



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)

www.aml-thb.eu



This project is funded by the European Union

AML-THB NEWSLETTER

ISSUE NO. 11 | JULY 2021

MESSAGE FROM THE PROJECT DIRECTOR



Dear colleagues, dear friends,

It is now four (4) months since the www.aml-thb.eu project website was launched!

Over this period, we hope you have had the opportunity to browse and discover it, read and enjoy some of the articles or information we have uploaded to date. You also may have been able to download some of the previous newsletters published, where you will directly find presentations and statistics of specific implemented training or events, analysis and comments on AML/CFT and THB related arguments, from institutional and expert perspectives.

We started to receive both encouraging comments and constructive suggestions definitively aimed in improving the access to information or ideas on how this information could be shared through this webtool.

Your comments and suggestions will help us to better define the structure and access to this tool, and better respond to the various needs and perspectives of the users. The website aims to become a sustainable reference on the AML/CFT and AML-THB, and possibly a tool to facilitate interactions in the Greater Eastern Africa region, beside the project and its life.

While the project will ensure continuing to keep you updated about the its activities, the "LOGIN" side of the website is under construction and should be available during the upcoming semester.

Last but not least, we are open to discuss with any of our readers interested to contribute with articles or analysis to be included in the coming Newsletters. For this, please write us.

Thank you all, for your continuous interest on project activities and on the AML/CFT & THB themes. Thanks also go to all institutions, private sector, organisations, experts and individuals of the region (and abroad), who have demonstrated a very proactive implication over the first 2 years of the project.

Thank you,

Frédéric Bayard
Project Director



In This Issue



KENYA NATIONAL TRAINING

The training was organized for three consecutive days, adopting a hybrid delivery whereby the physical training was attended in person by the participants and the national experts, while the International Experts joined the sessions virtually.



TWO YEARS ALREADY!

So many events, so many activities launched and organised despite the cruel period of the pandemic which hit some of us, friends and family, but also greatly disrupted the normal functioning of the institutions.

SUMMARY OF THE TRAININGS CONDUCTED BY THE AML-THB PROJECT IN PARTNERSHIP WITH THE DIRECTORATE OF CRIMINAL INVESTIGATIONS KENYA (DCI)

1. KENYA NATIONAL TRAINING - ENHANCING FINANCIAL INVESTIGATION CAPACITY OF THE DIRECTORATE OF CRIMINAL INVESTIGATIONS (DCI) IN TARGETING AND DISRUPTING THE FINANCING OF TRAFFICKING IN HUMAN BEINGS (THB) SMUGGLING OF MIGRANTS (SOM) CRIMINAL NETWORKS

19-21 January, 2021 and 9-11 March, 2021

Alma Wanyama

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

The traffickers continue to take advantage of the disparity between low wages and lack of employment opportunities in some areas and the seemingly abundant jobs and high wages in other areas to lure and exploit their victims.

Background

Human trafficking, like other criminal enterprises, results in financial benefit for those involved. Thus, every year human traffickers generate billions of dollars in profits by victimizing millions of people around the world. Traffickers are estimated to exploit approximately 40.3 million victims annually in various forms in the pursuit of profit. The lucrative nature of the crimes has enabled criminal networks to conduct their operations in a covert manner with the intention of evading detection by law enforcement agencies in efforts to maintain and enhance their financial status quo.

The traffickers continue to take advantage of the disparity between low wages and lack of employment opportunities in some areas and the seemingly abundant jobs and high wages in other areas to lure and exploit their victims. As a result, financial investigation has become key in the fight against money laundering, trafficking in human beings and smuggling of migrants, in order to bring the criminals to justice as well as unearth their networks and assist in proper profiling of criminals.

It is increasingly paramount for law enforcement agencies to understand their role in financial investigation, as well as the roles of other relevant national stakeholders while conducting financial investigations. Notably, under Kenya's national laws, DCI remains an important law enforcement agency in the fight against human trafficking and smuggling of migrants. To that effect, the AML-THB Project endeavours to enhance the capacity of Kenya DCI officers in disrupting criminal trafficking and smuggling networks through increased Anti-Money Laundering and financial investigation capacity building forums and trainings.

This is a result of a consultative meeting between DCI and the AML-THB Project, to discuss how the project can train DCI officers on financial investigation. Following this meeting, an agreement was reached as follows (the table below highlights the scheduling of the training);

No	Date	Activity	Participants	Location
1	19-21 January	Financial investigation	36	Naivasha, Kenya
2	9-11 March	Financial Investigation	40	Naivasha, Kenya
3	24-28 May	Financial Investigation ToT	42 (15 DCI, 9 ODPP, 10 NIS, 8 IMMIGRATION SERVICES)	Naivasha, Kenya



Therefore, the aim of these National forums was to train ninety-one (91) DCI officers, in two clusters, because of the COVID-19 restrictions. This was followed up by a Trainer of Trainers course (ToT) which targeted officers and trainers from respective training academies in the DCI, Office of the Director of Public Prosecutions (ODPP), Immigration Services and specialized investigators from specialized units, targeting 42 trainers including the gold certified experts trained by the AML-CFT and the AML-THB projects. The aim of the ToT is to make the training sustainable by empowering the trainers at the training academies with financial investigation knowledge that will help them build a curriculum they can use in the academies with the help of the project and the gold certified experts in their respective institutions. The Project and the DCI picked Naivasha, Kenya as the location for this project.

Cohort one – 19th – 21st January, 2021

The AML-THB project organized the first cohort training on 19th – 21st January, 2021 at the Great Rift Valley Lodge, Naivasha, Kenya. This National training aimed to enlighten the DCI of-

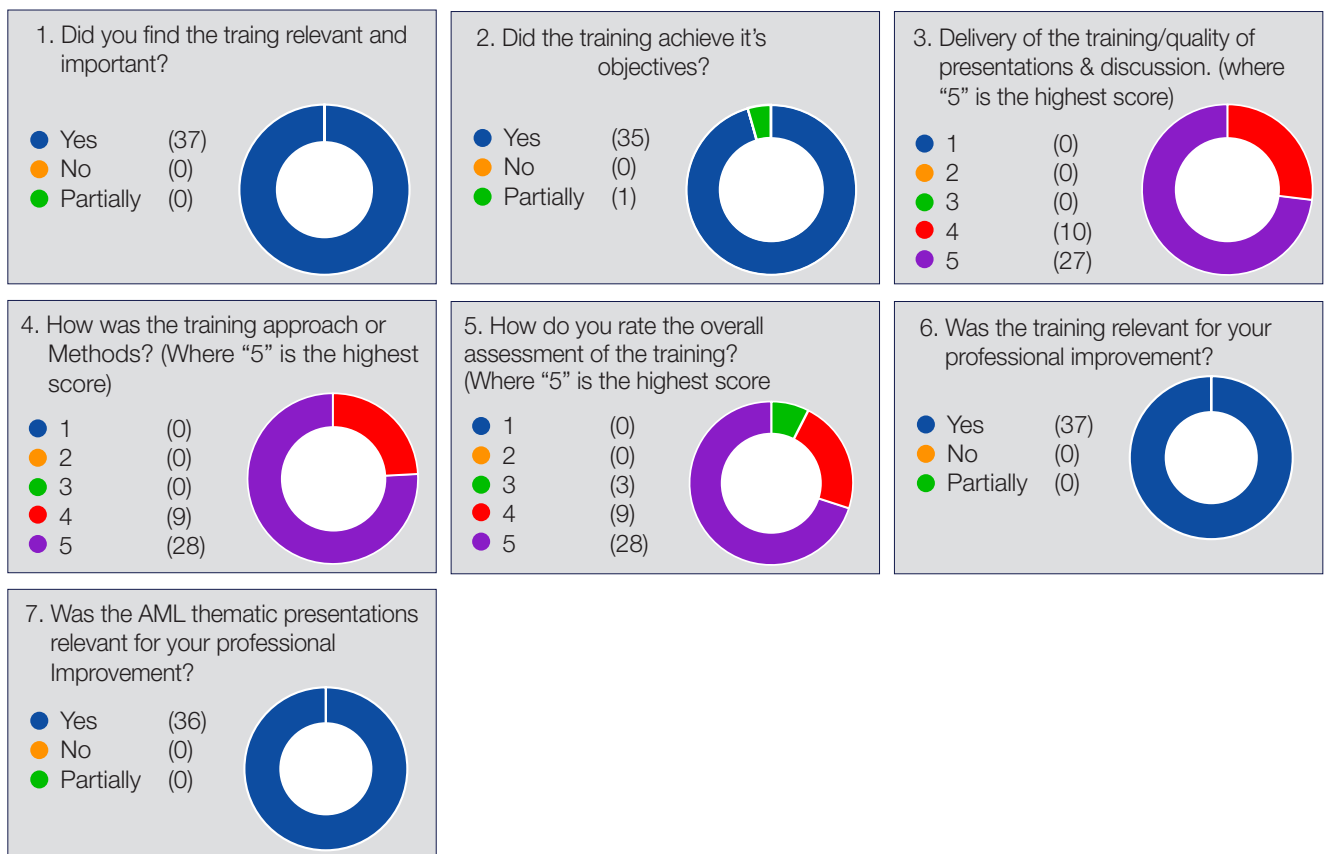
icers/Investigators on how to use financial investigations in order to successfully fight THB-SoM. This was done by highlighting how law enforcement can use financial information from AML to help investigate THB cases as well as unearth the criminal networks.

Training delivery

The training was organized for three consecutive days, adopting a hybrid delivery whereby the physical training was attended in person by the participants and the national experts, while the International Experts joined the sessions virtually. The training involved presentations, open discussions, exercises and case studies. The workshop incorporated an interactive approach through facilitated open dialogue, question and answer sessions, critical plenary discussions, group exercise and expert presentations. The workshop, to the extent possible, facilitated and supported informal inter-experts networking among interested participants. The forum deployed and encouraged open but also critical discussions facilitating mutual learning while observing Chatham House rules of engagement.

Trainers from respective training academies in the DCI, Office of the Director of Public Prosecutions (ODPP), Immigration Services and specialized investigators including the gold certified experts trained by the AML-CFT and the AML-THB projects conducted the training.

Post-training evaluation and feedback



Cohort Two – 9th-11th March 2021

The AML-THB project, organized the second cohort training on 9-11 March, 2021 at the Great Rift Valley Lodge, Naivasha, Kenya involving 40 DCI officers.

Training delivery

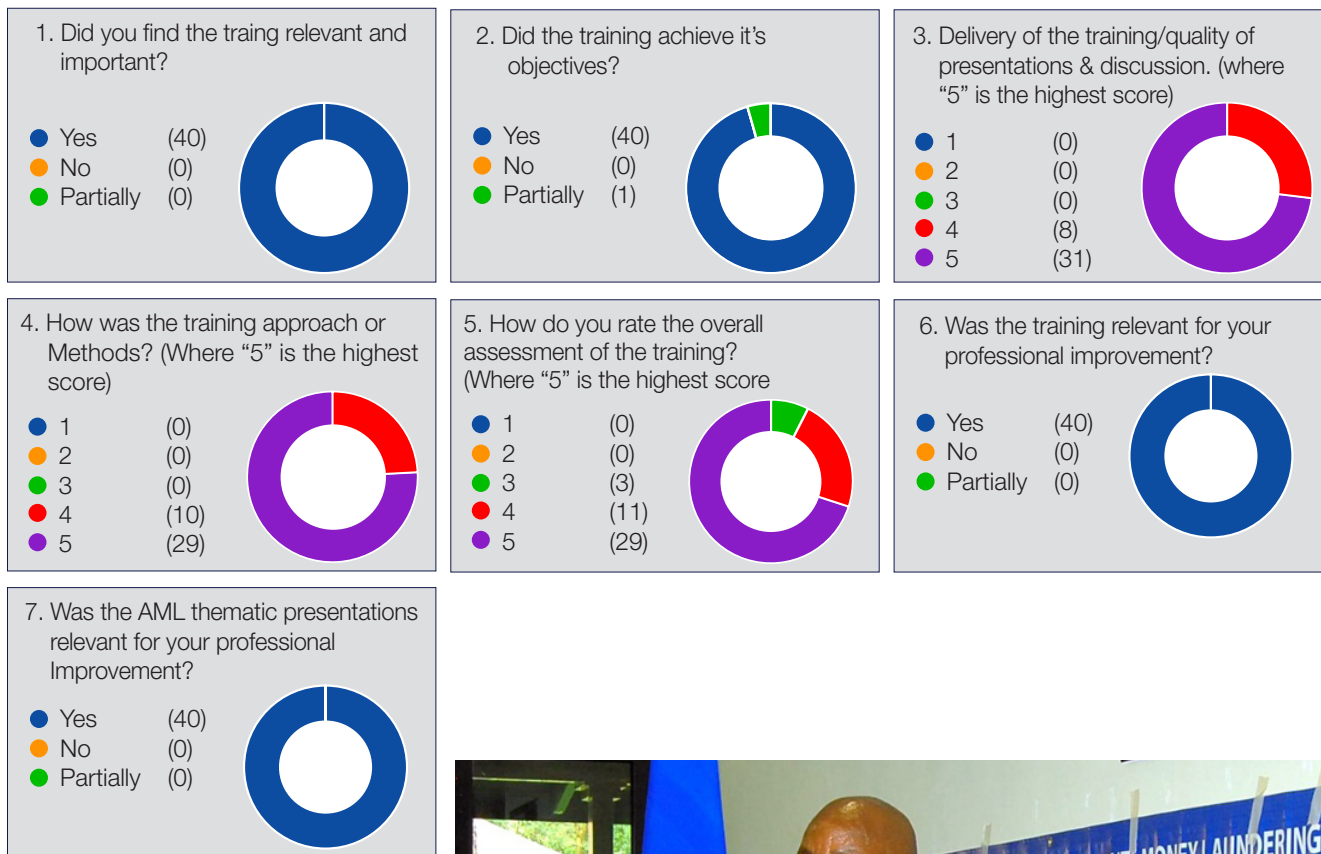
The Training maintained a similar approach with the first cohort training, but with a twist to incorporate the comments and suggestions made by the participants of the first cohort while filling out the evaluation forms. The training adopted a scenario-based learning approach where the participants worked on a case scenario from day one building up to the last day. The other twist was incorporating national experts from; The Finan-

cial Reporting Center (FRC), the private sector (Bank) and Liberty Shared – Victim Protection.

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, the quality of delivery and the level of participation. Feedback received informally on the presentations and sessions were very positive. The training established a *WhatsApp* group to enable the participants share information, experiences and learn from each other. *Below are data excerpts from the MS Survey analysis:*

Post-training evaluation and feedback



An address by Gideon Kibunja (Assistant Inspector General of Police & Director Training DCI) during the National Trainers of Trainers (ToT) training held at The Great Rift Valley Lodge, Naivasha, Kenya.



2. NATIONAL TRAINER OF TRAINERS (ToT): ENHANCING FINANCIAL INVESTIGATION CAPACITY OF THE KENYA LAW ENFORCEMENT AGENCIES IN TARGETING AND DISRUPTING THE FINANCING OF TRAFFICKING IN HUMAN BEINGS (THB) / SMUGGLING OF MIGRANTS (SOM) CRIMINAL NETWORKS AND DEVELOPMENT OF A FINANCIAL INVESTIGATION TRAINING CURRICULUM.

24th -28th May, 2021

This Trainer of Trainers course (ToT) targeted trainers from respective training academies from DCI, ODPP, NIS, Immigration Services and FRC, targeting 48 trainers including the Gold Certified Experts of the mentioned institutions, trained by the AML/CFT and the AML-THB projects. The aim of the ToT was to make sustainable training by empowering the trainers at the training academies with financial investigation knowledge that will help them build a curriculum, with the supervision of a national expert, a professor from the University of Nairobi, Nairobi, Kenya.

The Financial Investigation training curriculum subsequently, is envisioned to be used in the various training academies to benefit fellow colleagues in the field of financial investigation. This will be replicated in the region to the respective institutions/stakeholders involved in the fight against Human Trafficking as well as other organized crimes. This will be executed by the Professor and the Regional Gold Certified Experts within the region. The aim is to not only strengthen the capacity of Kenya, but of the entire region affected by this vice and to build a concerted effort against the vice. This will therefore ensure a holistic regional approach in ensuring the knowledge of financial investigation is spread across the region, while maintaining a sustainable approach of creating a training curriculum in the various relevant national institutions within the region.

Objectives and Expected Results

This National ToT aimed to enlighten the DCI, ODPP, NIS, Immigration Services and FRC participants on how to use financial investigations to successfully fight THB/SoM as well as developing a Financial Investigation Curriculum to be used in their various training institutions/academies. This was done by highlighting how law enforcement can use financial information from AML to help investigate THB cases as well as unearthing criminal networks and how to develop a curriculum. The specific objectives of the Forum are to:

1. Promote better understanding of human trafficking and smuggling, the modus operandi of the criminal networks and their financial flow nationally, regionally and Internationally
2. Better understand financial investigation and the role of the financial sector in disrupting criminal networks through effective AML measures
3. Outline the Importance of Information sharing and multi-agency approach in financial investigation of THB/SoM
4. Understand the Judicial expectations of admissible financial evidence
5. Better understand the Prosecution Role in Financial Investigation and financial evidence gathering
6. Promote better understanding and importance of public-private partnership
7. Understand and develop a curriculum in Financial Investigation

8. Explore practical cases and exchange experiences and good practices learning practical lessons

To achieve these objectives, the workshop involved the following thematic areas:

1. Perspectives of human trafficking and migrant smuggling financial networks
2. National Overview of Human Trafficking and Smuggling of Migrants
3. Understanding the Role of financial Investigation in THB Investigation
4. Sources of Financial Information and the Role of Financial Institutions in AML
5. Law Enforcement and its role in financial investigation
6. The Role of FRC in financial investigation
7. Handling of victims of human trafficking in financial investigation on THB/SoM
8. The role of the Kenya financial sector in financial investigation
9. The importance of financial Building a Financial Profile of a Suspect
10. Effective use of financial Evidence in Judicial Proceedings
11. The Role of Prosecutors in financial Investigation and prosecution
12. Importance of pre and post conferencing of investigators and prosecutors in financial investigation and prosecution

Training Delivery

The Forum was a five-day of physical training in Naivasha, Kenya and included participation of the DCI, ODPP, NIS, Immigration Services and FRC Officers, facilitated virtually by International Experts and in person by National Trainers/Experts. The forum deployed case scenario setting, structured presentations, Q&A sessions and discussions as well as an open plenary session and curriculum development forum. The Forum had a five-day training on; Enhancing Financial Investigation Capacity of the Kenya Law Enforcement Agencies in Targeting and Disrupting the Financing of Trafficking in Human Beings (THB) / Smuggling of Migrants (SoM) Criminal Networks.

This was followed by a two-day training on developing a financial investigation training curriculum facilitated by a national expert who is a professor from the University of Nairobi (UON), Nairobi, Kenya. After this one-week training, the professor, under the supervision of the project, followed up and mentored a cluster of the group who were drawn from the participants, representing each institution, for

a period of one month, and came up with a one-week financial investigation training curriculum. This curriculum will be subjected to scrutiny by the project before being rolled out to the institutions for adoption. The Forum will operate under the “Chatham House rule” and no attribution is made unless required and agreed.

The forum deployed and encourage open but also critical discussions facilitating mutual learning. Notably, the Forum took place in a “bubble environment”, where participants were not allowed to leave the hotel for the entirety of the program. The Project worked in coordination with the Hotel to ensure National COVID 19 rules are strictly adhered to, by ensuring all the necessary materials required by the participants were provided such as, masks, sanitizers, etc. Social distancing was strictly adhered to in the conference

hall and other facilities within the Hotel. It was highly recommended for participants to be in good health to attend the training exhibiting no symptoms of COVID.

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, the quality of delivery and the level of participation. Feedback received informally on the presentations and sessions has been very positive. The training established a WhatsApp group to enable the participants share information, experiences and learn from each other. Below are data excerpts from the MS Survey analysis:

Post-training evaluation and feedback



Experts who facilitated the sessions:

- Steve Farrer MBA CAMS CFE, Mr Farrer has been, for the past 5 years, actively involved in working with the financial services sector, under the anti-money laundering (AML) framework, to help identify and mitigate the illicit proceeds from human trafficking (modern slavery)
- Neil Bennet, AML-THB Expert
- Professor Fred Jonyo – Chairman Department of Political Science and Public Administration
- University of Nairobi
- Judge Kossy Bor, Senior Judge in Kenya and a trainer with AML-THB project
- Shem Gowi/Hilary Otiato- Analysis Department, Financial Reporting Center (FRC)
- Evelynne Onunga, Deputy Nairobi Regional Head and in charge Milimani Court, Office of the Director of Public Prosecutions

- Moses Omwago, Principal Immigration Officer and Head of Analysis and Research
- Khamisi Ngesero, DCI officer and Gold Certified Expert
- Mary Runana, Head of Compliance, Standard Chartered Bank
- Sophie Otiende, Liberty Shared NGO on Victim Protection
- Tuemay Aregawi, Senior Technical Advisor with the AML-THB Project
- Alma Wanyama, Senior Technical Advisor with the AML-THB Project, and coordinator and moderator of the training

Opening and Closing Ceremony

The Training was opened by Senior Counsel Dorcas Oduor - Deputy Director Office of the Director of Public prosecution, Mr. Alexander Muteshi- Director General of Immigration services and Mr. George Kinoti – Director Directorate of Criminal Investigations.

The Training was closed by Mr. Henry Ashimalla - Deputy Director Directorate of Criminal Investigations.

SYNOPSIS

REGIONAL TRAINING WEBINAR: ASSET RECOVERY FRAMEWORKS, STANDARDS AND TOOLS

17 – 21 May 2021, Online

Tuemay Aregawi

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

Effective anti-money laundering (AML) and financial investigation interventions are important instruments in identifying and disrupting criminal networks and financial operations that further deters criminals and their networks.

BACKGROUND

HORN OF AFRICA AND SOUTHERN AFRICA

The Greater Horn and Southern Africa (GHaSA) region is a source, transit and destination of existing, evolving and emerging multiple transnational criminal threats. The region is faced with serious organized crimes and terrorism that include:

- trafficking and smuggling of human beings, drugs, small arms and light weapons (SALW), and other illicit goods;
- financial crimes such as corruption, tax evasion and illicit financial flows;
- environmental crime such as poaching, illegal logging and fishing;
- money laundering (ML) among many others; and
- active terrorism, violent extremism and financing of terrorism (FT).

In this regard, the European Union has launched a project on disrupting criminal trafficking and smuggling networks through increased anti-money laundering and financial investigation capacity in the Greater Horn of Africa (referred hereafter as AML/THB project). The project aims to strengthen national anti-money laundering and counter illicit financial flow capacity, increase understanding of the criminal networks and their flow of illicit finance and enhancing coordination of agencies, among others. The AML/THB project has been engaged in designing and delivering capacity building activities since its kickoff in November 2019.

According to the projection of the ILO (2014) report¹, forced labour exploitation and forced sexual exploitation alone is estimated to generate up to 150 billion USD in 2018. Sub-Saharan Africa is believed to generate about 13.1 billion USD from forced labour exploitation only². Organised criminals to a large extent, are motivated by financial and material benefit that is driven by a rational choice of being mindful of the associated risks that makes it difficult to investigate or prosecute. Traditionally, the focus of law enforcement is often on investigating and prosecuting predicate offences. However, some criminals are ready to take the risk of serving in prison as long as their illicitly gained finance/asset are available to them and their families³. In this regard, it is important to focus on depriving criminals from enjoying their illicit profits in addition to prosecuting predicate offences. Financial investigation and asset confiscation are key interrelated measures necessary to deter organized crimes. That means, both punishing perpetrators and tracking the proceeds are necessary to reduce the incentives for criminals committing crimes.

Effective anti-money laundering (AML) and financial investigation interventions are important instruments in identifying and disrupting criminal networks and financial operations that further deters criminals and their networks. Further to this, effective financial analysis and investigations are key tools in producing evidence and actionable intelligence for criminal prosecutions as well as asset confiscation.

Considering the importance of asset confiscation in deterring organized crimes that generate significant proceeds, different instruments and standards have been issued by global, regional and national institutions. The Financial Action Task Force (FATF) has explicitly provided asset confiscation in its **recommendation 4** (confiscation and provisional measures) and **recommendation 38** (mutual legal assistance and freezing and confiscation) that provided working definitions and explanations. FATF also published best practices on confiscation and a framework on Asset Recovery (AR) that outlines the process and techniques of the confiscation regime⁴. FATF also clearly identified confiscation as one of the 11 immediate outcomes (IO8) required to improve the effectiveness of an AML system. International anti-corruption initiatives have also prioritized asset recovery as a tool of deterring corruption. The UN Convention against TOC has also clearly stipulated asset confiscation in **article 12** (confiscation and seizure) and **article 13** (international coop for the purpose of confiscation). Different global institutions including the World Bank, Egmont Group, IMF, UNODC, the Basel Institute, and various inter-governmental bodies have introduced multiple initiatives on AR.

However, the complexity of asset recovery processes and the lack of technical knowledge often observed in developing countries are major hindrances to successful asset

1. ILO (2014) Cited on FATF (2018, p.13) Financial Flows from Human Trafficking

2. ILO (nd) Profits and poverty: The economics of forced labour, https://www.ilo.org/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_243027.pdf

3. ICAR (2015) Tracing Illegal Assets: Practitioners Guide, Basel Institute on Governance, International Centre for Asset Recovery

4. FATF (2018) Best Practices on Confiscation (R4 and R38) and a Framework on Asset Recovery

recovery.⁵ Relatively, most of the countries of the GHoA and ESA have ineffective AR regime, and the value of recovered assets compared to the prevalence of organized crime and corruption is minimal. Few countries didn't even have institutional/and/or legislative frameworks. Most of the countries are evaluated in the AML/CFT mutual evaluation as non-compliant or partially compliant on AR and confiscations.

In this regard, the AML-THB Project, in collaboration with the Asset Recovery Inter-Agency Network – Eastern Africa (ARIN-EA) successfully held a regional training webinar on “Asset Recovery Frameworks, Standards and Tools” held on 17th – 21st May, 2021. The training focused on the international AR frameworks and instruments/standards, the process of AR, asset investigation and overview of THB/SoM.

OBJECTIVES AND RESULTS OF THE TRAINING

The training webinar aimed to strengthen the capacity of the trainees to identify, trace, investigate, seize/freeze, recover/confiscate and dispose illegally obtained assets in general and THB/SoM financial flows in particular. The webinar also provided an opportunity for participants to share the good practices/experiences and challenges among themselves to further enhance networking and information sharing on AR. At the end of the webinar, participants were expected to:

- discuss International AR frameworks, standards and tools;
- better understand the process of asset recovery and apply relevant techniques of AR required in each process;
- identify the mechanisms of confiscation in different legal systems and approaches;
- better understand THB and SoM, the modus operandi of the criminal networks and their financial flow nationally and regionally;
- discuss virtual assets and recovery methods; and
- be exposed to and share good practices from the participating institutions and individuals.

Through the above stated results expected to be achieved at individual level, the training webinar, together with other interventions by the Project and others, is expected to contribute to:

- Enhanced awareness on the deterrent effect of depriving perpetrators from their criminal gains through enhanced AR regime
- Improved effectiveness of confiscation of proceeds of crimes contributing to increased value of confiscated assets

DELIBERATION OF THE TRAINING

The training was facilitated online via Zoom Cloud Meeting. The training brought together 53 trainees from 12 countries and ARIN-EA Secretariat drawn from AR agencies, law enforcement agencies (financial investigators), public prosecutions and financial intelligence units (analysts). The project team leader, Mr. Frederick Bayard, opened the workshop along with Madam Lilian William Kafiti, ARINEA President.

5. See footnote 4,

The training was facilitated by the experienced experts and practitioners listed below:

1. Jacinta Odour - Senior AR expert, Governance and Policy Consultants - Trainer
2. Terry Davis - Financial investigation expert - Trainer.
3. Wycliff Mutabule - AR Gold AML/CFT ToT Certified Trainer, Inspectorate of Government of Uganda – Guest Speaker;
4. Aidan Larkin - AR specialist, Co-Founder & CEO, Asset Reality - Guest speaker;
5. Alma Wanyama - Technical Advisor with the AML/THB Project; and
6. Tuemay Aregawi - Technical Advisor with the AML/THB Project

The main topics of the training included the following:

- **International AR frameworks:** discussed on critical international and regional instruments, asset recovery initiatives/platforms, and informal asset recovery networks relevant to the participants including the United Nations Convention Against Corruption, the United Nations Convention Against Transitional and Organized Crime-UNTOC, African Union Convention on Prevention and Combating of Corruption, AR initiatives/standards (FATF, UNODC, WOLD Bank, OECD, OSCE) and informal AR networks.
- **Overview of THB/SoM:** covered the definitions, elements and characteristics of THB/SoM, criminal networks and their financial flows that particularly discussed the scale, patterns and trends of the criminal threats and the major routes.
- **Mechanisms of confiscation:** discussed concepts and rationales of asset confiscation/forfeiture, crimes that prompt asset recovery and things to forfeit, asset recovery mechanisms (conviction based, non-conviction based, civil action and civil lawsuit) and challenges to asset recovery.
- **Financial profiling:** covered wide-range of sub-topics including person profiling, company and business profiling, financial profiling, sources of financial information and profiling outcomes
- **Financial investigation:** managing investigation, timeline in financial investigation, searching/identifying exhibits and their value, briefing down, and decision-making process and brief up supported by videos and actual examples and practices
 - » **Virtual (Crypto) asset recovery:** discussed basics of virtual assets and the different terminologies (virtual, crypto, digital), how crypto currency works (valuation, wallets, addresses, keys), value and important addressing crypto for LEAs and AR agencies, tracing/search and seizure, blockchain analysis, virtual asset management and practical guidance for LEAs and AR officers that was eye opening, though the session was brief introduction.
 - » **Strategic in asset recovery:** highlights the critical importance of financial investigation and prosecution and



Graphic courtesy of Freepix

The training, despite being virtual and with big number of participants, was participatory. Madam Munira Ali, General Secretary of ARIN-EA, closed the training whereby she stressed on the importance of AR in the fight against crime.

discuss further on securing and valuing assets, standard of proof in provisional measures, confiscation enhancements, interim management, cooperation in asset recovery.

» **Case studies:** Two case studies have been discussed to enrich the presentations. Case one was an exercise that tasked the trainees to explore strategies they would adopt to secure the assets (freeze/seize) using their domestic legislation. The second case study was sharing good practices from an actual AR case executed in Uganda that brought up the process, the challenges and suggested approaches in AR.

The training involved presentations, Q&A sessions, open discussions, exercises and practical case studies. The training, despite being virtual and with big number of participants, was participatory. Madam Munira Ali, General Secretary of ARIN-EA, closed the training whereby she stressed on the importance of AR in the fight against crime. The General Secretary also urged participants to strengthen information sharing and networking. Finally, she acknowledged the partnership with the AML-THB Project and thanked the EU for funding the training.

The trainees were very enthusiastic and showed interest in the training topics as exhibited through their full attention, participation and asked many questions. It was observed that the area on financial investigations and asset recovery was new to the

trainees in particular, during the case study discussions, it came out that the mindset was still more geared to looking for evidence for the criminal offense instead of focusing on assets. Participants and trainers outlined some recommendations on future engagements as summarized below:

- Organise practice-oriented training on asset recovery and financial investigations supported with more cases and table-top exercise in face-to-face where the safety protocols permit in smaller/manageable groups to give a deeper understanding of the subject matter and workout practical techniques;
- Consider developing a curriculum on asset recovery from basic to advance and organise training of trainers (ToT) in the region to enhance institutional capacities;
- Organise comprehensive training on THB/SoM to further better understanding of the subject and the financial flows;
- Strengthen cooperation and information sharing among relevant stakeholders at national and regional levels particularly on international asset recovery; and
- Encourage countries to formulate and implement comprehensive policy and institutional frameworks on asset recovery including on adoption of non-conviction-based asset recovery regimes.

Post Training Evaluation: Immediate Results Achieved and Feedback

The training has achieved its immediate results (outputs) in line with the key result indicators outlined in the concept note based on the DOA of the Project. The table below summarises results achieved in comparison to the indicators set.

No	KRA	Value	Score	Result
1	No. of participants	40	53 (14 or 26.42% Female & 39 or 73.58%) male	>100%
2	Participants feedback	75 ≥ High	Overall assessment: 94.10% ≥ High	100%
			Relevance/importance: 100% Yes	
			Objective achieved: 91.20% fully achieved	
			Quality of delivery & presentations: 88.50% ≥ High	
			Value addition in knowledge & skills: 97.10% Yes	
			Approach/Methods of training: 94.20% ≥ High	
			Relevance of the training to professional improvement = 97.10% Yes	
3	documents shared	N/A	Slides, cases, exercises, reading materials, website links shared	100%
4	Activity report	1	Produced	100%
5	Summary report	1	Produced	100%

As can be seen from the table above the training is well received and highly rated by the participants.

SYNOPSIS

NATIONAL TRAINING: THE ROLE OF FINANCIAL INSTITUTIONS IN DETECTING, IDENTIFYING AND DISRUPTING ILLICIT FINANCIAL FLOWS OF TRAFFICKING OF HUMAN BEINGS AND MIGRANT SMUGGLING IN KENYA

Round 2

22 – 24 March 2021, Mombasa, Kenya

Tuemay Aregawi

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

Operational cooperation and coordination between the different public and private institutions is essential to successfully fight human trafficking, migrant smuggling and protecting the integrity of the financial system.

2019

since kickoff in November 2019, The AML/THB project has been engaged in designing and delivering capacity building activities.

BACKGROUND

The Greater Horn of Africa (GHOA) region is faced with multiple transnational criminal security threats of terrorism, violent extremism, terrorism financing and forms of serious organized crimes including trafficking of human beings, smuggling of migrants and subsequently money laundering among others. Countries of the GHOA have been engaged in fighting such criminal threats. The European Union (EU) has been a key partner to the GHOA countries in countering the criminal threats in the region. In particular, the EU has been active in supporting the efforts of the countries in addressing illegal migration based on the Valletta Plan of Action and anti-money laundering and counter financing of terrorism (AML/CFT). Countries of the GHOA have strengthened their legislative, institutional and operational capacities, however, the challenges are still undermining the stability and development of the region and beyond.

In this regard, the European Union has launched a project on *“Disrupting criminal trafficking and smuggling networks through increased Anti-Money Laundering and financial investigation capacity in the Greater Horn of Africa”* (referred hereafter as AML/THB project). The project aims to strengthen national anti-money laundering and counter illicit financial flow capacity, increase understanding of the criminal networks and their flow of illicit finance; and enhance coordination of agencies, among others. The AML/THB project has been engaged in designing and delivering capacity building activities since its kickoff in November 2019.

Although Kenya is yet to undertake its first national risk assessment, reports reveal that THB and SoM are the serious organized crimes perpetrated within and from Kenya. THB/SoM are among the designated predicate offences under the Proceeds of Crime and Money Laundering Act (POCMLA). Kenya is one of the main source, transit and destination

countries in the region. A recent report by ENACT¹ indicated that Kenya is a major transit hub for migrants from East African countries destined to the Middle East. Similarly, Kenya a key transit hub for migrant smuggling from Ethiopia, Eritrea and Somalia south wards to South Africa. The 2009 Africa Organised Crime Index disclosed that Kenya is ranked 11th in Africa with a “wide range of significantly influential criminal markets and actors” in which THB and SoM scored the second highest (6/10) next to drug and arms trafficking.² In this regard, it is also obvious that THB/SoM criminal networks operating from within Kenya. Illicit financial flows from THB/SoM criminals and their networks is likely to happen in Kenya because of the presence of the perpetrators who have networks regionally.

The fight against transnational organized crime including THB/SoM and money laundering requires effective engagement of the financial services and other relevant stakeholders. Operational cooperation and coordination between the different public and private institutions is essential to successfully fight human trafficking, migrant smuggling and protecting the integrity of the financial system. Understanding and disrupting the financial flow of criminals through effective AML measures and financial investigations is vital in disrupting the criminal networks and their financial flow. The financial institutions are instrumental in this regard in:

- Detecting, identifying, reporting and disrupting suspicious activities;
- Generating vital information from their vast data that can produce actionable intelligence, in fact observing all necessary legal provisions;
- Providing evidentiary materials as may be required by the court of justice or other legally authorized agencies; and
- Tracing and freezing proceeds of crime as instructed/demanded by law.

1. Mohamed Daghar (2020) Human trafficking: East African human trafficking rings expand their operations, ENACT
2. ENACT (2019) Africa Organised Crime Index 2019, <https://ocindex.net/>, accessed on 11 March 2021

Therefore, sensitizing financial services on the threats and vulnerabilities and building their capacities of detecting and identifying suspicious transactions is of paramount value to strengthen the national AML/CFT system. It is also necessary to enhance common understanding and trust among the banks as reporting entities and holders of key information and the supervisory/regulatory and other agencies. This training is expected to contribute to realise the above-mentioned roles of the financial institutions in combating THB/SoM through effective AML measures. In this regard, the Project successfully trained **34 trainees** drawn from **28 banks** and regulatory agencies, but this was not enough to cover all banks in Kenya.

To this end, the AML/THB project organized this training workshop on “the **Role of Financial Institutions in Detecting, Identifying and disrupting Illicit Financial Flows of Trafficking of Human Beings (THB) and Smuggling of Migrant (SoM) in Kenya**” successfully held on **22 – 24 March 2021 in Mombasa**. The training was organized in collaboration with Kenya Bankers’ Association (KBA). The training workshop brought 37 trainees together from 26 financial institutions, KBA, the Central Bank of Kenya (CBK) and the Financial Reporting Centre (FRC). The training is a fourth series in the region and a second round in Kenya.

OBJECTIVES AND RESULTS OF THE TRAINING

The training workshop aimed to sensitise the role of financial institutions in disrupting financial operations of THB/SoM criminal networks through effective AML measures and to reinforce the capabilities of banks in detecting, identifying and disrupting illicit financial flows of THB/SoM criminal networks. At the end of the workshop, participants were expected to:

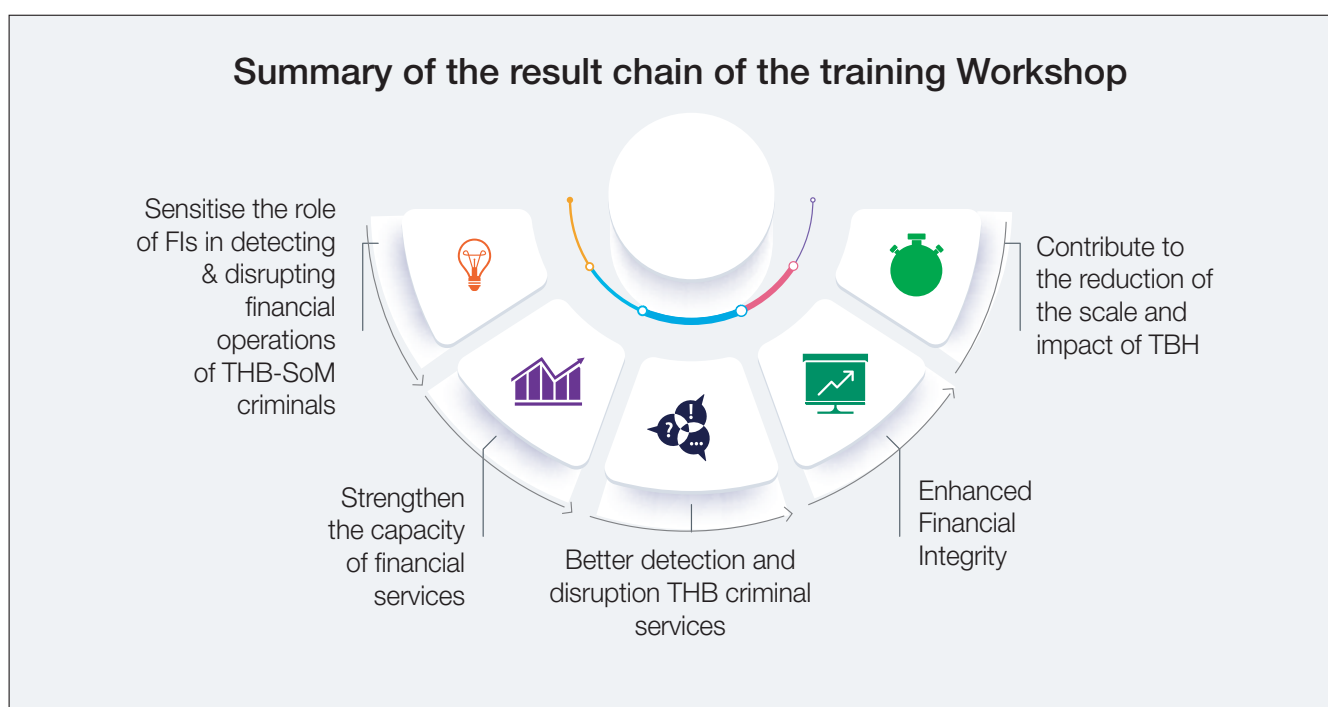
- discuss the AML/CFT regime of Kenya and its measures against the risks of money laundering of the proceeds of THB/SoM;
- better appreciate the role of financial institutions in detecting and disrupting financial flows from THB/SoM criminal networks;

- identify the red flag indicators of ML/TF risks stemming from THB/SoM illicit proceeds;
- better understand THB and SoM, the modus operandi of the criminal networks and their financial flow nationally and regionally;
- better recognise the need for public-private-partnership (PPP) in practicing effective AML/CFT regime in detecting, identifying and disrupting financial flows and operations of THB/SoM; and
- be exposed to and share good practices from the participating financial institutions.

Through the above stated results at individual level, the training workshop, together with other interventions by the project, is expected to contribute to the Banks to be able to:

- Improve detection, identification, analysis and disruption of suspicious transactions in general and in particular related THB/SoM illicit financial flows;
- Disseminate quality suspicious activity reports (STRs) adequately to the Financial Reporting Centre (FRC) for further action to disrupt operations, and investigate prosecute identified suspects; and
- Better cooperate with the FRC, law enforcement and regulatory bodies on AML actions strictly adhering to relevant laws and protection of rights of clients.

The training has provided an opportunity to participants to share good practices/experiences and challenges among themselves and with the regulatory bodies of the CBK and FRC to further enhance collaboration in the *detection, identification and disruption of THB/SoM criminal networks and flow of their finance that will further intensify the fight against money laundering, human trafficking/smuggling and terrorism financing.*



DELIBERATION OF THE TRAINING

The training was organized in a face-to-face strictly adhering to national, local and project-specific safety protocols. The training brought together 37 trainees out of which 33 are compliance and/or AML officers/managers from 26 banks, 2 experts from the KBA, 1 officer from the CBK and a director from the FRC. The project team leader, Mr. Frederick Bayard, opened the workshop along with Kennedy Mutisya who is the Chief Financial Officer of Kenya Bankers Association, on behalf of the CEO, Habil Olaka and Laban Omangi, KBA's Compliance Sub-Committee Chairman who delivered key-note speeches. The training was facilitated by experienced experts and practitioners listed below:

1. Daisy Namayi-Kariu: Certified AML Specialist (ACAMS);
2. Patrick Mugo: AML expert and financial intelligence analyst;
3. Shem Gowi: Senior AML/CFT expert and Director with the FRC;
4. Irene Waitthaka: Gold AML/CFT ToT and Senior Bank Officer with the CBK; and
5. Tuemay Aregawi: Technical Advisor with the AML/THB Project

The main topics of the training includes the following:

- The AML/CFT regime in Kenya that discussed the national legislative, institutional and operational frameworks in line with regional and international standards;
- The Role of banks in the AML/CFT Regime in general and in detecting, identifying, disrupting and reporting suspicious activities and transactions with a special attention to THB/SoM related illicit financial flows. The training discussed consequences of non-compliance supported by a case of penalties on Kenyan banks.
- Concepts of THB/SoM and the countermeasures in Kenya that covered the definitions, elements and characteristics of THB/SoM, and the national legislation (including the Proceeds of Crime and Money Laundering Act) and frameworks set to address the challenges along with international standards.
- THB/ SoM criminal networks and their financial flows in Kenya that particularly discussed the scale, patterns and trends of the criminal threats and the major routes and the criminal networks involved
- Detecting, Identifying, reporting and disrupting illicit financial flows of THB/ SoM that outlines some practical methods and means. The participants have outlined list of red flags of money laundering from THB/SoM proceeds that is expected to serve as initial indicators to the compliance officers who attended the training. Some trainees reported that they shared the red flags and other knowledge they gained from the training to their colleagues in office who tried to apply the indicators immediately that enabled them to reassess some transactions; and
- Public Private Partnerships that highlighted the existing

frameworks/Practices and the challenges and opportunities in fighting THB/SoM through disrupting financial operations and flows of the criminals and their networks.

The training involved presentations, open discussions, group exercise and practical case studies. Participants were engaged in intensive discussions that promoted common understanding, mutual trust, sense of working together and devise way forward on how to implement effective AML interventions to identify and disrupt flow of trafficking/smuggling finance. Participants of the training provided recommendations that can be summarized as follows:

- Organising similar trainings at regional level to exchange experiences and good practices from other jurisdictions including advanced international systems;
- Extended similar training to other financial institutions including banks, insurance, money transfer companies and also service providers including those that offer other payment methods such as telecom companies;
- Provide additional in-depth trainings on THB/SoM to compliance officers including experiences from other jurisdictions in the region; and further provide similar trainings to top management of FIs to create the awareness of THB/SoM institutionally;
- Bring together more stakeholders on a joint training where they build mutual trust, exchange experiences, share expectations and learn from each other;
- Establishing a regular platform or forum for sharing information amongst banks nationally and regionally;
- Ensure continuity of similar training and updates to maintain continuous improvements and to enable the banks address emerging issues; and
- Strengthen engagement with the Financial Reporting Centre to be enhanced as they would add value to understanding trends and typologies for the banks to understand and implement the appropriate measures.

The Project Team Leader gave a closing statement in which he appreciated the participation of the trainees, the high-level professionalism from the trainers and particularly the presence of the FRC through Director Shem Gowi who served as trainer as well as engaged actively in the discussions. Finally, Mr James Manyange, Deputy Director General of the FRC, delivered a closing remark on behalf of the FRC Director General, Mr Saitoti Maika and on his behalf. Mr Manyange acknowledge the importance of the training for the banks that would enable them to better detect and disrupt illicit financial flows. He also highlighted the efforts being done by his office and the national AML/CFT framework in general. He expressed the FRC's expectation on increased quality and quantity of STRs and more analytical products from the banks while his office is committed to provide the necessary support. He urged the participants to contribute to the undergoing National Risk Assessment that is expected to be completed in April 2022. At last, he expressed the FRC's interest to collaborate with the AML/THB Project on common areas of interests.

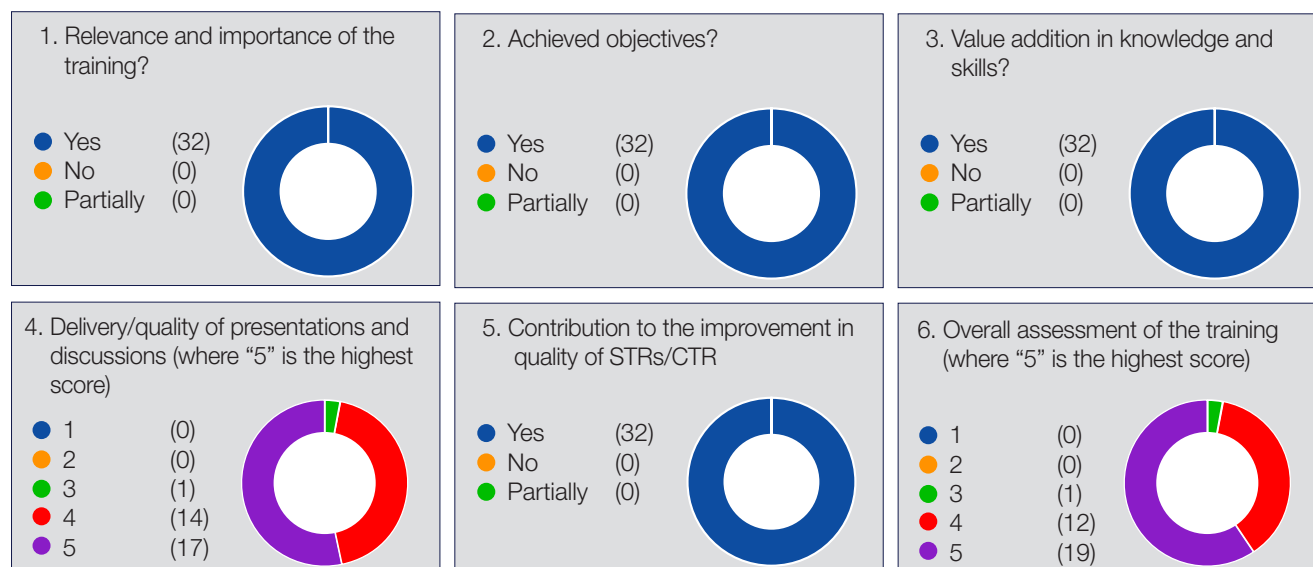
Post-Training Evaluation: Immediate Results Achieved and Feedback

The training has achieved its immediate results (outputs) in line with the key result indicators outlined in the Concept Note based on the DOA of the Project. The table below summarises the achievements.

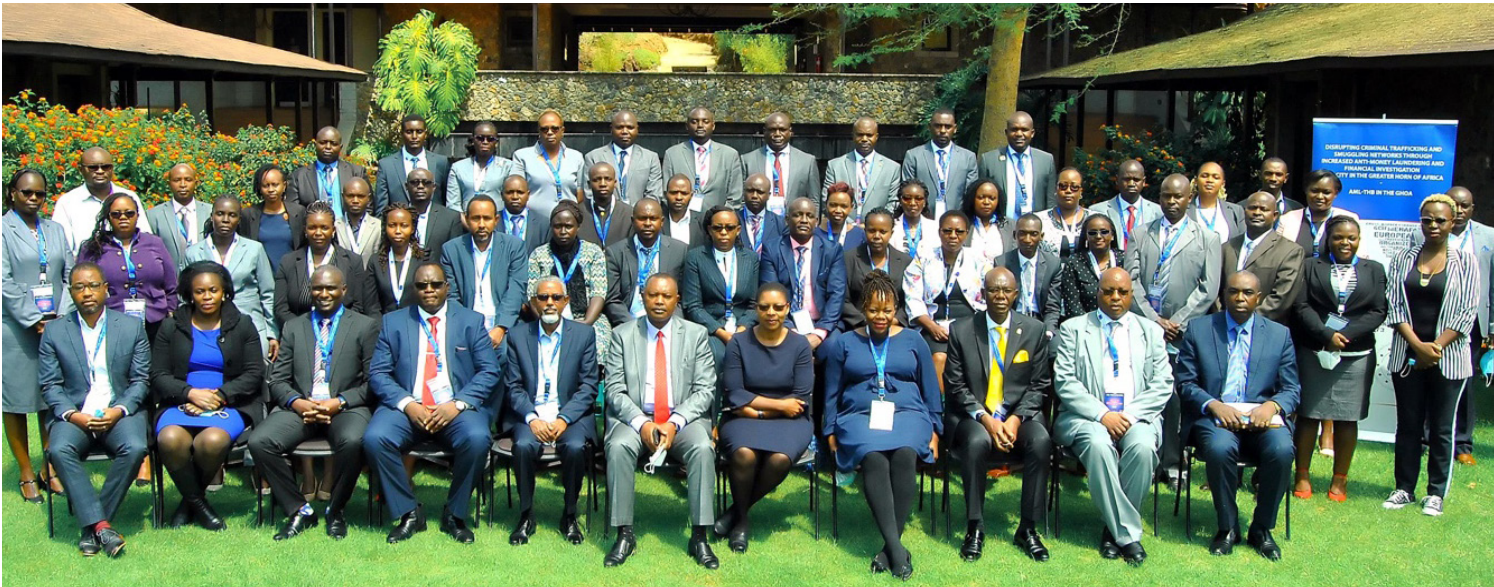
NO	KRA	VALUE	SCORE	RESULT
1	No. of participants	40	37 (5 or 13.51% Female & 32 male or 86.49%)	85%
2	Participants feedback	75≥ High	Overall assessment: 96.88% ≥ High	100%
			Relevance/importance: 100% Yes	
			Objective achieved: 100% fully achieved	
			Organisation/Quality: 96.88% ≥ High	
			Value addition in knowledge & skills on THB/SoM: 100% Yes	
			Value addition in knowledge & skills on detecting, identifying & reporting STRs of THB/SoM: 100% Yes	
			Method/interactivity: 96.88% ≥ High	
Contribution to the overall improvement of disseminating quality and adequate STRs = 100% Yes				
3	documents shared	N/A	Slides, exercises, reading materials, website links shared	100%
4	Activity report	1	Produced	100%
5	Summary report	1	Produced	100%

Feedback given by 32 of the total 37 participants confirmed this training is one of the highly rated activities. Charts excerpted from the post-training survey are appended below.

Post-training evaluation and feedback



SNAPSHOTS: National Training Sessions at Naivasha and Mombasa



Delegates of the National Training of Trainers (ToT) training held on 23rd to 28th May, 2021 at The Great Rift Valley Lodge, Naivasha, Kenya.



Dorcas Oduor (Deputy Director - Office of the Director of Public prosecution) delivers her opening remarks at the Naivasha Trainer of Trainers (ToT) training.



Keeping safe & attentive during the National Training of Trainers (ToT) at Naivasha, Kenya.



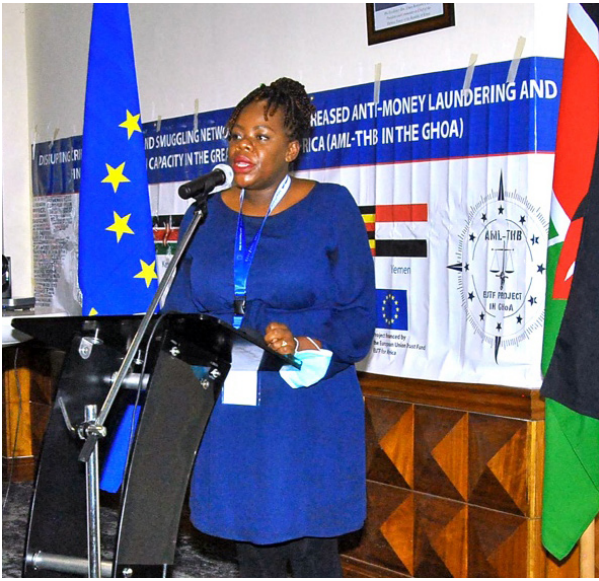
Alexander Muteshi (Director General - Immigration) delivers his opening remarks during the Trainer of Trainers (ToT) training at Naivasha, Kenya.



George Kinoti (Director - Directorate of Criminal Investigations) opens the National Training of Trainers (ToT) at Naivasha.



SNAPSHOTS: National Training Sessions at Naivasha and Mombasa



Alma Wanyama (Technical Advisor with the AML-THB Project) speaks at the National Training of Trainers ToT training,



Tuemay Aregawi (Senior Technical Advisor EUTF AML-THB Project) speaks during the GHoA training held in Mombasa, Kenya.



Participants at the Trainer of Trainers (ToT) training at Naivasha, Kenya.



Frédéric Bayard (AML-THB Project Director) addresses delegates during the GHoA training held at Pridelnn Paradise Beach Resort, Mombasa, Kenya.



The team at Pridelnn Paradise Beach Resort & Convention Centre, Mombasa Kenya on 22nd to 24th March, 2021.

AGA-AFRICA AND THE ANTI-MONEY LAUNDERING AND TRAFFICKING OF HUMAN BEINGS PROJECT (AML-THB) PARTNER FOR A HUMAN TRAFFICKING TRAINING FOR MAGISTRATES

Over the last 20 years the Attorney General Alliance has expanded beyond its original regional designation to count all US states, Mexico and member states in Africa (AGA-Africa) as participants.



In 2020 alone, AGA-Africa organized 37 virtual workshops and 15 webinars with our stakeholders throughout Africa. We trained over 2,500 officers across our member countries: Ghana, Kenya, Malawi, Nigeria, Rwanda, South Africa, Uganda and Zambia.

AGA-Africa was established in 2016 to contribute to the exchange of knowledge that can lead to the reduction and prevention of transnational crimes in collaboration with African stakeholders. AGA-Africa's parent organization, the Attorney General Alliance (AGA) based in the United States, is a bipartisan group comprising of chief legal officers from 15 western states and three Pacific territories with the primary function of providing a forum for legal officers to cultivate knowledge, co-operate on issues of legal concerns and coordinate actions which improve on the quality of legal services available to different institutions.

Over the last 20 years the Attorney General Alliance has expanded beyond its original regional designation to count all US states, Mexico and member states in Africa (AGA-Africa) as participants. Since its inception, AGA-Africa has sought to establish and foster robust relationships with justice and law enforcement agencies including other state and non-state actors in Africa to support the rule of law in combating transnational criminal activity. In 2020 alone, AGA-Africa organized 37 virtual workshops and 15 webinars with our stakeholders throughout Africa. We trained over 2,500 officers across our member countries: Ghana, Kenya, Malawi, Nigeria, Rwanda, South Africa, Uganda and Zambia.

One such collaboration was a three-day training for Magistrates on the subject of Human Trafficking in conjunction with the Anti-Money Laundering and Trafficking of Human Beings Project (AML-THB) and the Judiciary Training Institute (JTI). The event took place on 17th-19th February, 2021 at the Great Rift Valley Lodge in Naivasha, Kenya. The training brought together both US-based facilitators and regional subject matter experts. Drawing from best practice and prosecutorial experience in other established jurisdictions, the training included candid, lively and stimulating discussions around the highly complex and nuanced subject of human trafficking. The participants acknowledged the timeliness and relevance of the topic and expressed desire to continue expanding their knowledge in the area.

Speaking at the closing ceremony – on behalf of the AGA-Africa leadership steered by Executive Director, Karen White, and Executive Board Member, Markus Green – David C. Blake, General Counsel, Attorney General Alliance, termed the training as both enlightening and challenging. He spoke on the possibility of further collaborations exploring the *interaction of intelligence and the criminal world* as he extended AGA-Africa's invitation to stakeholders for partnership on this and other areas of transnational crime.

TWO YEARS ALREADY!

We will try, in a very modest way, to make you relive these beautiful encounters, these fabulous and happy moments which are rich in rewarding experiences and in-depth exchanges on our website



2 YEARS OF GREAT WORK

To all these high-profile leaders, in Kenya and in the region, we give a big thank you for their confidence in us, in the project and what we are doing in close collaboration with their best experts for the best possible return.

Yes, two years, but also 6 since we launched phase 1 of the AML-CFT project with its declination AML-THB in phase 2 on 1st July, 2019!

So many events, so many activities launched and organised despite the cruel period of the pandemic which hit some of us, friends and family, but also greatly disrupted the normal functioning of the institutions.

“Everything that is well conceived is clearly stated and the words to say it come easily “ : I will try through these few lines to unveil all that we have experienced at a crazy speed!

I - Successes vs Constraints; The true victory of a real commitment.

First of all, and despite the extremely severe constraints undertaken by the different countries in countering the pandemic, no less than 48 activities were organised thanks to your commitment. This is to say more than 1,000 participants with ever increasing audiences; 60 for the last face-to-face activity in Vipingo, Kenya, with the staff from the ODDP, the DCI, the ATPU, the ARA and the complicity of the JTI!

And we still have 30 events scheduled on the calendar until June 2022, not counting the regional and international conferences or international plenary sessions, as well as the “tailor-made” training programmes yet to come, after some partners expressed the wish!

If we count the off-peak periods and public holidays, that makes 3.5 activities per month to be put in place by the training team and the technical team... enormous, in fact colossal! I take this opportunity to congratulate them on your behalf, because this requires not only flawless organisation and exceptional commitment, but also a thriving creativity at all times.

II – The Human being versus the Crime; a magnificent and powerful tool!

These 48 activities were not only fruitful meetings with the numerous regional partner institutions, but also extraordinary and enriching exchanges at the regional level and more particularly at the Kenyan level. The effective notability were with those whom we have re-

launched our activities in person, the JTI, the ODPP, the DCI, the ARA, whose leaders are dazzling personalities and resolutely committed to the fight against all forms of crime, particularly in money laundering and corruption.

To all these high-profile leaders, in Kenya and in the region, we give a big thank you for their confidence in us, in the project and what we are doing in close collaboration with their best experts for the best possible return.

III - The march forward is a succession of failed falls: let's keep going onward and forget failures!

We will try, in a very modest way, to make you relive these beautiful encounters, these fabulous and happy moments which are rich in rewarding experiences and in-depth exchanges on our website, as Federico will explain further to you in this edition.

“Unfortunately, it has become obvious today that our technology has surpassed our humanity”: If Albert Einstein were still alive today, he would add “our technology and money”; because you are all witnesses of the horrible and senseless crimes committed against Humanity and the money that is the fruit of it to finance terrorism.

We cannot support this disgraceful and iniquitous decadence!

Let's all work together to fight against this scourge, this degeneration of mankind, and this is our promise that our project will be at your service in this perspective; Tuemay and Alma will say more in the pages to follow.

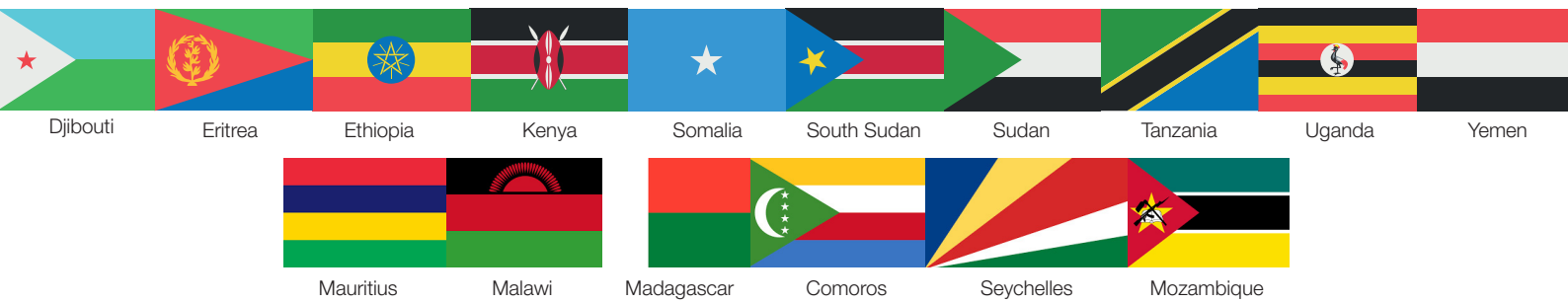
I wish you a good reading at the occasion of our second anniversary, I wish you also great successes in this fight against the Transnational Organised Crime, despite an already too deadly break out.

“Let's be determined and united”, this is the deepest meaning of our total commitment dear friends, dear colleagues, thank you all for supporting it so valiantly!

Frederic Bayard.



The AML-THB project's second cohort training held on the 9th to 11th March, 2021 at the Great Rift Valley Lodge, Naivasha, Kenya.



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The AML-THB PROJECT welcomes authors who would like to feature their articles in the newsletter in the relevant fields of AML-CFT/THB to write to info@aml-thb.eu

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