chile:** it is often enunciated, when starting investigations, the defenses alleged that the subject is being judged in several countries at once, so they request to the authorities to agree to not violate principles of criminal law. He said that this argument could be used for the accused to not be judged, but fortunately so far this attempt was unsuccessful.
- **Antigua and Barbuda:** mentioned the difficulties facing the country to obtain information from other FIUs as it is very difficult to connect some operations with a predicate offense and asked about how should a research be carried out with limited information.

- **Mr. José Sbatella:** enunciated the need for more work in the autonomy of money laundering because it is still considered necessary to have a predicate offense to initiate a cause.
- Presentation: open sources of information as a tool in the development of economic research. **Daniel Linares Ruesta**, Operational Analyst, Operational Analysis Department, Financial Intelligence Unit of Peru. ([CICAD/LAVEX/doc.14/15](#)):

He enunciated that the presentation is limited to an investigation of money laundering and its a good practice that has been implemented in Peru, consistently in the recollection of information about public or private web pages to access relevant information for the investigation. The objective for the Delegation of Peru consists in extending this good practice to other countries so they can have a consolidated organized of web pages into categories that are available to all member countries;

Later, he explained how the tool works currently in Peru and how such information may also be consulted by other countries, therefore showed what would be the final product. He also announced that eventually it could be scheduled training sessions to explain to users how to access sources and use the information collected.

Comments by delegations:

- **Brazil:** reported a similar initiative called "Ministry of Research and Analysis" implemented in the Attorney General to support the process of collecting information on the Internet automatically. Likewise, he referred to the (Banking Transactions Research System - SIMBA, in Portuguese) that collects information from financial transactions efficiently.
- **Mexico:** it enunciated that the country also has access to similar information in the early stages of research and considers feasible to make a consolidated form as proposed by the delegation of Peru.
- **Costa Rica:** mentioned that in Costa Rica adopted the policy of consolidating all information received in databases and, feature information coming from 27 different sources on people in a given time are of interest to the FIU.
- **Uruguay:** asked how to balance access to information regarding the standards protecting sensitive data, considering the unwanted effects and risks associated with access to open sources.
- **Ecuador:** in the same line of the comment by the delegation of Uruguay, considered it necessary to make a distinction between open and closed sources of information to have access to the FIU. He considers it important to maintain a close relationship for access to classified information, taking into account the reservation of certain information under the law.

- **United States:** stated that similar concerns of those submitted by Uruguay are held in the United States regarding the information available, it is necessary to consider where the information remains and the type of information is available. He cited that in the country all agencies have listings and the amount of data available is higher than in other countries but added that despite this, keeping them updated is challenge.
- **Brazil:** said that the concerns expressed by the delegates of Uruguay and Ecuador are legitimate, thought actions should be subject to the law. On the other hand mentioned that even though the information is public it is subject to controls and might be used by different users for different purposes. About the risks of the availability of information, he cited that Brazil has a data for information protection that determines, for example, that salaries of civil servants are available on the Internet.
- **Mexico:** mentioned that the country's perspective on public sources of information is different, as the users are the ones who usually authorize the information to be public. He added that Mexico's transparency law allows users to consult the salaries of civil servants and the need to limit or define the access rights to some users.
- **GELAVEX President:** explained that this issue is not within the defined in the Strategic Plan of 2015 – 2017 and to incorporate a new line of action the Strategic Plan will need to be modified. In such matter informed that the matter would have to be discussed and approved in the next GELAVEX meeting.
- **Chile:** The Chilean delegate pointed out that there is already a part of the advance work based on an earlier request and emphasized the innovative way in which it was submitted. Consulted that a doubt related to the way in which leaks the access of some sources.
- **Ecuador:** congratulated the speaker because believes that this information is necessary and timely, reviewing that each country should define the information to which it could access and that is subject to restrictions.
- **Bolivia:** They highlighted the contribution of Peru and consider it necessary to have information on access, reliability and limitations of the available sources.
- **Mr. Daniel Linares Ruesta:** stressed that the information to which he referred is publicly accessible, and it is necessary to set the information that is relevant to the project. The restriction of some pages means that some are charged to gain access to the information. He noted that the information contained in some sources is complex to interpret; the respective coordinator could absolve them.
- **GELAVEX President:** reminded that the proposal could be carried into the next GELAVEX meeting and. If approved, an amendment would be done to the Strategic plan for the period in which we are working.

- **Paraguay:** Asked if it intends to advance the work in months before the next meeting or, on the contrary, it should wait for the confirmation of the Plenary.
- **President GELAVEX:** he enunciated that each delegation should have a position to make and that need to wait for the next Plenary, in which the subject will be discussed and the Plenum will approve or not, the proposal of the Delegation of Peru.
- **Nicaragua:** asked whether the amendment referring to the Presidency is to the Work Plan 2014 – 2015 or the Strategy Plan 2015 - 2017.
- **President GELAVEX:** clarified that he is making reference to the strategic plan for 2015-2017 approved for the GELAVEX in the OAS Assembly. In case of the amendment being approved the modification will be submitted to the next ordinary meeting of the CICAD.
- **Chile:** The delegate suggested that the description and the theoretical framework of the project are sent to all delegations have a clear idea when making deliberations from coordination.
- **Peru:** It agreed in drafting terms of reference to be clear on what is being proposed to be developed.
- **President GELAVEX:** proposed that the Delegation of Peru refers to the ES/CICAD the project and that it will be circulated so that all countries make the necessary objections and discuss it in GELAVEX meeting.

Subgroup of Financial Intelligence Units and Criminal Investigation Agencies. Coordination by the **Delegation of Chile.**

Presentation of the progress report on recommendations for the safety and integrity of the officials responsible for combating crimes of money laundering and related crimes. **Mr. Marcelo Contreras**, Delegation of Chile ([CICAD/LAVEX/doc.7/15](#)) ([CICAD/LAVEX/doc.8/15](#)):

Comments by delegations:

- **Argentina:** shared changes in the nomination document suggesting incorporating "considerations" rather than "recommendations" regarding recommendation 1. Regarding the recommendation, they propose an alternative wording incorporating the word "may. Regarding recommendation 4, recommended to have a specific recommendation to protect the identity of the officials who are part of the process. Requested to know in depth the mechanism implemented by Peru in that regard, to know if that mechanism is being effective.
- **Peru:** explained the role of informant experts within the FIU.

- **Chile:** Asked if the informant experts should talk about the elaborated reports by them or by other members in its team.
- **Peru:** the best way is that the informant expert explains what he did, without prejudice that for other reasons is nominated another analyst to do it.
- **Guatemala:** shared a similar experience with the informant experts of the FIU (IVE), that are declared in the processes.
- **Mr. Marcelo Contreras:** adopted the recommendation regarding the title change proposed by the delegation of Argentina and suggested to circulate the document as it is found on this moment, so that all delegation can analyze it and send their comment through ES/CICAD, at the same time that was previously established regarding the Equity Investigation Guide.

Within the meeting the firm of the Memorandum of Understanding was held between the Financial Intelligence Units of the Republic of Paraguay and the Republic of Peru about the exchange of information in the matter of money laundering and financial terrorism. Also the Representative of Peru before the OAS, Doctor Juan Jiménez Mayor, highlighted the presence of the Attorney and the FIU of Peru, exposing the investigation results that are being made in matters of money laundering and the combat against criminal organizations.

Additional comments:

- **Chile:** Accentuate the presentation by the delegation of Argentina and proposed to invite the next meetings the delegations to present practical cases in a similar way, in which it has been condemned or acquitted the accused, with the end of incentivizing discussions about subjects of interest for the Group.
- **Brazil:** following the dynamic that has being developing in this Group, support the consistent initiative in which generates products increasingly useful for the Member States and that synergies are sought between the projects that are being discussed in this forum. Proposed that it continues to deepen in the subject of international cooperation and showed its optimism according to the products that are being generated in the Program of Assets Recovery (REACT Program)
- **CFATF:** Took the floor to appreciate the opportunity of participating in this meeting and carry out the presentation about the 30th recommendation. Referred to the panel about asset recovery networks and the regional bodies like CARIN around the world, noting that currently it does not exists one for the Caribbean countries. In this way, recommended initiating discussions that allow establishing a body for this type for the Caribbean region.
- **Trinidad and Tobago:** Seconded the motion, enunciating that sometimes English speaker countries feel left aside and that they will like to cooperate more with island states in themes of international cooperation and asset recovery.
- **President GELAVEX:** CFATF offered support for these purposes;

- **Bolivia:** offered to support this initiative consistently to analyze the viability of new members incorporating to GAFIT or another network that could be linked to GAFIT. Emphasizing the willingness to discuss the issue and find the best solution. Moreover, they offered their cooperation and support to the work currently conducted by the Sub-Working Group Finance Unit of Criminal Investigation and Intelligence Agencies.

iv. Fourth session. Conclusions and Recommendations of the Expert Group

- Recognizing the importance of coordinating efforts, especially internally in the SE/OAS, to insist the Member States to strengthen their programs for the protection of victims, witnesses and judicial officers, particularly those persons involved in the pursuit of the crimes of money laundering and predicate offenses, such as FIU analysts, compliance officers, other officers of the obligors, among others; also highlighting the need to allocate resources to these programs from the assets seized from the same criminal organization;

- Highlighting the importance of the timely exchange of information for the assets forfeiture of illicit origin through the various regional asset recovery networks such as CARIN and GAFIT and, among others, encouraging individual Member States to explore the possibility of be part of these networks, and even consider the initiative to establish similar networks in other regions of the Americas, particularly in the Caribbean, as has been suggested by the distinguished representatives of the CFATF and Trinidad and Tobago.

- Continue with the development of the “International Cooperation Program for the Asset Recovery (REACT) and recommend to the ES/CICAD the achievements generated concerning the situational diagnosis in the next GELAVEX meeting. In this line it was recommended to profound in the international cooperation for the provision if assistance of an equity research and that the development work is incorporated to the REACT Program.
- Continue with the development of the “Analysis on the disposition of seized and forfeited assets” and recommend their presentation in the next GELAVEX meeting. The ES/CICAD will circulate a questionnaire allowing to obtain relevant information for this document and for the delegations to send their answers until July 30th 2015.
- Recommend to the plenum inviting in the next GELAVEX meetings to the delegations to offer presentations about practical cases in relation to the subjects of interest, as the equity research.
- Continue with the development of the document “open sources of information as tools in the development of the investigations of money laundering” and recommend to the Plenum to analyze the possibility of including an action line regarding the Strategic Plan 2015 – 2017. For this purpose, when ES/CICAD receives the proposal elaborated by the Delegation of Peru, it shall forward to the delegations so they can send their comments before the next GELAVEX meeting.

- Agree to continue with the development of the document "recommendations or considerations for the security and integrity of officials in charge of fighting crimes of money laundering and related crimes", and recommend their presentation in the next GELAVEX meeting. The ES/CICAD will circulate the first draft for the delegations to send their comment until July 30th, 2015.

v. Other issues

Next Meeting

- The next plenary meeting of GELAVEX will be established by the Presidency and the ES/CICAD , in coordination with the Vice-Presidency, preliminarily establishing the dates of 1 and October 2, 2015 in Lima, Peru. The ES/CICAD will timely confirm the dates and cities.
- The group expressed gratitude to the Group Chair, exerted by the Delegation of the Eastern Republic of Uruguay, for the excellent organization of this meeting and for the outstanding leadership of this Plenary.