



# DISRUPTING CRIMINAL TRAFFICKING AND SMUGGLING NETWORKS THROUGH INCREASED ANTI-MONEY LAUNDERING AND FINANCIAL INVESTIGATION CAPACITY IN THE GREATER HORN OF AFRICA

(AML-THB in the GHoA)



This project is funded by the European Union

## AML-THB NEWSLETTER

ISSUE NO. 8 | DECEMBER 2020

### AND THE YEAR 2020 IS ALMOST OVER!



Given the troubled and sometimes, particularly, painful times we have experienced around the world, should we consider the glass half full or half empty in terms of activities?

For the project, the glass has been filled copiously, perhaps more than expected because, like many people, we have had to adapt, unravel and redo a coherent action plan in line with the initial log frame and the terms of reference.

It is this tour de force that should make our teams feel immensely proud. Our project manager/coordinator will remind you of all these in the following pages.

Not only were we able to continue working almost normally, but we also created a website, a newsletter and many WhatsApp groups -- all as different as they were efficient. We also worked on the signing of several MOUs. The icing on the cake was the creation of additional activities, all within the allocated budget!

I must confess it was not as easy as writing this article. The whole team was as mobilized as ever to meet the unexpected demand.

We will report the results in our January newsletter.

Thanks to you dear participants for the successes achieved. We will come back in our January newsletter to inform on what is planned, make the plans bear fruits and thus adjust the strategic vision of the AML-THB project for years to come them.

There are many beautiful things in this special end-of-year edition -- news, reports, awareness raising, exchanges, announcements... I will leave you to gladly discover them. I say thank you to all our authors whose articles can be found on our brand new website which will be presented in these columns.

Let us spare a thought for our relatives and acquaintances we lost in 2020 because of the pandemic, those who may not see the year 2021 and the hope it brings in the fight against the coronavirus pandemic.

On behalf of the whole AML-THB team, I wish you all the best in the end of year celebrations, hoping that this period will offer an opportunity to us to strengthen the bonds of friendship and love that have been overstretched and undermined.

We also wish you to start 2021 in the best possible way, as a couple, with family or friends.

Wishing you all the best on a professional, emotional and family level.

Goodbye 2020, long live to 2021!

### Et voilà l'année 2020 presque terminée !!!

Compte tenu des temps troublés et particulièrement douloureux parfois que nous avons tous subis dans le monde entier, faut-il considérer en termes d'activité, le verre à moitié plein ou le verre à moitié vide ?

Pour le projet, le verre a été rempli copieusement, peut-être plus que prévu car comme beaucoup, nous avons dû nous adapter et détricoter, puis re-tricoter un plan d'action cohérent et conforme au plan de charge initial et aux termes de référence.

C'est ce tour de force que nos équipes ont su réaliser ; notre projet manager-coordonateur va vous rappeler tout ça dans les pages qui suivent.

En effet, nous avons non seulement pu continuer à travailler presque normalement, mais en sus, nous avons créé : un site web ; une newsletter, de nombreux groupes WhatsApp tous aussi différents que efficaces ; nous avons travaillé à la signature de plusieurs MOUs ; et, cerise sur le gâteau, nous avons créé des activités supplémentaires, le tout sous plafond du budget alloué !

Alors vous vous doutez bien que cela ne s'est pas fait aussi facilement que je l'écris, et toute l'équipe s'est mobilisée comme jamais pour être au rendez-vous et répondre à la demande qui s'est intensifiée au-delà de ce que l'on attendait.

On reviendra dans notre newsletter de janvier sur ces résultats, sur ce qu'il est envisagé de faire pour compléter les succès obtenus et les faire fructifier, grâce à vous chers participants et ainsi, ajuster la vision stratégique du projet AML-THB pour les années à venir.

Encore de bien belles choses dans cette édition spéciale de fin d'année, de l'info, du compte-rendu, de la sensibilisation, de l'échange, des annonces... Je vous laisse les découvrir et effeuiller avec plaisir chaque page de ce document. Merci à tous nos auteurs dont vous pourrez retrouver les articles sur notre tout nouveau site web qui va vous être présenté dans ces colonnes !

En ayant une pensée pour ceux de nos proches et connaissances que nous avons perdus en 2020 à cause de la pandémie, pour ceux qui ne verront peut-être pas l'année 2021 et l'espoir qu'elle apporte dans le domaine de la lutte contre ce virus, je vous souhaite au nom de toute l'équipe AML-THB, tous le meilleur possible pour les fêtes de fin d'année en espérant que cette période sera une occasion pour resserrer des liens d'amitié et d'amour par trop distendus et mis à mal.

Nous vous souhaitons également de commencer 2021 de la meilleure des façons, en couple, en famille ou avec des amis en vous souhaitant tout le meilleur au plan professionnel, affectif et familial. Au revoir 2020, vive 2021 !



Frédéric Bayard  
Project Director

# REGIONAL WEBINAR 2

## Enhancing Collaboration Between Law Enforcement Agencies and Financial Intelligence Units

26-30 October 2020

*Alma Wanyama,*

*Senior Technical Advisor to the AML-THB Project*

The “virtual” Regional Webinar 1 on enhancing collaboration between law enforcement agencies (LEA) and financial intelligence units (FIUs), that took place on 26-30 October 2020, was intended to improve coordination and collaboration between criminal investigation units/departments and FIUs as well as show investigators and intelligence officers how to use anti-money laundering interventions to successfully fight the trafficking of human beings (THB). The webinar was also aimed at strengthening collaboration between all stakeholders through existing legal and operational channels. This can be done by highlighting how LEAs can use AML financial information to help investigate and prosecute THB cases as well as uncover the criminal networks involved.

The Regional Webinar 1, held virtually on 21- 25 September 2020, was successful and received positive feedback from the participants. During the interactive sessions, the participants expressed the need and importance for the sessions to reach out to more of their colleagues. The upshot was a similar second webinar organised by the project.

Notably, pertinent issues were raised during the interactive sessions of the Regional Webinar 1 including issues surrounding the public-private partnership and how to enhance the same especially with banks and mobile money remittance services. These sessions were subsequently included in the agenda for the Regional Webinar 2. This Regional Webinar 2 also brought together investigators, intelligence officers and financial intelligence units within the GHOA region, who are key stakeholders in the AML-THB investigation.

The webinar’s specific objectives were to:

1. Enhance collaboration between the investigators, state intelligence and FIUs;
2. Facilitate a platform for information exchange between the investigators, state intelligence officers and FIUs;
3. Promote better understanding of human trafficking and smuggling, the modus operandi of the criminal networks and their financial flows nationally, regionally and internationally;
4. Better understand financial investigation processes and the role of the financial sector in disrupting criminal networks through effective AML measures;
5. Outline the importance of information sharing and a multi-agency approach in investigating THB and the smuggling of migrants (SoM) financing;
6. Promote better understanding and importance of public-private partnership;
7. Explore practical cases, exchange experiences and best practices in order to learn from practical examples; and
8. Identify challenges in multi-agency cooperation and explore how to mitigate them to enhance better collaboration.

Given the restrictions imposed by authorities to contain the spread of the COVID-19 pandemic, the webinar was held via a video conference, incorporating an interactive approach through facilitated open dialogue, question-and-answer sessions, group assignments and expert presentations. The webinar facilitated and supported informal inter-expert networking among interested participants.

It was attended by two very important guests: Mr Joseph Jagada, from the the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG) and Mr Kidanemariam Hadera, Head of the Transnational Organized Crime (TOC), pillar in the Intergovernmental Agency for Development (IGAD) and former Head of FIU Ethiopia.

Mr Jagada, a principle expert in ESAAMLG, made a speech on behalf of Dr Elwonyi Kisanga, Executive Secretary ESAAMLG.

In his speech Dr Kisanga's noted that the ESAAMLG – namely Ethiopia, Kenya, Tanzania, Uganda, Malawi, Mauritius, Madagascar, Mozambique and Seychelles, were able to benefit from this training. He applauded the participation of the countries present at the webinar, stating that it demonstrated a firm commitment to

combating THB and money laundering in the region. Their participation also helped to determine priority areas of collaboration in implementing the FATF Standards.

In his address, Mr Hadera stated that human trafficking was one of the major risk areas of crimes that needed to be addressed in the region, both in prevention and in practice. He reported that a recent IGAD study underlined the problems member countries encounter as a result of the irregular and illegal flow of human beings into and through their countries. On a positive note, Mr Hadera observed that several IGAD member states had developed institutional coordination mechanisms and dedicated investigation units, and that these needed to be enhanced. He emphasised that building an effective system required a multi-agency approach ensuring the cooperation and coordination of all national agencies, including LEAs and FIUs. In this regard, investigators and prosecutors need a clear understanding of the importance of FIUs and intelligence-led investigation and prosecution. Besides national efforts, it is also essential to understand the importance of information exchange with other countries' stakeholders as well as regional and international organisations. Mr Hadera noted that almost all FIUs of the GoHA region had already signed memoranda of understanding (MoUs) to exchange information on cases related to ML, TF and all predicate crimes including THB and SoM.

**Note:** Newsletter 7 contains the two full speeches

## Webinar content and attendees

The webinar addressed the following thematic areas:

- The role of financial investigations;
- An overview of money laundering and AML interventions;
- Role of financial institutions in AML;
- Financial 'red flag' indicators for THB/SoM;
- Building financial profiles of suspects;
- An overview of THB and SoM;
- Introduction to THB/SoM criminal networks and illicit financial flows;
- Mobile Money and Human Trafficking and smuggling;
- Importance of Public Private Partnership;
- Law enforcement and its role in financial investigations;
- Importance of multi-agency cooperation; and
- The business model of trafficking in human beings.

Table 1: Number of trainees per national agency

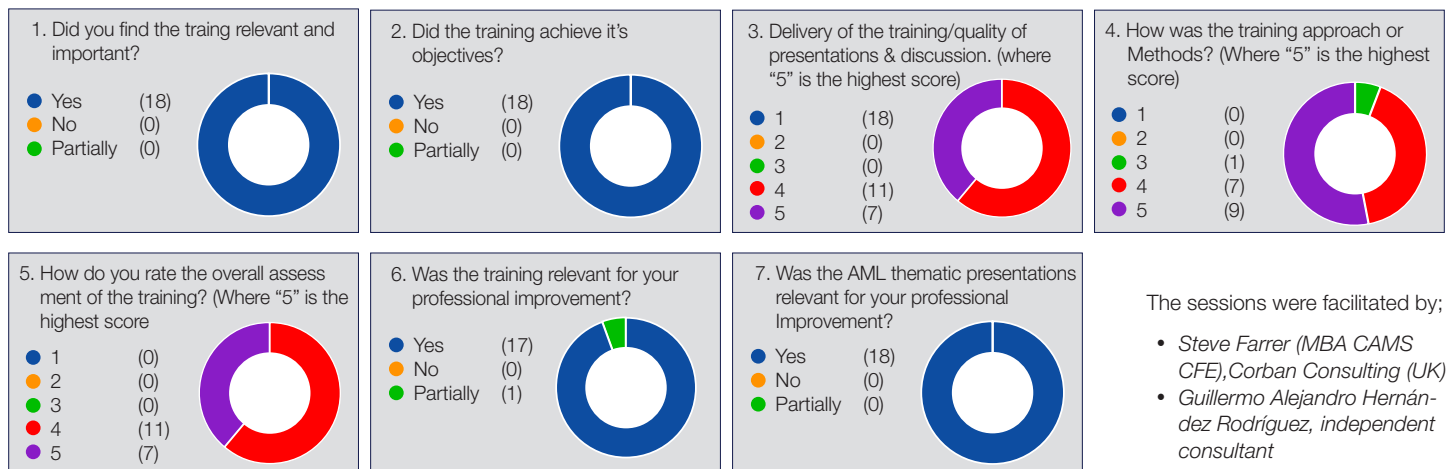
| No.          | Country     | Institution | No. of trainees |           |           |
|--------------|-------------|-------------|-----------------|-----------|-----------|
|              |             |             | Female          | Male      | Total     |
| 1            | Djibouti    | LEA         |                 | 1         | 1         |
|              |             | FIU         | 1               |           | 1         |
| 2            | Ethiopia    | FIU         |                 | 1         | 1         |
| 3            | Kenya       | LEA         |                 | 3         | 3         |
| 4            | Somalia     | FIU         |                 | 1         | 1         |
|              |             | LEA         |                 | 2         | 2         |
| 5            | South Sudan | LEA         |                 | 3         | 3         |
|              |             | FIU         |                 | 1         | 1         |
| 6            | Tanzania    | LEA         |                 | 1         | 1         |
| 7            | Uganda      | LEA         | 1               |           | 1         |
|              |             | FIU         |                 | 1         | 1         |
| 8            | Yemen       | LEA         |                 | 2         | 2         |
|              |             | FIU         |                 | 1         | 1         |
| 9            | Mauritius   | LEA         |                 | 3         | 3         |
|              |             | FIU         | 1               |           | 1         |
| 10           | Malawi      | FIU         | 1               |           | 1         |
| 11           | Seychelles  | LEA         | 1               | 1         | 2         |
|              |             | FIU         |                 | 1         | 1         |
| <b>Total</b> |             |             | <b>5</b>        | <b>22</b> | <b>27</b> |

Table 2: Number of attendees per regional organization

| Institution | No. of attendees |
|-------------|------------------|
| ESAAMLG     | 4                |
| IGAD        | 1                |

## Evaluation and feedback

Regional Webinar 1 was successful, receiving positive feedback from the participants. Feedback given by participants on the online MS Survey questionnaire rated the webinar highly in terms of its relevance/importance, meeting its objectives, value addition, quality of delivery, and the level of participation.



# SYNOPSIS

## Regional Training on Trade-Based Money Laundering (TBML) and Counter Measures

16 – 20 November 2020

*Tuemay Aregawi*

*Senior Technical Advisor to the AML-THB Project and training coordinator*

### Background

The Greater Horn of Africa (GHOA) sub-region and eastern and southern Africa in general are faced with multiple transnational criminal threats. Trafficking in human beings (THB), smuggling of migrants (SoM), money laundering, terrorism financing and illicit financial flows are among the common serious and organised transnational threats in the region perpetrated by interlinked criminal syndicates and networks. The European Union funded AML/THB Project in partnership with the countries of the region and other partners has been engaged in capacity building efforts to address the menaces. In spite of the emergence of the COVID-19 epidemics that impedes face-to-face delivery of its activities, the Project has adapted its engagement as the context demands through virtual training, dissemination of information via this newsletter and undertaking contextualized mapping and assessment studies on selected fields to inform concerned stakeholders.

THB and SoM are illicit profit-driven crimes that have substantial proceeds at all levels. Effective anti-money laundering (AML), asset freezing and confiscation and similar interventions are necessary measures to deny criminals from enjoying their illegal gains. Organised criminal groups and their networks use different methods to move and launder their illicit proceeds. Human traffickers and migrant smugglers operating in the GHOA are likely to abuse the trade system in order to launder their illicit proceeds and/or finance their operations. Trade-based money laundering (TBML) is among the most common typologies of money laundering globally. The Financial Action Task Force (FATF), in its 2006 formative report, not only has defined TBML, but also brought greater attention to the pervasive money laundering typology by the means of the movement of goods through the international trade system and described the basic techniques.

The international trade system is inherently exposed to range of vulnerabilities that can be manipulated by organised criminal groups and their networks. Global Financial Integrity (GFI) 2020 report<sup>2</sup> revealed that developing countries including the GHOA countries are losing significant amounts of money through trade-based illicit financial flows. Given the complexity of the international trade system, countries of the GHOA, and by extension the ESA, have no adequate capability to effectively regulate the system, verify transactions and detect and identify illegitimate or suspicious activities. Weak cross-border cooperation and relatively easier/faster movement of goods and corresponding finance has exacerbated the risks associated with the international trade system. For the purpose of the training TBML was defined as “the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimise their illicit origin [...] achieved through the misrepresentation of the price,

quantity or quality of imports or exports.”<sup>3</sup>

To this end, the AML/THB project, organised an online “Regional Training Webinar on Trade-Based Money Laundering and Counter Measures” that was held on 16–20 November 2020. The training workshop has brought together law enforcement agencies (LEAs), financial intelligence units (FIUs), customs authorities, central banks and national security agency from eight beneficiary GHOA countries and five observer countries from eastern and southern Africa (ESA).

### Objectives and results of the training

The training webinar aims to increase awareness of the prevalence and risk of TBML and strengthen the capacity of national institutions to detect, prevent, identify and disrupt trade-based illicit financial flows with an emphasis on THB/SoM crimes and criminal groups. The training is expected to contribute to the capacities of the participants to better understand the risks and methods of TBML and put in place effective counter measures. At the end of the training, participants were expected to:

- Better understand ML and AML frameworks;
- Appreciate the concepts of THB/SoM and context, scale, criminal networks and their financial flows in the GHOA;
- Understand TBML typologies and methods in theory and practice;
- Identify TBML related red flag indicators of the risk of TBML;
- Gain skills on detecting, identifying suspicious activity, reporting, analysing and investigating TBML;
- Appreciate the existing challenges and way forward to curtail the challenges to better address TBML

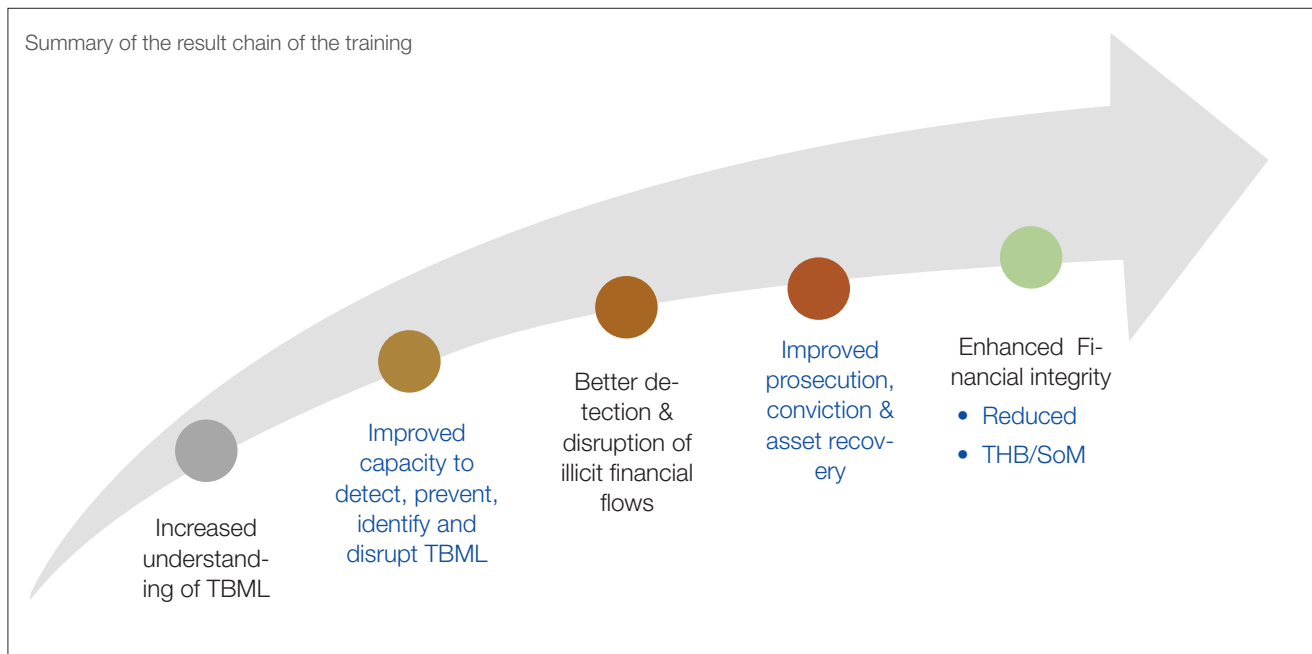
Through the above stated results at individual level, the training, together with other interventions by the project, was expected to contribute to the participating national agencies to be able to:

- Improve detection, identification, analysis and disruption of trade related suspicious transactions in general and in particular related to THB/SoM illicit financial flows;
- Disseminate quality suspicious activity reports (STRs) adequately to the respective FIUs for further analysis to produce actionable intelligence to disrupt criminal operations and to undertake effective investigations;
- Improve cooperation and information exchange among Customs Authorities, FIUs, LEAs and other regulatory bodies involved in the training while strictly adhering to relevant laws in facilitating and protecting easy flow of international trade

1. FATF (2006) Trade Based Money Laundering, [www.fatf-gafi.org/media/fatf/documents/reports/Trade%20Based%20Money%20Laundering.pdf](http://www.fatf-gafi.org/media/fatf/documents/reports/Trade%20Based%20Money%20Laundering.pdf), June 2006

2. GFI (2020) Trade-Related Illicit Financial Flows in 135 Developing Countries: 2008-2017, <https://secureservercdn.net/45.40.149.159/34n.8bd.myftpupload.com/wp-content/uploads/2020/03/GFI-Trade-IFF-Report-2020-Final.pdf?time=1602835653>, March 2020

3. FATF (2006, page 3), See footnote 1 above



This training was therefore organised with a goal to contribute to the fight against THB/SOM through effective AML measures of detecting, identifying and disrupting the illicit financial flows whereby TBML is the thematic focus.

The workshop has provided participants an opportunity to share their good practices/experiences and challenges across the different agencies and with trainers and organisers. The presence of the World Customs Organisation (WCO) and the Egmont Group experts as trainers was an added opportunity to share practical experiences and good practices. This is expected to benefit the trainees to better understand the subject matter, improve their operational functions and strengthen collaboration against TBML and thereby counter THB/SoM.

### Training delivery

The training was organised in a half-day (about three hours a day) for five consecutive days to suit the conditions of e-training. The total training period was 15 hours which is equivalent to three working days in total. The training was facilitated through Zoom Cloud Meeting videoconferencing platform, which was selected due to its flexibility, user friendliness and better facilities like recording. The training workshop brought together 25 trainees representing FIUs, crime investigation units, national security agency, customs and central banks from 13 countries. See table below for summary of trainees.

Table 1: Training Webinar Participants Summary

| No.          | Country     | No of Participants |              |
|--------------|-------------|--------------------|--------------|
|              |             | Invited            | Participated |
| 1            | Djibouti    | 4                  | 3            |
| 2            | Ethiopia    | 4                  | 1            |
| 3            | Kenya       | 5                  | 4            |
| 4            | Somalia     | 4                  | 4            |
| 5            | South Sudan | 4                  | 1            |
| 6            | Tanzania    | 4                  | 2            |
| 7            | Uganda      | 4                  | 4            |
| 8            | Yemen       | 4                  | 1            |
| 9            | Comoros     | 1                  | 1            |
| 10           | Malawi      | 1                  | 1            |
| 11           | Mauritius   | 1                  | 1            |
| 12           | Mozambique  | 1                  | 1            |
| 13           | Seychelles  | 1                  | 1            |
| <b>Total</b> |             | <b>38</b>          | <b>25</b>    |

Senior international experts with solid practical and research experiences from renowned mandated institutions and centre of authorities have facilitated and delivered the training. They are David Kane (WCO AML/CFT Programme Manager), Stefano Barone (WCO Project Manager), Channing Mavrellis (Director of Illicit Trade Programme, Global Financial Integrity), Amr Rashid (Vice Chair, Training & Technical Assistance of Egmont Group, Egypt FIU) and Esmeralda Maillard-Ndoci (prosecutor, Albania). The two Senior Technical Advisors of the AML/THB Project (Alma Wanyama and Tuemay Aregawi) have also contributed in delivering presentations and moderating the training webinar. The Project Team are highly grateful to the WCO and GFI and the experts for their support and continued commitment to tackle TBML.

The Project Team Leader, Mr. Frédéric Bayard, opened the training webinar in which he briefly introduced the project and highlighted the criminal challenges facing the region including THB/SoM, drug trafficking, arms trade, money laundering and terrorism financing. Mr Bayard also spoke about the nexus between THB/SoM and terrorism financing. The Team Leader underscored the key role of financial analysis and investigation in detecting and disrupting illicit financial flows and criminal operations. Mr. Bayard encouraged participants to share their experiences and good practices in this webinar and beyond. He welcomed all participants and extended his appreciation to them and their institutions. Finally, he recognised the EU for funding the Project and officially opened the training webinar. Tuemay Aregawi, the technical advisor, introduced the training and talked about its rationale, scope, objectives, expected outcomes and the agenda. The training kicked off after brief introduction of the participants, trainers and organisers. Unlike, previous virtual trainings, this webinar was supported by parallel English-French interpretation, benefiting French speaking attendees.

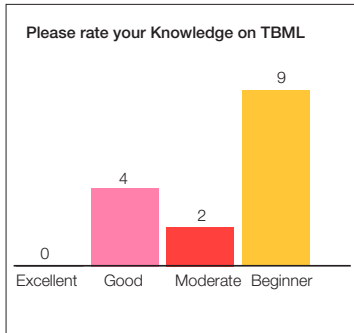
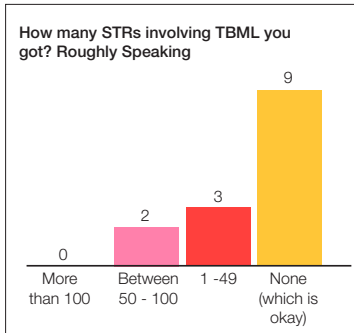
The training webinar has covered number of topics including the following:

1. Overview money laundering and AML international standards, by Esmeralda Maillard-Ndoci, Prosecutor: This session discussed the concepts, process and methods of money laundering, and relevant international standards and instruments. The FATF Recommendations, UN conventions and protocols, Basel Committee on Banking Supervision, Egmont Group tools, EU directive and others. The webinar also discussed various AML instruments and measures in general and with specific emphasis to THB/SoM.
2. Understanding THB/SoM, by Alma Wanyama and Tuemay Aregawi: This session covered the concepts, definitions and elements of THB and SoM including their differences, similarities and overlapping features. This session also discussed prevalence of organised crime and THB/SoM criminal syndicates and networks in the GHoA including evolution and profiles of the perpetrators. Further, this session dis-

cussed forms and methods of illegal migration, commonly used and evolving routes, financial flows and sources of financial information. This topic was supplemented by a real-world case study from east Europe on cross-border THB/SoM, money laundering and related crimes by Esmeralda that linked criminal networks involving multiple countries.

3. WCO commitment and role in ML/TF, by David Kane, WCO: The role, instruments and practices of the WCO in preventing and countering ML from the perspective of customs functions that is centred at the international trade. A successful operation, dubbed Operation Tentacle Asia-Pacific 2019, was also presented and discussed that involved the WCO, Customs Services and FIUs from 19 countries and Interpol and successfully identified 65 detections of different illicit commodities worth of US\$5 million.
4. TBML – Customs-based ML/TF, by David Kane, WCO: In this session, the trainer covered technical issues of TBML in general and with specific attention to customs-based methods including definition, schemes, processes, and methods of TBML supported by examples. It also discussed the challenges of investigating TBML and the risks it posed. Some of the TBML schemes discussed include over/under/false shipment/invoicing, black market peso exchange (BMPE), hawala, foreign & free trade zones, diamond & gems, and precious metals.
5. ML/TF through Gems and Precious Stones, by Stefano Barone, WCO: This session was a continuity of the previous session that explained the concepts and theories discussed above on the practical schemes of using gems and precious stones to launder money and fund terrorism. This session highlighted the vulnerabilities of gems and precious stones for ML/TF because of the very high value, non-perishability/durability, less weight, marketability including in non-formal banking and easily undetected or unmarked features. The session also deliberated on the challenges and vulnerability of Customs Services to control gems and precious stones and the red flag indicators. The discussion was supported by practical examples.
6. TBML Case Studies, by Stefano Barone, WCO: This covered presentation and discussion of cases of TBML that complemented the theory deliberated above.
7. Detecting Illicit Financial Flows in Trade, by Channing, Mavrellis, GFI: This presentation focused on trade-based illicit financial flows (IFFs) and outlined the definition of IFFs, principal ways to illicitly move value via trade that include smuggling, trade mis-invoicing, TBML, abusive transfer pricing and profit shifting. Each of these ways have been explained supported by case studies and examples from real investigations conducted by the presenter. The presentation covered some practical information/intelligence analysis to detect and identify the illicit flows of values. The session was relatively technical that is expected to enable trainees to improve their skills.

8. Methods of TBML, by Amr Rashid, Egmont Group: This session started with an interactive online survey that attempted to assess the participants' prior knowledge of and exposure to TBML. The survey revealed that despite TBML being rampant in the region, majority of the trainees see themselves as beginners with regard to the knowledge they have about TBML. Only 50% of them indicated that they have dealt with a TBML case. These findings assisted the trainers to include basic concepts and methods of TBML.



9. This session dealt with details of TBML through presentation and interactive discussions through interactive Mentimeter tool and open question and answer sessions. It focussed on the methods and schemes of TBML deepening previous discussions and techniques of detecting identifying and reporting TBML. For a better understanding of the vulnerabilities of the international trade, the session discussed the mechanics and features of the global trade system, its limitations and risks. Detail discussion was made on the red flag indicators of specific TBML schemes that sharpen previous presentations. The trainer deliberated a number of exercises and cases studies in a lively discussion.

10. Challenges of Detecting and identifying TBML and Way Forwards, open discussion, moderated by Amr, Rashid: Participants listed the challenges of fighting TBML that can be summarised as lack of knowledge/skills, weak information sharing/cooperation, inadequate policies/legislations, cash-based economy, new technology-based payments and lack of political will. Participants, similarly suggested solutions to address the challenges that include awareness raising, national collaboration (Customs Services, FIUs, tax authorities, investigation units, prosecution etc), international cooperation, joint investigations, training, improved legislations, intelligence analysis/sharing, financial investigation, effective inspections, and improved role of banks.

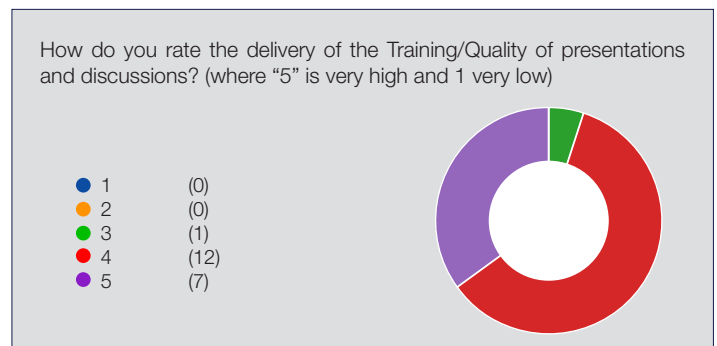
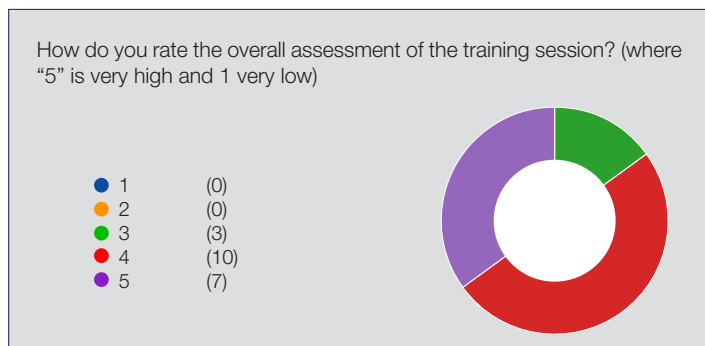
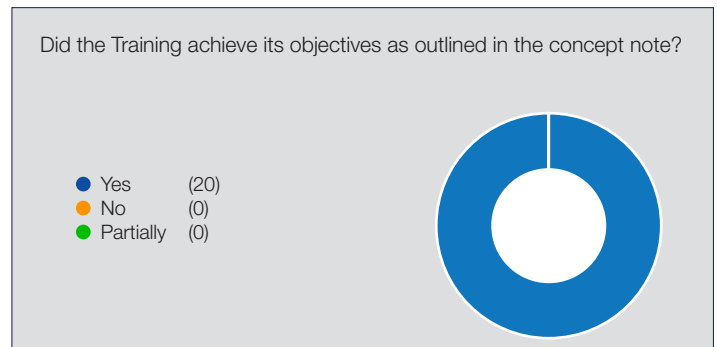
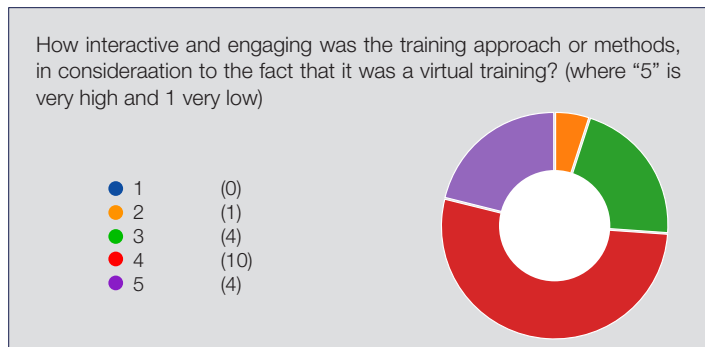
## Post-training evaluation and feedback

Like the previous activities, this training webinar was well received by the participants. 95% respondents believed that the training webinar was relevant and important, and quality of training/delivery of presentation was high or very high. All respondents fully agreed that the training:

- Had achieved its objective;
- Added value to their knowledge and skills of understanding, detecting, identifying, reporting, analysing and investigating TBML;

- Contributed to professional improvements in AML, THB and SoM; and
- Would recommend it to others

The overall assessment of the training seminar was rated 85% high or very high, while the lowest rating was given to interactivity and engagement of the training method that stood at 70% high or very high which revealed a need for further improvement despite the inherent challenges of virtual trainings that limit active participation compared to face-to-face ones. See below indicative charts excerpted from the survey analysis.



# KENYA NATIONAL TRAINING ON THE EFFECTIVE USE OF FINANCIAL EVIDENCE IN HUMAN TRAFFICKING AND MIGRANT SMUGGLING INVESTIGATION HELD IN MOMBASA, KENYA FROM 24TH TO 26TH NOVEMBER, 2020

## OFFICE OF THE DIRECTOR OF PROSECUTIONS

### Remarks by Mr. Noordin. M. Haji, CBS, OGW, Director of Public Prosecutions



*The Director General of Immigration, Mr. Alexander Muteshi; The EUTF Project Team Leader, Colonel Frederic Bayard Representatives of the European Union and Other Partners Training experts and Participants*

*Ladies and Gentlemen*

I bring with me, my warmest of greetings and those of the entire Office of the Director of Public Prosecutions (ODPP). I am honored this morning to be part of this important National Discourse on the Effective Use of Financial Evidence in Human Trafficking and Migrant Smuggling Investigation.

This training could not have come at a better time. Human Trafficking and Migrant Smuggling has a devastating effect on the society and it continues to cause havoc on the key aspects of States including Security, Economy, Health, and Rule of Law, just to mention a few. It is therefore, critical that the criminal justice players develop multifaceted strategies to prevent, detect, investigate and prosecute perpetrators of these crimes, to the fullest extent of the law while protecting the victims of crime.

### Joint Trainings

Strategies such as this joint training will enhance capacity among our Law Enforcement Officers and Agencies, while ensuring that they keep abreast with the evolving trends of the Transnational Organized Crimes globally.

In addition, there is a need to have all the actors in the Criminal Justice System jointly trained, so as to appraise the officers and equip them with all the necessary skills, knowledge and expertise to combat these offences.

The Joint trainings will ensure that investigators know what aspects of the offence to look out for during their evidence collection, the prosecutors to know the elements and ingredients of the offences that need to be proved, and judicial officers to know what to look out for, to hold suspects culpable for the offences with which they have been charged with. I therefore, applaud the European Union Trust Fund Project on Anti-Money Laundering and Trafficking in Human Beings for organizing this training.

It is my hope that participants present today will adopt and familiarize themselves with the new developments and best practices as will be shared by the experts, create networks amongst themselves in order to deliver quality services to the public - whom we are called to serve.

### Regional and International Cooperation in the Investigations and Prosecutions

While many times Human Trafficking and Migrant Smuggling cut across many States. A number of jurisdictions in the Horn of Africa still do not have laws to effectively investigate and prosecute trafficking in persons and migrant smuggling offences. Therefore, Law Enforcement Officers have to rely on the existing inadequate and unclear legal frameworks which may not be helpful for the cooperation between States.

We are therefore, required to develop responsive legal frameworks to enhance international co-operation and collaboration and further implement various strategies already put in place – such as recovery of assets and proceeds of crime. I hope that avenues of obtaining such evidence and admissibility of evidence thereof will be explored during this training



## Conversion of Intelligence to Evidence

In addition, evidence collection and preservation remain the single-most important challenge in the fight against human trafficking and migrant smuggling. Aside from the trauma suffered by victims, the process of evidence collection is many times impeded by other sociological and psychological barriers, including sociocultural differences and language barrier. Law Enforcement Officers are often required to work in settings unfamiliar to them and in communities and neighborhoods which not only distrust the authorities but are also socially and culturally difficult for investigators to access. I am therefore, glad that this critical topic will be covered during this training.

Furthermore, the use of intelligence is increasingly essential in investigation of Transnational Organized Crimes including those relating to Human Trafficking and Migrant Smuggling. Indeed, Intelligence led investigations is critical to realizing our joint aim of disrupting organized criminal networks and such is the noble focus of this training. I urge us all to appreciate the objectives of this techniques and the platform as an opportunity to build water tight cases.

## Financial Investigations

Of importance, is the Financial Investigations, which is key to bringing perpetrators to book, and getting justice to the victims. It is important however, that we are innovative in finding new ways to deal with such evidence, to ensure that it is properly collected, analyzed, preserved and presented in court. We must adopt, follow the money approach to effectively and efficiently prosecute these crimes. I am glad to note that the use of financial investigation techniques will be discussed in this meeting.

## Role of ODPP

As part of the response to these crimes, the ODPP has put effort in the fight against human trafficking and migrant smuggling. Other than being an active member of the National Counter-Trafficking in Persons Advisory Committee, we have made substantial progress in the prosecution of human trafficking. As at June, 2020, we had registered 173 cases.

We have established and operationalized the Human Trafficking Unit that is mandated to prosecute the cases, assist in contact tracing, counselling of victims, collection of data and policy development. In addition, we have established the Proceeds of Crime Unit to recover proceeds of such crimes.

We have also developed a TOT Manual for Trafficking in Persons to

train prosecutors with requisite skills and expertise to effectively handle these crimes.

## Inter-Agency Collaboration and Coordination

I cannot emphasize the importance and need for enhanced coordination and collaboration between law enforcement Agencies and Financial Intelligence Units in the fight against Human Trafficking and Migrant Smuggling enough. The aim is to detect the source, disrupt transit points and dismantle criminal networks of human trafficking cartels. The results have so far been immense.

As the ODPP, we continue to work closely with the Directorate of Criminal Investigations (DCI), the Ethics and Anti-Corruption Commission (EACC), the Witness Protection Agency, the Kenya Revenue Authority (KRA), Department of Immigration Service, Asset Recovery Agency (ARA) in the prevention, detection, investigations and prosecution of human trafficking and migrant smuggling cases.

## Conclusion

Finally, I wish to acknowledge our strong partnership with the Law Enforcement Agencies present, as this demonstrates the Government's commitment towards a cohesive, collaborative and cooperation approach in improving the criminal justice system. Such a commitment is essential, especially with the evolving nature of crime, its transnational nature and the easy accessibility of borders by criminal networks.

As I conclude, allow me to express my gratitude to our partners – the EU for the unwavering support towards improving the criminal justice system globally. We do not take your kind gesture for granted.

I wish you fruitful deliberations and I hope that the skills and expertise acquired during the training will be applied in the fight against trafficking in persons and Migrant Smuggling.

Thank You!

God Bless You All!



**Mr. Noordin. M. Haji, CBS, OGW**  
**Director of Public Prosecutions**



## DIRECTORATE OF IMMIGRATION AND CITIZEN SERVICES

### Remarks by Alexander I. Muteshi. Director General, Directorate of immigration and Citizen services



The threat of human trafficking remains real in the region and Kenya's geo strategic location, unfortunately, makes it susceptible to this threat.

**G**reetings! I appreciate the great work AML/HT GHOA is doing in building capacity among the various agencies in the country and helping concretise the multi-agency approach in government.

I thank the resource persons for finding time to share their knowledge and skills. I also thank the participants for finding time to attend the training. The threat of human trafficking remains real in the region and Kenya's geo strategic location, unfortunately, makes it susceptible to this threat. The main reason for this is the instability in the neighbouring countries and the challenge of economic migrants. Therefore, this threat may be with us for in the foreseeable future.

I am encouraged by the fact that various organisations have fully embraced the multi-agency approach that has contributed significantly in the war against human trafficking. It is important

to also note that the perpetrators of this vice have similarly adopted the multi-agency approach. They have financiers and logisticians who secure vehicles and houses for them. They also have planners and teams that move victims of trafficking. Added to that, they have spies to devise ways of evading security officers.

From the above, it is very clear that investigating the financial trail of these traffickers is very critical in building a very solid case against them. I cannot belabour the point that this vice has serious implications on us as a country as it affects our relations with our friendly nations that feel we are not doing enough to curtail the evil. We can also be blacklisted by bodies that feel we are not playing our part in fighting the vice.

Lastly people, abide by the Ministry of Health regulations on tackling COVID-19 to keep safe.

# SYNOPSIS

## Kenya National Training on effective use of financial evidence in human trafficking and migrant smuggling investigations

24 - 26 November 2020

Alma Wanyama

AML-THB Project Senior Technical Advisor and Training Coordinator

### Background

Tackling human trafficking requires a multi-agency approach by law enforcement agencies and relevant financial organizations. This entails understanding of financial intelligence and evidence as well as converting the financial intelligence to evidence. The process of financial investigation mostly starts from the financial institutions to the financial intelligence units before finally being disseminated to the law enforcement agencies or vice versa.

It is increasingly important for the law enforcement agencies to understand how to gather financial evidence that will be admissible in a court of law. Financial intelligence units (FIU) are important components in the multi-agency approach as they serve as a national center for the receipt and analysis of suspicious transaction reports (STRs). Similarly, asset recovery agencies are important in the disruption of the illicit financial flow emanating from financial crimes as they are mandated by law to recover and confiscate such assets after the legal due process has been followed.

The use of financial investigation in human trafficking surveillance is important in bringing the criminals to justice as well as unearthing other illegal networks, and assisting in proper financial profiling of offenders and their enterprises. Using the multi-agency approach could disrupt criminal trafficking and smuggling networks through increased anti-money laundering and financial investigation, prosecution and adjudication capacity in the country.

To that effect, the AML-THB Project has endeavored to enhance the capacity of law enforcement agencies (LEAs) and FIUs in understanding use of anti-money laundering in human trafficking and smuggling of migrants investigations that will lead to detecting, identifying, interdicting and disrupting these criminal networks.

The AML-THB national training on financial investigation brought together investigators, prosecutors, immigration officers, asset recovery officers, the Judiciary, Central Bank of Kenya officers and customs officers within Kenya, who are key stakeholders in the anti-money laundering and human trafficking and migrant smuggling investigation. This training was a culmination of the Regional Webinar 1 and 2 that were held virtually between 21-25 September 2020 and 26-30 October 2020 respectively on *“Enhancing collaboration between Law Enforcement Agencies and Financial Intelligence Units”* and is anticipated to be replicated in countries within the GHOA region.

### Objectives and outcomes

The national training aimed to enlighten the officers on how to use AML to successfully fight human trafficking and smuggling of migrants, and effective use of financial evidence in court. The training objectives and outcomes included:

1. Promoting better understanding of national laws on AML-THB and mandate of agencies present and on financial evidence in relation to AML-THB;
2. Better understanding of financial evidence and the role of each agency in gathering of financial evidence in THB/SoM;
3. Better understanding of financial investigation and the role of the financial

sector in disrupting criminal networks through effective AML measures;

4. Promoting better understanding of financial investigation and importance of building a financial profile of a suspect;
5. Enhancing collaboration and facilitating a platform for information exchange between the investigators, immigration officers, asset recovery, prosecutors, customs officers, central bank and financial Intelligence Units
6. Promoting better understanding of human trafficking and smuggling, the modus operandi of the criminal networks and their financial flow nationally, regionally and Internationally;
7. Explore practical cases and exchange experiences and good practices, learning through practical lessons

### Training delivery

This was done face-to-face meeting where about 31 participants, the project team, the national trainers, converged on in Mombasa, Kenya. However, the international experts and representatives from the Kenya Judiciary attended virtually. The Kenyan experts understood the specific national context. They came from the Kenya Judiciary, Directorate of Immigration Services, Ethics and Anti-Corruption Commission (EACC) and Ministry of Interior. The training was opened by keynote speeches from Director General of the Directorate of Immigration Services Mr. Alexander Imbenzi Muteshi, Director of the Directorate of Criminal Investigations (DCI) Mr. George Kinoti (read on his behalf by Director of Operations at DCI Mr. Henry Ondieki), and Office of the Director of Public Prosecutions (ODPP). DPP Mr. Noordin Haji unable to deliver his speech due to unavoidable circumstances.

*All the speeches are highlighted in this newsletter.*

AML-THB Project Director Frederic Bayard welcomed all the participants in his opening speech.

**Table 1: Number of participating institutions and trainees**

| No           | Institution                                  | No. of trainees |           |           |
|--------------|--|-----------------|-----------|-----------|
|              |  | Female          | Male      | Total     |
| 1            | Office of the Director of Public Prosecution | 3               | 1         | 4         |
| 2            | Directorate of Criminal Investigation        | 3               | 1         | 4         |
| 3            | Directorate of Immigration services          | 1               | 3         | 4         |
| 4            | Office of the President (OP)                 | 1               | 3         | 4         |
| 5            | Ethics and Anti-Corruption Commission (EACC) | 2               | 2         | 4         |
| 6            | Asset Recovery Agency                        | 1               | -         | 1         |
| 7            | Kenya Revenue Authority (KRA)                | 5               | 2         | 7         |
| 8            | Judiciary                                    | 1               |           | 1         |
| 9            | Central Bank of Kenya (CBK)                  |                 | 1         | 1         |
| 10           | Kenya School of Monetary Studies (KSMS)      |                 | 1         | 1         |
| <b>Total</b> |  | <b>17</b>       | <b>14</b> | <b>31</b> |

## The main topics covered in the training included:

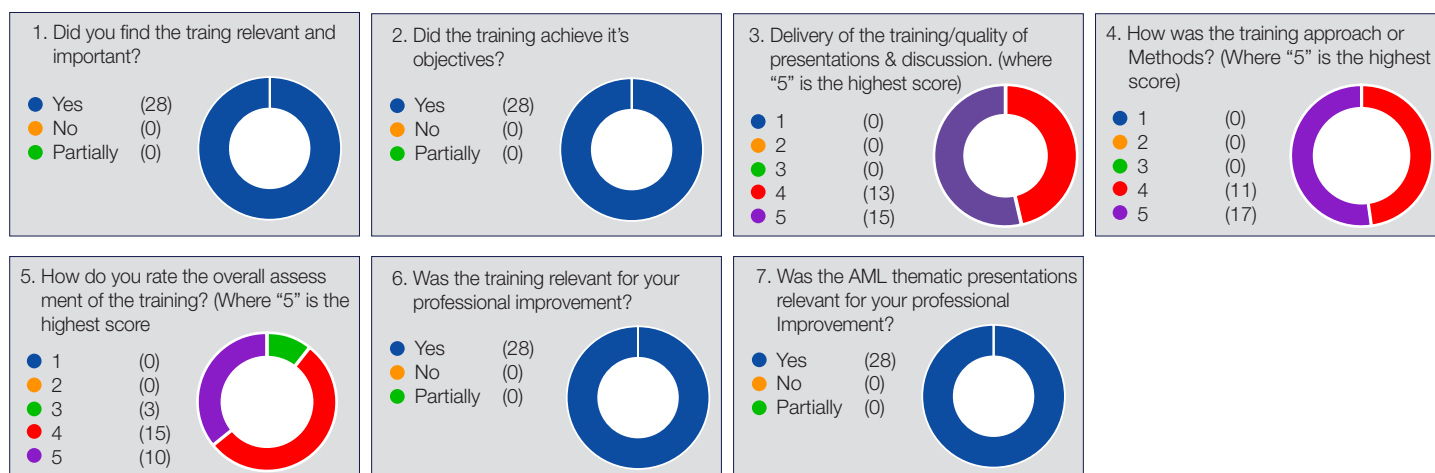
- Trafficking in human beings (THB) / smuggling of migrants (SoM): criminal networks and illicit financial flows;
- Understanding the business of human trafficking as a strategy for investigation;
- Kenya national overview of human trafficking and smuggling of migrants;
- THB/SoM criminal networks and their financial flows in Kenya, particularly their scale, patterns and trends;
- Sources of financial information and the role of financial investigation;
- Role of financial institutions in AML and their role in collection and presentation of evidence in court;
- Importance of converting intelligence to evidence incorporating the multi-agency approach;
- How to maximize asset recovery as a critical tool;

- Effective use of evidence in judicial proceedings and the legal framework in Kenya;
- Public-private partnerships, which can disrupt criminal networks and their financial operations, highlighting both the best practices and challenges in fighting THB/SoM;
- The importance of financial investigations in human trafficking and migrant smuggling cases. (Case Study)

The participants, who were actively involved in presentations, open discussions, exercises and case studies, recommended that other relevant stakeholders ought to attend such forums. The participants were grateful to have a forum involving the key institutions in financial investigation from the onset of investigation up to until the court process. They reiterated that the forum was indeed necessary as it was crucial for them to understand the mandate of the other agencies and to understand the level of cooperation they can exploit to build up strong financial evidence admissible in court.

## Post-training evaluation and feedback

Participant feedback via an online MS Survey questionnaire highly rated the training in terms of its relevance/importance, meeting its objectives, value addition, quality of delivery and level of participation. Feedback received informally on the presentations and sessions has been very positive. See below data excerpts from the MS Survey analysis.



### The sessions were facilitated by:

- Steve Farrer (MBA CAMS CFE), Corban Consulting (UK)
- Neil Bennet, Ember Consulting
- Hon Judge Kossy Bor, Kenya Judiciary
- Viola Ocharo, Ethics and Anti-Corruption Commission (EACC)
- Moses Omwago, Directorate of Immigration services
- Martin Arithi, Ministry of Interior Kenya

# OFFICE OF THE DIRECTOR OF CRIMINAL INVESTIGATIONS



Remarks by the Director of Criminal investigations Mr. George Kinoti, CBS, during the official closing ceremony of the National Training on Effective use of Financial Evidence in Human Trafficking and Migrant Smuggling Investigation held at Mombasa on 24-26 November, 2020.



It pleases me to be part of this gathering, as I join you in the closure of this very important training on effective use of financial evidence in human trafficking and migrant smuggling investigations.

I extend my sincere regards to the AML-THB for their dedication in facilitating this training and following through its successful completion. Your commitment and utmost devotion does not go unnoticed. This training comes at a time when our country is faced with frequent cases of human trafficking and illegal migration.

At this point, I wish to categorically state that we will not relent in the war against migrant smuggling and human trafficking. To counter it, strategic incorporation of the practice, techniques, law enforcement and intelligence agencies are key. Ladies and gentlemen, in our endeavor to be zero tolerant to human trafficking, we have invested so much in manpower, technology and training. This effort is evident in our development of the Anti-Human Trafficking and Child Protection Unit, and decentralizing it to other regions within the country.

The war against human trafficking and migrant smuggling is not a one-man show. The DCI has established a long standing partnership and co-operation with various government departments and international agencies in bringing to action the activities geared towards addressing human trafficking and migration in Kenya, and across the region.

We recognize the efforts of the global community that has seen our commitment to manage migration and have come through with aid to anchor us. Migrant smuggling is a crime for profit. Investing in financial investigations is no longer an option but a necessity. This is not only essential in tracing the source of funding for smugglers, but will go a long way in suppressing the smuggling and punishing the culprits.

Tracing of evidence that reveals cash flows and money trails, such as bank accounts and wire transfers will likely lead to the leaders of the organized criminal groups. Besides that, successful financial investigations will lead to identification of proceeds of crime and possibly link them to the top organizers. Now more than ever, a multi-agency approach is needed both regionally and nationally to combat migrant smuggling and human trafficking.

Strengthening security agencies through support from other stakeholders such as civil society, private sector and worker's organizations including the judicial systems and involvement of financial evidence in prosecution will form a basis for an even stronger purge.

The DCI has on numerous occasions invited key stakeholders in applying relevant legal and human rights standards through the multi-agency approach that has yielded fruits and led to successful prosecutions. I urge all of us to adopt the multi-agency cooperation and work closely with other relevant stakeholders to adopt a line of communication to come up with the best way to present financial evidence in court – embrace pre-conferences prior to going to court and post conferences to assess the outcome of a case.

Equally, it is crucial to put emphasis on financial investigation when conducting human trafficking investigations. I wish to conclude by assuring Kenyans that the Directorate of Criminal Investigations remains firm and objective on its duties and roles. We will continue to carry out our mandate with due diligence as is expected of us.

With those few remarks, I declare this training officially closed.

Thank you and God bless you.

**Speech delivered by Mr. Henry Ondieki, Assistant Inspector general; Director Operations DCI on behalf of Mr. George Kinoti.**

# CONSOLIDATING FIU DEVELOPMENT IN GHOA

## Training Strategy and Action

14 November, 2020



**Dev Bikoo**

*Msc(Econ) London School of Economics*

*MPhil University of Southampton*

*Representative of Africa on Egmont Committee (2003-March 2015)*

*Director Mauritius FIU (August,2002-March 2015)*

Under the EU AML/CFT Project in GHOA (2015-2019), a strong base has been laid for a successful and continuous expansion of human resources for FIU development and effectiveness. The idea of having a well-structured and relevant training for FIUs in GHOA was first evoked in mid-March, 2016 when informal discussions were held on the strategy, levels of training, course contents and delivery methods. A concept paper was finalised by Mr Dev Bikoo, the FIU Consultant for the Project towards end of April, 2016 and it was decided to name the course “*Analysis and Detection of Financial Crimes*”. The FIU consultant was subsequently appointed as Training Co-ordinator for the Technical Training of FIUs and the course was provided at two levels, namely Intermediate and Advanced. To be eligible to participate in the Advance course one needed to first participate in the Intermediate course: For newly-set FIUs or participants who missed the full-fledged courses, two special catch-up courses were organised, particularly for staff members from FIUs of Somalia and Djibouti.

The first *Financial Analysis and Detection of Financial Crimes* (Intermediate Level) was held on 30 May to 3 June, 2016 and attracted participants from 6 countries, namely Kenya, Tanzania, Uganda, Ethiopia and Somalia. The Kenya FIU head attended the official opening while the Director FIU of Ethiopia participated fully in the training. The Training Coordinator made presentations on the first day covering areas such as functions of FIUs, role of FIU in AML/CFT framework and success factors for an FIU. On the second day, the focus shifted to analytical work at the FIU and two presentations were made by Simon Diloway on “FIU in Action” and “Tactical Analysis”. On the third day, training focussed on the strategic analysis at the FIU in a presentation made by Mr Mustapha Abdul Rahman, Head of Analysis and Monitoring Unit at the Nigerian FIU. On the last day of training, the focus shifted to combating financing of terrorism with a very good presentation by Benny Bergkamp of the Netherlands FIU. Besides giving a complete overview of operations at the Netherland FIU, Bergkamp also engaged all in an inter-active study on trade-based money laundering in the region.

The second *Financial Analysis and Detection of Financial Crimes* (Advanced Level) course took place on 21-25 November 2016 in Mombasa. The contents of the course not only reflected a deeper treatment of topics discussed in the Intermediate Training course but also took into account feedbacks and suggestions made by participants who attended the intermediate level training. In this context, the Training Coordinator introduced two new topics, namely “Standard Operating Procedures (SOPs) at the FIU” and “Effective Use of IT in Financial Investigative Analysis”. Additionally, three new trainers from the region were added to the training team, namely the Assistant Director of the Mauritius FIU, who made two presentations; a former staff of

the Seychelles FIU, who talked on Combating Financing of Terrorism; and Mr Maqbool of South Africa, who presented a sanitised case study where he was personally involved in tracking down terrorist suspects involved in dubious activities in the southern African country.

A second novelty introduced during the advanced level course was a one-day training on “Train-the-Trainers”. This was deemed timely and necessary because, at the end of formal technical training, participants will be called upon to train staff of their own FIUs or other regional FIUs in a more productive and sustainable manner. Secondly, it is generally accepted that training should be more problem-centred than content-centred and effects of training depends largely on quality and acceptance by the audience. The EU AM/CFT project consequently embarked on a Train-the-Trainers (ToT) strategy under the guidance of Tim Bremmers who is a specialist in this field. Ultimately, participants in the ToT element of the training were assessed and certified under three categories, namely Gold, Silver and Bronze. The Training Coordinator for Technical Training of FIUs was also involved in the final assessment for ToT training awards of officials of three countries, namely Djibouti, Sudan and Somalia.

A special catch-up training course for the staff of the newly set FIU of Somalia was held on 24-25 October,2016. The training was conducted by the EU AML/CFT Technical Training Co-ordinator.

A second catch-up training course was held in Vipingo, Mombasa on 27-31 March, 2017 for those who missed the second advanced course. It provided an opportunity for two previous trainees from the first and second courses to make two presentations that were highly appreciated.

The training strategy adopted way back in 2016/17 has been well vulgarised and the GHOA region now boasts of a pool of professional trainers, be they gold, silver or bronze medallists. During the closure meeting of the EU AML/CFT project in June 2019, all officials present expressed appreciation of the training approach taken and showed a keen interest in further strengthening and consolidating the pool of AML/CFT professionals. Latest developments in human resource capacity building under the new AML-THB are highlighted in AML-THB Newsletter Issue 5 of last month under “*Regional Information Exchange Forum- Gold Certified Trainers 21-23 July 2020*”.

The impact of relevant and effective training is generally reflected in the achievement of set targets. In this context, statistics are needed and every stakeholder should understand their role or expectations of others in the chain of responsibilities in an AML/CFT framework that includes prevention, detection, investigation, prosecution, deterrence and assets seizure or re-

covery. In GHOA, closer domestic and regional co-operation in training and information sharing remains a strong challenge that needs to be well understood and addressed appropriately.

## IT Development and Challenges in GHOA countries

No AML/CFT institution can now ignore the positive impact of IT on its operations or development. The need for an IT-solution in an FIU was first evoked at an EU AML/CFT meeting organised in Nairobi on 15 March, 2016. It was then realised that IT solutions can be critical in key functions of FIUs, namely receipt/collection, analysis and dissemination of reports or information to other AML/CFT stakeholders. FIUs also need various databases for tactical and strategic analyses. Discussions also focussed on distinction between an “home-grown” and an “off-the-shelf” solution such as the UN goAML. The Mauritius experience in shifting to UN goAML in early 2014 was explained and used to illustrate advantages of the off-the-shelf solution. Since then, the use of goAML has progressed worldwide and a full enterprise version is now available.

In GHOA, Tanzania has been using the UN goAML since 2017 and Kenya is now actively engaged in implementing the latest full enterprise version of UNgoAML. On the UN goAML day, the Training Coordinator for the EU AML/CFT project explained the advantages of an off-the-shelf IT solution and the rationale for its introduction in Mauritius. He also explained that both Sudan and Ethiopia have opted for a home-grown IT solution developed by local IT support but there is no information on the challenges they face or the effectiveness of their systems. During the Pre-Kick Off and Kick-Off meetings for the launch of the EU AML/THB Project in GHOA on 25-28 November, 2019, reference was made to greater utilisation of the goAML tool in FIUs of GHOA countries. It may now be an opportune moment to launch a goAML day as was done in March 2016 under the EU AML/THB project with the support of the UNODC. There is no doubt that a review of IT resources or systems of FIUs is now necessary and the latest technologies be adopted moving forward.

## Standard Operating Procedures For FIUS(SoPs)

An effective SoP communicates who will perform a task, what materials are necessary, when the task will be performed, and how the person will execute the task. Good SoPs ensure smooth performance of an FIU in respect of intake or collection of information, analysis and dissemination of reports. They ensure that everyone abides by consistent action and facilitates measurement of performance, preparation of job descriptions, employee training and corrective action and discipline. Furthermore, fully documented SoPs ensure continuity of service whenever a staff member resigns or is poached by another AML/CFT stakeholder or commercial enterprises. In previous advisory work in GHOA, I had the opportunity to assist in the development of SoPs for an FIU. The usefulness of well documented SoPs was well appreciated and the FIU even initiated action to translate the SoPs to in the local language.

However, as an FIU consultant under the EU AML/CFT Project, I visited a number of FIUs in GHOA where the absence of well-prepared SoPs was noticeable. It is hoped that all FIUs in GHOA pay attention to development and training in SoPs for reasons mentioned earlier and to ensure operational effectiveness.

## EGMONT Group Membership

Under section G 13 of the Interpretive Note to Recommendation 29 on Financial Intelligence Units, it is clearly stated that the FIU should apply for membership of the Egmont Group. In the GHOA region, the first FIU to have joined the Egmont Group is that of Tanzania on 13 July 2014. This was followed by the FIU of Sudan on 3 July 2017. The last two FIUs of GHOA to be admitted in Egmont Group are those of Ethiopia and Uganda on 3 July, 2019. There no

doubt that all FIUs in GHOA want to comply with the requirement of joining the Egmont Group and its concomitant benefits. But the progress is rather slow and there is need for more urgent action as membership allows for advantages from Egmont Working Groups namely, information exchange on ML/TF working group, technical assistance and training working group and policy and procedures working group. Support and guidance should also be sought from the Egmont representative for the Southern and Eastern African region and a clear Egmont admission strategy be adopted.

It is also important for GHOA Egmont FIUs or the EU AML-THB project team to establish or deepen relationship with the Egmont with a view of benefiting from its online training activities. The Egmont Technical Assistance and Training Working Group (TATWG) is responsible for identifying, developing and delivering technical assistance and training to Egmont members in conjunction with observer organisations as well as facilitating the provision of support to FIUs facing significant challenges in complying with Egmont requirements and relevant FATF recommendations. In early 2018, a senior official from the Egmont Training Group was invited to the first meeting of the Heads of GHOA FIUs Forum set up under the EU AML/CFT Project held in Zanzibar. It was not possible to have closer interactions with Egmont with objectives indicated earlier. It is now desirable that closer training collaboration with Egmont Group be further developed, more so, since the European Union has observer status in Egmont.

## Access to Information and Availability of Statistics

FIUs protect confidentiality of information in its possession and there is strict legislation to implement this duty. However, FIUs need access to information for its broader financial investigative analysis from relevant institutions and sources. In most countries in GHOA, information from Governments are kept in silos and not in a central place. This may complicate work of FIUs and affect timeliness of data for urgent analysis or dissemination of reports to other AML/CFT stakeholders. The need for creation of central data bases is becoming urgent the more so that such individual online access reinforces domestic co-operation among all AML/CFT institutions. Another challenge arises when request for financial information is made by a foreign FIU but it does not contain any information on financial aspects such bank name and account number. This puts the domestic FIU in a time-consuming and burdensome exercise to locate the bank and account number involved. In GHOA there is no centralised data for banks such as FICOBA (Fichier de Comptes Bancaires) in France. There is therefore a need for a central register of loans or credit facilities and deposits of all banks. Absence of timely access to information may lead to poor rating of an FIU in a Mutual Evaluation Report as it reduces quality of FIU's financial investigative reports to law enforcement agencies, prosecutors and Assets recovery offices.

Additionally, there is no doubt that FIUs will benefit a lot for a well-designed communications strategy for enlisting support of all AML/CFT stakeholders and the public at large. This will also strengthen the reporting culture from all relevant circles. The thirst for information on AML/CFT is growing and even the FATF has a specific Recommendation 33 on “Statistics” which reads as follows:

“Countries should maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems. This should include statistics on STRs received and disseminated; on money laundering and terrorist financing investigations, prosecutions and convictions; on property frozen, seized and confiscated; on mutual legal assistance or other international request for cooperation.”

Finally, FIU development and importance cannot be overlooked in an AML/CFT framework that hinges on prevention, detection, investigation, prosecution, deterrence and assets recovery.

# THE ROLE OF BANK COMPLIANCE OFFICERS IN ANTI MONEY LAUNDERING AND TRAFFICKING IN HUMAN BEINGS (AML/THB)



DAISY NAMAYI

When someone mentions trafficking of human beings (THB) most bankers will think of rogue agents receiving money from citizens desperate to travel abroad in search of “greener pastures”.

However, this perception may be mistaken. If bank compliance officers look deeper, they will find that even the genuine, legally registered may facilitate travel for individuals to work outside their hometowns. Only that, on arrival at their destination, these individuals find out, to their dismay, that they were recruited for other purposes other than the employment they hoped to gain.

Let me cut this long story short, and ask: how then does a banker relate with all these and how can they be of help? THB is one of the highest paying criminal activities globally. Funds for this nefarious activity must be passing through the financial systems. A banker can thus assist in preventing laundering of these proceeds and stopping the criminals in their tracks.

The compliance officer will have to recognise the red flags related to AML/THB and understand how the business is conducted in order to know what kind of controls to put in place. Therefore, in addition to review-

ing the unusual transactions, compliance officers must strive to understand what crime may have been committed.

Understanding a customer’s nature of business activity, country operations and account activity is another important role a compliance officer can play in ensuring the financial systems are not used as a conduit for THB.

In addition to know your client (KYC), continuous behavioural monitoring of customers is critical.

Staff awareness and training is another key tool for compliance in terms of understanding THB as a typology for Money Laundering and Terrorism Financing (ML/TF).

The compliance officer within the bank will then flag a suspicious activity and report to the Financial Intelligence Unit for analysis. If things don’t add up, the matter must be forwarded to the law enforcement agencies for further action.

Banks can further help these agencies identify and prosecute trafficking cases by providing the necessary support documents such as proof of payments and financial patterns.



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# TRAINING AND MENTORING COURSE

## Upgrading ‘Silver’ and ‘Bronze’ TOT trainees to ‘Gold’ Certified Trainers

By ToT mentorship expert, Tim Bremmers

*The opinions expressed in this article are those of the author only*

### Introduction

The AML/THB Newsletter (issue. 4, 2020) July volume featured the history and results of focused ToT activities in the Greater Horn of Africa realised in the preceding AML/CFT Project and the refresher and upgrade course in the current AML/THB Project. The latter follow-up action was aimed to; increase the number of gold certified trainers to the list of regional trainers to be engaged by the Project in further future activities as well as to create training and cooperation impact in the region by improving regional capacity in fighting money laundering, trafficking in human beings, smuggling of migrants and the financing of terrorism.

### TOT REFRESHER AND UPGRADE STAGES

#### Stage 1: The Refresher and Upgrade Training Stage

This project invited 98 participants to take part, however, 58 colleagues (40 Silver and 18 Bronze certificate holders) were able to take part in the course. They were divided into three groups for the Stage 1 Refresher Course held between June 8<sup>th</sup> and June 26<sup>th</sup> 2020.-

#### Stage 2: The Mentoring Stage

The of mentor support in Stage 2 through a range of structured assignments provided an opportunity for participants to prepare on how they would deliver their certification lesson in Stage 3, based on their self-drafted SWOT analysis in respect of their trainer capacities.

The up-to-date trainer related SWOT provided input to the Personal Development Action Plan (PDAP) that was proposed by the mentor due to the participant’s previous performance under the AML/CFT Project.

Specific learning objectives were agreed upon, and assignments were structured towards realising these personal learning objectives, in respect of a focused preparation for Stage 3. Progress of communications, tasks and deadlines were recorded in the individual PDAP’s and sent in updated form to participants. This mentoring stage was designed to prepare participants in a structured, guided and supported manner towards their certification lesson delivery. Based on lessons learnt, as well as the fact that all participants had the same support opportunity in the preceding AML/CFT Projects, the set-up was structured into 3 phases:

#### 1. Preparation

- Preparatory steps to take for delivering a lesson aimed to trigger and facilitate purpose focused thinking and acting
- Learning objectives for one’s learners aimed to trigger and increase result-oriented learning

- 1 to 2-page essay on an education or lesson related topics aimed to trigger and encourage self-learning and positioning a lesson for larger perspective

#### 2. Design and first drafting

- Draft lesson plan aimed to trigger and teach working structures
- Lesson subjects outline aimed to trigger and teach understanding of key issues and details
- PPT headings in mind to be used; PPT made mandatory as other training tools are difficult to be use during a 25-minute Zoom session

#### 3. Final drafting

- Draft PPT
- Final lesson plan
- Final PPT

#### Stage 3: The Assessment and Certification

36 colleagues were assessed by one the projects technical advisor, one international technical expert and a certified international ToT mentor. Participants were allowed 30 minutes for their virtual presentation including Q&A during Zoom sessions. They were grouped according to overarching themes of the lesson subjects; Cooperation and Coordination; Financial Investigations, TiP/SoM, and Corruption. This translated into resulted into a form of regional participation.

The assessment was done on 27 topics, divided into five segments: PDAP engagement, lesson organisational, content, performance and ToT. Assessing participants’ performance, ranged as: excellent, good, satisfactory, developing and poor.

#### Overview of trained colleagues versus participating colleagues per institution

|                                      | INSTITUTION |     |     |      |     |    |    | TOTAL |
|--------------------------------------|-------------|-----|-----|------|-----|----|----|-------|
|                                      | FIU         | LEA | NIS | PROS | JUD | RB | AR |       |
| Trained in Stage 1                   | 5           | 12  | 9   | 11   | 2   | 5  | 14 | 58    |
| Completed PDAP activities in Stage 2 | 2           | 4   | 4   | 3    | 1   | 1  | 6  | 21    |
| Participating in Stage 3             | 4           | 6   | 5   | 7    | 1   | 3  | 10 | 36    |
| % participating Stage 3 from trained | 80          | 50  | 56  | 64   | 50  | 60 | 71 | 62    |

The 36 colleagues participating represent the following countries and institutions

| COUNTRY      | INSTITUTION |          |          |          |          |          |           | TOTAL     |
|--------------|-------------|----------|----------|----------|----------|----------|-----------|-----------|
|              | FIU         | LEA      | NIS      | PROS     | JUD      | RB       | AR        | 36        |
| Djibouti     | 0           | 0        | 0        | 0        | 0        | 0        | 0         | 0         |
| Ethiopia     | 2           | 0        | 0        | 3        | 0        | 1        | 2         | 8         |
| Kenya        | 0           | 1        | 4        | 2        | 0        | 0        | 2         | 9         |
| Somalia      | 1           | 1        | 0        | 2        | 0        | 0        | 0         | 4         |
| South Sudan  | 0           | 1        | 0        | 0        | 0        | 2        | 1         | 4         |
| Sudan        | 1           | 2        | 1        | 0        | 0        | 0        | 3         | 7         |
| Tanzania     | 0           | 0        | 0        | 0        | 1        | 0        | 0         | 1         |
| Uganda       | 0           | 1        | 0        | 0        | 0        | 0        | 2         | 3         |
| <b>TOTAL</b> | <b>4</b>    | <b>6</b> | <b>5</b> | <b>7</b> | <b>1</b> | <b>3</b> | <b>10</b> | <b>36</b> |

Opinion 5: 36 delivering participants compared to the initial 58 trained participants equals 62% pass; based on the common 80% delivery rule, this was found disappointing.

## Results

Key results to be mentioned:

- 10 colleagues improved to Gold National level performance
- 13 colleagues improved from Silver to Gold level performance
- Three colleagues improved from Bronze to Gold level performance

As mentioned above, 21 out of the 36 colleagues participating in Stage 3 completed

The certificate award results per country is displayed below:

| COUNTRY      | Trained in Stage 1 | Participating in Certification Assessment Stage 3 | Gold      | Gold National | Silver   | Bronze   |
|--------------|--------------------|---|-----------|---------------|----------|----------|
| Djibouti     | 2                  | 0   | -         | -             | -        | -        |
| Ethiopia     | 9                  | 8   | 4         | 2             | 2        | -        |
| Kenya        | 19                 | 9   | 7         | -             | 2        | -        |
| Somalia      | 5                  | 4   | 1         | 3             | -        | -        |
| South Sudan  | 5                  | 4   | 1         | 2             | 1        | -        |
| Sudan        | 10                 | 7   | -         | 2             | 3        | 2        |
| Tanzania     | 1                  | 1   | 1         | -             | -        | -        |
| Uganda       | 7                  | 3   | 2         | 1             | -        | -        |
| <b>TOTAL</b> | <b>58</b>          | <b>36</b>   | <b>16</b> | <b>10</b>     | <b>8</b> | <b>2</b> |

## Conclusion

Witnessing so many colleagues improving their trainer capacities was rewarding. Therefore, I would like to thank colleagues in the Greater Horn of Africa for their engagement, enthusiasm, and at times perseverance! I would also like to thank the colleagues from the Project, firstly for entrusting me the role of mentor, secondly for having helped me out with technical communication issues, and thirdly for all other support rendered to this ToT Refresher and Upgrade Course. And a note of thanks to the Technical Experts who participated in the entire process; Invaluable, as always. In my views:

- The Project has made satisfactory achievement is entitled being extremely satisfied with the achievement.

their PDAP activities and 16 were awarded Gold.

Gold certified trainers can design and deliver training in their subject matter nationally, regionally and internationally, Gold National certified trainers can be engaged in the same capacity but supported by senior qualified trainers in line with some further technical and/or personal requirements. They can also be upgraded by the Project after further assessment and Silver certified trainers can design and deliver in-house trainings in their subject matter.

## Lessons Learnt

**No. 1, follow up action:** the immediate follow up initiative by the AML/CFT Project for this activity adds to results, impact, as well as to efficiency and effectiveness. It also demonstrates the benefits of coordination and cooperation.

**No. 2, Institutional ownership, workload & motivation:** Institutions and their delegated participants were presented a unique opportunity to improve their contributions for a safer society. This set the bar high for all engaged noting that the time spent on std practice during the Mentoring Stage is beneficial to the participant.

**No. 3, PDAP phases:** The improved set up of having the mentoring stage and its activities more structured including preparatory activities for the delivery (the 3<sup>rd</sup> Learning Objective actions), turned beneficial, as proven by colleagues who completed their PDAP assignments in full: Fourteen out of 21 were awarded the Gold Certificate.

**No. 4, Improved assessment:** The adding of the overall average and the measured average in the scoring verification process added to the justification of the awarded certificates, as they gave more (verifiable) parameters.

- The many institutions in the Greater Horn of Africa working in the domains of AML, CFT and THB can be proud of what their delegated colleagues realised: They can now provide a wealthy pool of trainers!
- Kindly support them in full in this work!
- The trainers being awarded Gold and Gold National certificates now enter a new phase in their professional career, with the challenges to keep up the performance and further improve, yet also with the prospect of undertaking rewarding journeys as trainer.

**To success! All for the benefits of the rule of law based on freedom, security and justice.**

# CHRISTMAS MESSAGE FROM THE PROJECT DIRECTOR AND THE AML-THB TEAM

Disrupting criminal trafficking and smuggling networks through increased anti-money laundering and financial investigation capacity in the Greater Horn of Africa (AML - THB in the GHoA)



**BEST WISHES FOR 2021 FROM AML-THB TEAM**



The project is financed by the European Union Trust Fund - EUTF



*And we cannot close the year without thanking our mascot!*

As 2020 comes to an end, we wish you as much happiness as there are stars in the sky, as much love as there are humans on earth, and as much good news as there are days in the year.

And Happy Xmas Holidays!

Let us wish, with all our hearts, that with the project this year we will be able to prevent pests from doing harming, slanderers from slandering, and evildoers from doing harm.

There are more people of good will in this world than there are dangerous madmen. Thus there is no reason why the majority should not prevail.

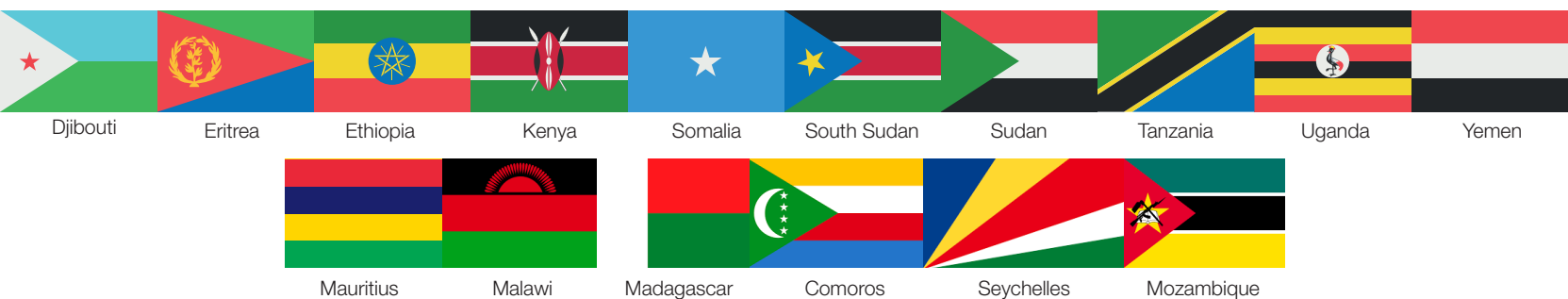
If I had but one wish for the coming year, in the name of our project, it would be this:

Long live 2021!

**Frederic Bayard**



This project is funded  
by the European Union



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